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China Jinmao Holdings Group Limited
中國金茂控股集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 00817)

DISCLOSEABLE TRANSACTION
PLEDGE OF EQUITY INTERESTS IN ZHUHAI TUOMAO

On 25 August 2023, the Project Company entered into the Loan Agreement with Industrial Bank Guangzhou Branch, pursuant to which Industrial Bank Guangzhou Branch agreed to provide the Loan in the principal amount of RMB2,000,000,000 to the Project Company at the interest rate of the one-year loan prime rate published by the National Interbank Funding Centre minus 0.05% for a term of 48 months. The Loan will be fully used for the development and construction of the Project. The Project Company is an affiliated company of the Company and is held as to 50% by each of Guangzhou Pinmao (an indirect wholly-owned subsidiary of the Company) and Beijing Lingxiu.

The Board announces that on 25 August 2023, Guangzhou Pinmao entered into the Equity Pledge Agreement with Industrial Bank Guangzhou Branch, pursuant to which Guangzhou Pinmao agreed to pledge its 50% equity interests in the Project Company in favour of Industrial Bank Guangzhou Branch to secure the due performance of the repayment obligations of the Project Company to Industrial Bank Guangzhou Branch under the Loan Agreement.

As the highest applicable percentage ratio in respect of the Pledge exceeds 5% but is less than 25%, the Pledge constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Background

On 25 August 2023, the Project Company entered into the Loan Agreement with Industrial Bank Guangzhou Branch, pursuant to which Industrial Bank Guangzhou Branch agreed to provide the Loan in the principal amount of RMB2,000,000,000 to the Project Company at the interest rate of the one-year loan prime rate published by the National Interbank Funding Centre minus 0.05% for a term of 48 months. The Loan will be fully used for the development and construction of the Project. The Project Company is an affiliated company of the Company and is held as to 50% by each of Guangzhou Pinmao (an indirect wholly-owned subsidiary of the Company) and Beijing Lingxiu.

Pursuant to the Loan Agreement, the Loan shall be secured by (i) a mortgage by the Project Company of the land use rights of the land on which the Project is located, (ii) a pledge by Guangzhou Pinmao of its 50% equity interests in the Project Company, and (iii) a pledge by Beijing Lingxiu of its 50% equity interests in the Project Company.

In this regard, on 25 August 2023, Guangzhou Pinmao entered into the Equity Pledge Agreement with Industrial Bank Guangzhou Branch, pursuant to which Guangzhou Pinmao agreed to pledge its 50% equity interests in the Project Company in favour of Industrial Bank Guangzhou Branch to secure the due performance of the repayment obligations of the Project Company to Industrial Bank Guangzhou Branch under the Loan Agreement.

PRINCIPAL TERMS OF THE EQUITY PLEDGE AGREEMENT

Date

25 August 2023

Parties

Pledgor: Guangzhou Pinmao

Pledgee: Industrial Bank Guangzhou Branch

Equity interests to be pledged

Pursuant to the Equity Pledge Agreement, Guangzhou Pinmao agreed to pledge its 50% equity interests in the Project Company in favour of Industrial Bank Guangzhou Branch to secure the due performance of the repayment obligations of the Project Company to Industrial Bank Guangzhou Branch under the Loan Agreement.

Scope of security

The scope of security under the Equity Pledge Agreement is 50% of the sum of the outstanding principal amount and the accrued interest of the Loan under the Loan Agreement, together with any liquidated damages and expenses incurred by Industrial Bank Guangzhou Branch for realising its creditor's rights.

Pledge registration

Guangzhou Pinmao shall cooperate with Industrial Bank Guangzhou Branch to complete the pledge registration procedures with the pledge registration authority in accordance with the relevant requirements of the PRC laws and regulations within 90 working days after the signing of the Equity Pledge Agreement.

Term

The Equity Pledge Agreement shall take effect from the date of signing and shall be valid until all the secured debts under the Loan Agreement have been settled.

REASONS FOR AND BENEFITS OF ENTERING INTO THE EQUITY PLEDGE AGREEMENT

The Project Company is principally engaged in the development of the Project. The Project is located in Doumen District, Zhuhai City, Guangdong Province, with a site area of approximately 345,139 sq.m. and a capacity gross floor area of approximately 446,423 sq.m., and is intended to be developed into a community complex comprising residential properties, educational facilities, parks and commercial properties. All the funds received by the Project Company under the Loan Agreement will be used for the development and construction of the Project, and the repayment of the principal and interest of the Loan will mainly be funded from the sales and operating income of the Project.

The provision of the Pledge by Guangzhou Pinmao will facilitate the Project Company to fully utilise market resources to meet the capital needs for the development and construction of the Project. Guangzhou Pinmao is entitled to a pro-rata share of the distribution and return arising from its investment in the Project Company, therefore the Pledge will ultimately benefit Guangzhou Pinmao as an investor of the Project Company. The scope of the Pledge is 50% of the secured debts under the Loan Agreement, which is proportional to the 50% equity interests held by Guangzhou Pinmao in the Project Company. The Company is of the view that the provision of the Pledge will help the Project Company obtain financing on reasonable terms, effectively alleviate the financial pressure of the Project Company, and the risks arising from the Loan are shared by Guangzhou Pinmao as an investor of the Project Company on a fair and reasonable basis.

