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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)**

**PROPOSED SPIN-OFF AND SEPARATE LISTING OF  
A PUBLICLY TRADED INFRASTRUCTURE SECURITIES  
INVESTMENT FUND ON THE SHANGHAI STOCK EXCHANGE**

**PROPOSED SPIN-OFF**

The Board was informed on 26 October 2023, the application materials on the registration and listing of CAMC-Jinmao Shopping Mall Close-end Infrastructure Securities Investment Fund\* (華夏金茂購物中心封閉式基礎設施證券投資基金) have been accepted by the CSRC and the Shanghai Stock Exchange for further approval. The Company has submitted the PN15 Application and a waiver application from strict compliance with paragraph 3(f) of PN15 regarding the assured entitlement requirement to the Hong Kong Stock Exchange, and the Hong Kong Stock Exchange has granted such waiver and confirmed that the Company may proceed with the Proposed Spin-off.

The Company will make further announcement(s) in relation to the Proposed Spin-off as and when appropriate in accordance with the requirements of the Listing Rules.

**Shareholders and potential investors should note that the listing of the REITs is subject to, among other things, the review and/or approval of the CSRC and the Shanghai Stock Exchange. Accordingly, Shareholders and potential investors should be aware that there is no assurance that the public offering of the REITs will take place or as to when it may take place. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

## **PROPOSED SPIN-OFF**

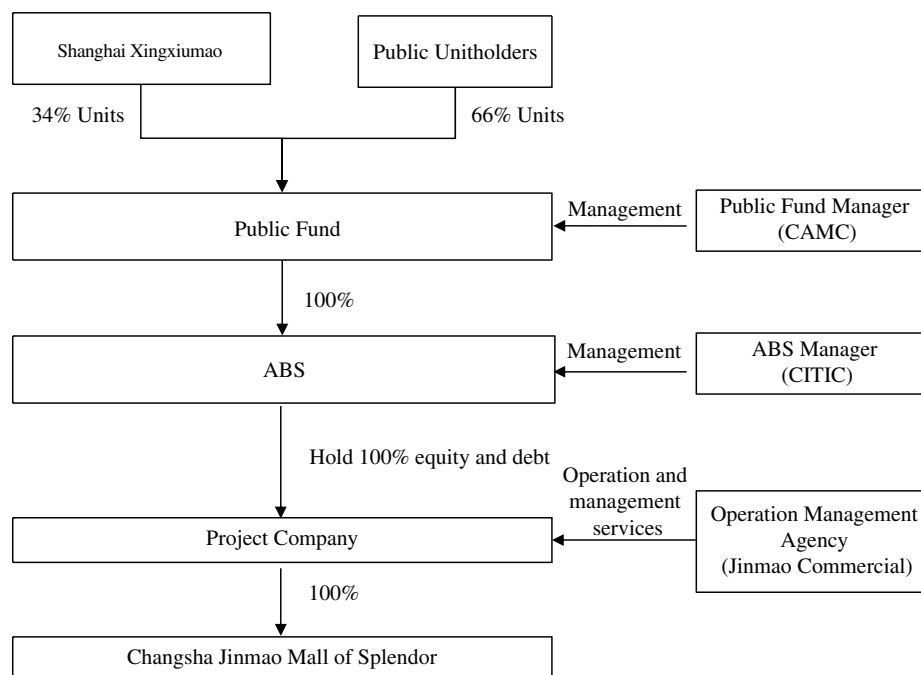
The Board was informed on 26 October 2023, the application materials on the registration and listing of CAMC-Jinmao Shopping Mall Close-end Infrastructure Securities Investment Fund\* (華夏金茂購物中心封閉式基礎設施證券投資基金) have been accepted by the CSRC and the Shanghai Stock Exchange for further approval.

