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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
DISPOSAL OF EQUITY INTEREST IN JINMAO BEIJING REAL ESTATE

Reference is made to the indicative announcement of the Company dated 14 September 2023 in relation to the proposed disposal by the Group of its 100% equity interest in Jinmao Beijing Real Estate through the listing-for-sale process organized by CBEX.

The Board hereby announces that Bohai Runze won the bid for the 100% equity interest in Jinmao Beijing Real Estate at a consideration of RMB2,801.83 million through the listing-for-sale process. On 17 October 2023, Shanghai Jinmao, a wholly-owned subsidiary of the Company, and Bohai Runze entered into the Equity Transfer Agreement in relation to the Disposal.

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

BACKGROUND

Reference is made to the indicative announcement of the Company dated 14 September 2023 in relation to the proposed disposal by the Group of its 100% equity interest in Jinmao Beijing Real Estate through the listing-for-sale process organized by CBEX.

The Board hereby announces that Bohai Runze won the bid for the 100% equity interest in Jinmao Beijing Real Estate at a consideration of RMB2,801.83 million through the listing-for-sale process. On 17 October 2023, Shanghai Jinmao, a wholly-owned subsidiary of the Company, and Bohai Runze entered into the Equity Transfer Agreement in relation to the Disposal.

EQUITY TRANSFER AGREEMENT

Parties

Vendor: Shanghai Jinmao

Purchaser: Bohai Runze

Date of Agreement and Effective Date

17 October 2023

The Equity Transfer Agreement shall come into effect on the date on which it is officially signed by the two parties with seals affixed.

Interest to be Disposed of

The 100% equity interest in Jinmao Beijing Real Estate

Consideration and Evaluation

The consideration for the Disposal is RMB2,801.83 million, which was arrived at as a result of the successful bidding by the Purchaser through the listing-for-sale process. The minimum bidding price as set forth in the listing-for-sale document was RMB2,801.83 million, which was determined based on the appraised net assets value of approximately RMB2,677.11 million of Jinmao Beijing Real Estate as of 31 March 2023. The asset appraisal was carried out by Beijing Zhuoxindahua Appraisal Co., Ltd., an independent valuer, using the asset-based approach.

Payment and Completion

The consideration for the Disposal shall be payable in cash by the Purchaser in the following manner:

- (a) Security deposit: the Purchaser has paid the security deposit of RMB840.54 million to the bank account designated by CBEX. Upon execution of the Equity Transfer Agreement, the security deposit will be converted into part of the consideration; and
- (b) Payment of consideration: the Purchaser shall pay the remaining part of the consideration (other than the security deposit) in one lump sum to the bank account designated by CBEX within five working days following the execution of the Equity Transfer Agreement.
- (c) CBEX shall transfer the entire consideration in one lump sum to the bank account designated by Shanghai Jinmao within three working days after the issuance of the transaction certificate.

Upon receipt by Shanghai Jinmao of the entire transfer consideration from CBEX, the Purchaser shall enjoy all the rights and assume all the obligations as a shareholder of Jinmao Beijing Real Estate.

Within thirty days after obtaining the transaction certificate issued by CBEX, the Purchaser shall, in coordination with Shanghai Jinmao and Jinmao Beijing Real Estate, submit a full set of industrial and commercial registration documents of Jinmao Beijing Real Estate to the competent authority of Administration for Market Regulation of Jinmao Beijing Real Estate, and complete the change of industry and commercial registration in respect of the equity transfer, including the change of names Jinmao Beijing Real Estate and its branches so as to remove the expression of “Jinmao” from such names.

INFORMATION ABOUT JINMAO BEIJING REAL ESTATE

Jinmao Beijing Real Estate was established on 25 June 2007, with a registered capital of RMB1,600 million. As at the date of this announcement, Jinmao Beijing Real Estate is wholly-owned by Shanghai Jinmao. Jinmao Beijing Real Estate owns The Westin Beijing Chaoyang, a 5-star hotel opened in 2008 with 550 guest rooms and suites.