The Directors consider that the Equity Pledge Agreement is entered into on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Pledge exceeds 5% but is less than 25%, the Pledge constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INFORMATION ON THE PARTIES

The Company is a large-scale developer and operator of quality real estate projects in the PRC. The Company is the platform enterprise of Sinochem Holdings Corporation Ltd. (中國中化控股有限責任公司) in the development of real estate business. The Company is currently principally engaged in city operations, property development, commercial leasing, retail operations, hotel operations, as well as technology and services.

Guangzhou Pinmao is an indirect wholly-owned subsidiary of the Company and is principally engaged in property investment and development in the PRC.

The Project Company was established in October 2019 with a registered capital of RMB100,000,000 and is principally engaged in the development of the Project. The Project Company is an affiliated company of the Company and is held as to 50% by each of Guangzhou Pinmao and Beijing Lingxiu.

Beijing Lingxiu is a limited partnership and an affiliated company of the Company. The limited partnership interests of Beijing Lingxiu are held as to 39.9517% by the Group and 52.9276% by Beijing Science and Technology Park Construction (Group) Co., Ltd. (“**BSCC**”, 北京科技園建設(集團)股份有限公司, whose ultimate controller is the People’s Government of Beijing Municipality). The general partners of Beijing Lingxiu are Tianjin Jinmao Jiacheng Investment Management Co, Ltd. (“**Jinmao Jiacheng**” 天津金茂嘉誠投資管理有限公司) and a wholly-owned subsidiary of BSCC, each holding 0.0604%. Jinmao Jiacheng is indirectly held as to 50% by each of the Company and Shenwan Hongyuan Group Co., Ltd. (申萬宏源集團股份有限公司, the A shares and H shares of which are listed on the Shenzhen Stock Exchange and the Stock Exchange under stock codes 000166 (A shares) and 6806 (H shares), respectively). To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, save for the Group’s interests in Beijing Lingxiu as mentioned above, the ultimate beneficial owners of Beijing Lingxiu are third parties independent of the Company and its connected persons.

Industrial Bank Guangzhou Branch is one of the branches of Industrial Bank. Founded in August 1988, Industrial Bank is one of the first joint-stock commercial banks approved by the State Council and the People’s Bank of China. It has developed into a modern comprehensive financial services group focusing on banking business, and covering services including trust, financial leasing, funds, futures, asset management, consumer finance, wealth management, digital finance and research and consulting. The shares of Industrial Bank are listed on the Shanghai Stock Exchange (stock code: 601166). To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, Industrial Bank and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Beijing Lingxiu”	Beijing Lingxiu Chuangying Information Consulting Centre (Limited Partnership)(北京領秀創贏信息諮詢中心(有限合夥)), a limited partnership established under the laws of the PRC, and an affiliated company of the Company
“Board”	the board of directors of the Company
“Company”	China Jinmao Holdings Group Limited (中國金茂控股集團有限公司), a company incorporated in Hong Kong with limited liability, whose shares are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company

“Equity Pledge Agreement”	the equity pledge agreement entered into between Guangzhou Pinmao (as pledgor) and Industrial Bank Guangzhou Branch (as pledgee) on 25 August 2023
“Group”	the Company and its subsidiaries
“Guangzhou Pinmao”	Guangzhou Pinmao Real Estate Development Co., Ltd.(廣州品茂房地產開發有限公司), a company incorporated in the PRC with limited liability, and an indirect wholly-owned subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Industrial Bank”	Industrial Bank Co., Ltd. (興業銀行股份有限公司), a company incorporated in the PRC with limited liability, whose shares are listed on the Shanghai Stock Exchange (stock code: 601166)
“Industrial Bank Guangzhou Branch”	Industrial Bank Co., Ltd., Guangzhou Branch, one of the branches of Industrial Bank
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	a loan in the principal amount of RMB2,000,000,000 provided by Industrial Bank Guangzhou Branch to the Project Company pursuant to the Loan Agreement
“Loan Agreement”	the loan agreement entered between the Project Company (as borrower) and Industrial Bank Guangzhou Branch (as lender) on 25 August 2023
“Pledge”	the pledge by Guangzhou Pinmao of its 50% equity interests in the Project Company in favour of Industrial Bank Guangzhou Branch pursuant to the Equity Pledge Agreement
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Project”	Huxin Jinmao Residence Project (湖心金茂悅項目) to be constructed on the land parcel No. 2019-28 Zhu Zi Ran Zi Chu located in Doumen District, Zhuhai City, Guangdong Province, the PRC

“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Zhuhai Tuomao” or “Project Company”	Zhuhai Tuomao Real Estate Development Co., Ltd.(珠海拓茂房地產開發有限公司), a company established under the laws of the PRC with limited liability, which is owned as to 50% by each of Guangzhou Pinmao and Beijing Lingxiu, and an affiliated company of the Company

By order of the Board
China Jinmao Holdings Group Limited
ZHANG Zenggen
Chairman

Hong Kong, 25 August 2023

As at the date of this announcement, the Directors of the Company are Mr. ZHANG Zenggen (Chairman), Mr. TAO Tianhai, Mr. SONG Liuyi and Ms. QIAO Xiaojie as Executive Directors; Mr. CHENG Yong, Ms. CHEN Aihua, Mr. AN Hongjun and Mr. CHEN Chuan as Non-executive Directors; and Mr. SU Xijia, Mr. SUEN Man Tak, Mr. GAO Shibin and Mr. ZHONG Wei as Independent Non-executive Directors.