The underlying assets of the REITs is the Project which is located in 1177 Huanhu Road, Meixi Lake, Yuelu District, Changsha, Hunan Province, the PRC. To effect the establishment of the REITs, the Project Company, an indirect wholly owned subsidiary of the Company, was incorporated in April 2023 and has acquired the entire interests in the Project from the subsidiaries of the Company. As at the date of this announcement, the Company indirectly holds 100% of the equity interests of the Project through the Project Company.

For the purpose of the Proposed Spin-off, CAMC, as the Public Fund Manager, will set up the Public Fund as a publicly offered infrastructure securities investment fund. Upon the Proposed Listing, the Company, through Shanghai Xingxiumao, will subscribe for approximately 34% of the total number of the Units in issue as a strategic investor. For the purpose of the Proposed Spin-off and as required under the applicable PRC laws and regulations, the ABS will be set up by the ABS Manager. Upon completion of the Proposed Listing, the Public Fund will apply the proceeds to subscribe for the entire interest in the ABS, subsequent to which, ABS will use the subscription monies to acquire the entire interest in Project Company from the Group. Upon completion of such acquisition, the Project Company will be 100% held by the REITs and will cease to be a subsidiary of the Company. Therefore, the REITs will not be a subsidiary of the Company and will not be consolidated into the financial statement of the Company. As it is expected that the Proposed Spin-off will result in a reduction of the Company's interest in the Project, the Proposed Spin-off, if materialised, may constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

The Public Fund Manager, the Project Company and Jinmao Commercial, an indirect wholly-owned subsidiary of the Company, would enter into an operation management services agreement, pursuant to which Jinmao Commercial will act as the Operation Management Agency to provide operation and management services to the Project, including administrative support. The REITs would pay a management fee for the services.

The structure of the REITs upon completion of the Proposed Spin-off and the Proposed Listing is set out as below:



The Company has submitted the PN15 Application and a waiver application from strict compliance with paragraph 3(f) of PN15 regarding the assured entitlement requirement to the Hong Kong Stock Exchange, and the Hong Kong Stock Exchange has granted such waiver and confirmed that the Company may proceed with the Proposed Spin-off. The Proposed Spin-off is conditional upon, among other things, the approval by the CSRC and the Shanghai Stock Exchange of the Proposed Listing. The Company will make further announcement(s) in relation to the Proposed Spin-off as and when appropriate in accordance with the requirements of the Listing Rules.

## REASONS FOR AND BENEFITS OF THE PROPOSED SPIN-OFF

The Directors are of the view that the Proposed Spin-off will benefit both the Group and the REITs for the following reasons:

- (1) The Proposed Listing will provide an operating and listed financing platform for the Group for asset holding purpose. Upon completion of the Proposed Spin-off and the Proposed Listing, the REITs will become an independent listed platform in the Mainland, and can further raise funds through such platform to develop its asset holding business in the Mainland. Meanwhile, the Group (through the Operation Management Agency) will continue to operate and manage the Project via such platform and further strengthen the Group's asset operation capability through the operational arrangements and market comparison pressure after the Proposed Spin-off and Proposed Listing. It is in line with the Group's strategy of promoting the holding business to focus on boutique properties and improving the level of returns.
- (2) In the long run, the REITs can continue to acquire new and mature assets and the Group can also collect fees for the operation management services provided by the Operation Management Agency. The Company will continue to benefit from the business prospects and results of the REITs through stable return that it will receive in the form of distribution as a holder of the Units and the profit contribution of the Group will be enhanced from boutique property holding and asset operation and management.

- (3) The Project is a boutique property that the Group intends to focus on in the future. On the one hand, the Proposed Spin-off is an effective attempt by the Group in capital operation, it is also conducive to enhancing the market image and reputation of the Group and the Mall of Splendor Series of products, thereby assisting future business development and brand building of the Group.
- (4) The public offering and establishment of the REITs and a separate listing in the Mainland can provide equity financing for the Group and effectively supplement the equity capital. On the one hand, it can effectively facilitate the reinvestment, development and construction of future holding assets, forming a closed-cycle of investment, operation and exit. On the other hand, it can also optimize the financial performance of the Group to a certain extent.