Set out below are the key financial data of Jinmao Beijing Real Estate:

Unit: RMB million

	31 July 2023 <i>(Unaudited)</i>	31 December 2022 <i>(Audited)</i>
Total assets	1,601.16	1,591.78
Total liabilities	72.45	52.53
Equity attributable to owners	1,528.71	1,539.25

Unit: RMB million

	For the seven months ended 31 July 2023 <i>(Unaudited)</i>	For the year ended 31 December 2022 <i>(Audited)</i>	For the year ended 31 December 2021 <i>(Audited)</i>
Operating revenue	131.56	97.02	152.83
Net profit/("-" refers to loss) (before taxation and extraordinary items)	-11.26	-69.44	-38.10
Net profit/("-" refers to loss) (after taxation and extraordinary items)	- 8.43	-49.96	-19.31

FINANCIAL EFFECT OF THE DISPOSAL

The gain (before tax) from the Disposal is approximately RMB1,269.32 million, which is calculated based on the consideration for the Disposal of approximately RMB2,801.83 million, and the total equity of the 100% equity interest in Jinmao Beijing Real Estate of approximately RMB1,532.51 million as at 30 September 2023. The actual gain from the Disposal will be disclosed by the Company in its audited consolidated financial statements.

Upon completion of the Disposal, Jinmao Beijing Real Estate will cease to be a subsidiary of the Company.

The Group intends to use the proceeds from the Disposal towards future possible appropriate investments and/or as general working capital.

REASONS FOR AND BENEFITS OF THE DISPOSAL

Jinmao Beijing Real Estate owns The Westin Beijing Chaoyang, a 5-star hotel. The Directors consider that it is a good opportunity to realise the sale of the hotel as a whole at a reasonable price by way of disposal of equity interest under the current market condition. The cash flows and profits generated from the Disposal will improve the overall financial position and working capital condition of the Group and also enable the Group to pursue other new investment opportunities in due course.

The Directors consider that the Disposal is conducted on normal commercial terms and the terms of the Disposal are 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 Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

GENERAL INFORMATION

The Group

The Company is a developer and operator of large-scale and quality real estate projects in the PRC. The Company is the platform enterprise of Sinochem Holdings Corporation Ltd. 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.

Shanghai Jinmao is a wholly-owned subsidiary of the Company and is principally engaged in corporate management, financial management consultancy services in the PRC.

The Purchaser

Bohai Runze is principally engaged in the business of hotel management, commercial complex management services in the PRC.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as of the date of this announcement, the ultimate beneficial owners of the Purchaser are Shi Cui and Su Fushe; and the Purchaser and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

DEFINITIONS

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

“CBEX”	the China Beijing Equity Exchange (北京產權交易所)
“Board”	the board of Directors of the Company
“Bohai Runze” or “Purchaser”	Beijing Bohai Runze Commercial Management Co., Ltd. (北京渤海潤澤商業管理有限公司), a company with limited liability established under the laws of the PRC
“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, the shares of which are listed on The Stock Exchange of Hong Kong Limited
“Directors”	the directors of the Company
“Disposal”	the proposed disposal by Shanghai Jinmao of its 100% equity interest in Jinmao Beijing Real Estate to the Purchaser
“Equity Transfer Agreement”	the equity transfer agreement entered into between Shanghai Jinmao and the Purchaser on 17 October 2023 in relation to the Disposal
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jinmao Beijing Real Estate”	Jinmao (Beijing) Real Estate Co., Ltd. (金茂(北京)置業有限公司), a company established under the laws of the PRC with limited liability, which is wholly-owned by Shanghai Jinmao as at the date of this announcement

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Jinmao”	Shanghai Jinmao Investment Management Group Co., Ltd. (上海金茂投資管理集團有限公司), a company incorporated in the PRC with limited liability, and a wholly-owned subsidiary of the Company
“subsidiary”	has the meaning ascribed to it under the Listing Rules

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

Hong Kong, 17 October 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.