### **WAIVER FROM STRICT COMPLIANCE WITH PARAGRAPH 3(F) OF PN15**

Paragraph 3(f) of PN15 requires a listed company contemplating a spin-off to have due regard to the interests of its existing shareholders by providing them with an assured entitlement to shares in the spun-off entity, either by way of a distribution in specie of existing shares in the spun-off entity or by way of preferred application in any offering of existing or new shares in the spun-off entity.

As advised by the PRC Legal Advisor, according to relevant laws and regulations of the PRC, investors subscribe for units of public funds must have RMB ordinary securities accounts, close-end fund accounts or open-end fund accounts maintained through China Securities Depository and Clearing Corporation Limited. RMB ordinary securities accounts and close-end fund accounts can only be opened by (i) qualified PRC investors, including PRC citizens over 18 years old and PRC citizens over 16 years old whose main source of support is income from his/her own labour, foreigners with PRC permanent resident status, and ordinary PRC institutional investors; (ii) qualified overseas investors, including residents from Hong Kong, Macau and Taiwan who work and reside in the mainland of the PRC; and (iii) qualified special institutions and products, mainly including securities companies and their asset management subsidiaries, fund management companies and their subsidiaries, insurance companies, trust companies, banks and their commercial bank wealth management subsidiaries, foreign strategic investors approved by the relevant authorities in the PRC, securities investment products of asset management scheme of securities companies, asset management scheme of fund management companies, asset management scheme of futures companies, asset management scheme of insurance asset management companies, security investment funds, trust products, insurance products, bank wealth management products, enterprise annuity schemes, occupational annuity schemes, pension fund products, social security funds, private funds, qualified foreign institutional investors and RMB qualified foreign institutional investors; open-end fund accounts can only be opened by (iv) individual investors with certain valid identification documents; and (v) other institutional and individual investors that fulfil the account opening standards of fund sales agencies institutions ((i) to (v) are collectively referred to as “**Qualified Investors**”).

As the Company is a listed company with diverse and unascertainable identities of Shareholders (which may include PRC residents and non-PRC residents), not all, if any, of the Shareholders may be qualified to hold the Units following the Proposed Listing, and thus compliance with paragraph 3(f) of PN15 in relation to the Proposed Listing may not be feasible.

Furthermore, the PRC Legal Advisor also advised that, according to the requirements of relevant laws, regulations and guidance of the PRC, unless otherwise prescribed by law, the investors of the Infrastructure REITs are prohibited from being provided with a preferential allocation of the units on the ground that all investors shall be treated equally. Except for the strategic placement to the original owners of the Infrastructure REITs or their related parties under common control and the units offered to offline investors in accordance with the applicable laws and regulations, the relevant laws and regulations do not grant other specific entities the right to subscribe for a specific percentage of the units of public funds on a preferential basis. Pursuant to the applicable PRC laws and regulations, if the Shareholders are not qualified to participate in the preferential allocations by way of strategic placement or as offline investors, the Company is unable to provide the Shareholders with assured entitlement by way of preferential allocation of the Units.

Pursuant to the relevant guidance of the PRC, the original owners of the infrastructure assets or their related parties under common control shall subscribe for not less than 20% of the total number of the Infrastructure REITs units under the strategic placement. If the original owner of the infrastructure assets holds not less than 20% of the Infrastructure REITs units, it must hold 20% of the Infrastructure REITs units for at least 60 months from the listing date of the Infrastructure REITs, whilst any units held by such original owner in excess of 20% must be held for at least 36 months from the listing date of the Infrastructure REITs. As advised by the PRC Legal Advisor, since the Company (through its subsidiary) will hold more than 20% of the Units upon completion of the Proposed Listing, the Company (through its subsidiary) will be required to hold the Units for at least 36 months from the date of the Proposed Listing pursuant to the relevant guidance of the PRC. Therefore, it is impractical for the Company to transfer or distribute the Units to the Shareholders.

After due and careful consideration of the Proposed Spin-off and having taken into account the advice from the PRC Legal Advisor on the legal impediments in fulfilling such requirement, the Board considers that it is not feasible for the Company to comply with paragraph 3(f) of PN15 in connection with the Proposed Spin-off. Accordingly, the Board has resolved not to provide assured entitlement to the Shareholders under the Proposed Listing due to the legal restrictions in offering PRC listed units to overseas investors, including the proposed offering of the Units to the Shareholders, and considers that the Proposed Spin-off and the non-provision of the assured entitlement in relation to the Proposed Spin-off are fair and reasonable, and in the interest of the Company and the Shareholders as a whole. The Company has also applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirement of paragraph 3(f) of PN15.

**Shareholders and potential investors should note that the listing of the REITs is subject to, among other things, the review and/or approval of the CSRC and the Shanghai Stock Exchange. Accordingly, Shareholders and potential investors should be aware that there is no assurance that the public offering of the REITs will take place or as to when it may take place. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“ABS”	CITIC-Jinmao Shopping Mall No. 1 Asset-back Special Purpose Plan* (中信證券金茂購物中心1號資產支持專項計劃), an infrastructure asset-back special purpose plan managed by the ABS Manager to securitise the Project
“Board”	the board of Directors of the Company
“CAMC” or “Public Fund Manager”	China Asset Management Co., Ltd* (華夏基金管理有限公司)
“CITIC” or “ABS Manager”	CITIC Securities Co., Ltd* (中信証券股份有限公司)
“Company”	China Jinmao Holdings Group Limited (中國金茂控股集團有限公司), a company incorporated under the laws of Hong Kong with limited liability, whose shares are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 00817)
“CSRC”	the China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Infrastructure REITs”	the publicly offered real estate investment trust for infrastructure assets established under the Pilot Scheme initiated by the CSRC and the NDRC
“Jinmao Commercial” or “Operation Management Agency”	Jinmao Commercial Property (Shanghai) Co., Ltd.* (金茂商業房地產(上海)有限公司), which is an indirect wholly-owned subsidiary of the Company as at the date of this announcement

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“NDRC”	the National Development and Reform Commission
“Pilot Scheme”	the pilot scheme for Infrastructure REITs initiated by the CSRC and the NDRC
“PN15”	Practice Note 15 of the Listing Rules
“PN15 Application”	the application of the Company in respect of the Proposed Spin-off pursuant to PN15
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan)
“PRC Legal Advisor”	Jincheng Tongda & Neal, the PRC legal advisor to the Company
“Project”	Changsha Jinmao Mall of Splendor* (長沙金茂覽秀城)
“Project Company”	Changsha Xiumao Business Management Co., Ltd.* (長沙秀茂商業管理有限公司), which is an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“Proposed Listing”	the proposed listing of the Units on the Shanghai Stock Exchange
“Proposed Spin-off”	the spin-off and separate listing of the Project through the structure of the Infrastructure REITs on the Shanghai Stock Exchange
“Public Fund”	CAMC-Jinmao Shopping Mall Close-end Infrastructure Securities Investment Fund* (華夏金茂購物中心封閉式基礎設施證券投資基金), a publicly offered infrastructure securities investment fund established within the structure of the REITs
“REITs”	the Infrastructure REITs to be established for the Proposed Spin-off
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Xingxiumao”	Shanghai Xingxiumao Business Management Co., Ltd.* (上海興秀茂商業管理有限公司), which is an indirect wholly-owned subsidiary of the Company as at the date of this announcement

“Shareholders” shareholders of the Company

“Units” the units of the Public Fund

“%” per cent

\* *For identification purpose only*

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

Hong Kong, 26 October 2023

*As at the date of this announcement, the Directors of the Company are Mr. ZHANG Zenggen (Chairman), Mr. TAO Tianhai, Mr. ZHANG Hui 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.*