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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
ACQUISITION OF 49% EQUITY INTERESTS IN CHENGDU YUEMAO

The Board hereby announces that on 15 May 2024, Jinmao Xinan (an indirect wholly-owned subsidiary of the Company), Jiaxing Zhenmao and Chengdu Yuemao entered into the Equity Transfer Agreement, pursuant to which Jinmao Xinan agreed to acquire and Jiaxing Zhenmao agreed to sell 49% equity interests in Chengdu Yuemao for a total consideration of approximately RMB1,192.81 million.

As at the date of this announcement, Chengdu Yuemao is held as to 51% by Chongqing Shanyanmao, an indirect wholly-owned subsidiary of the Company and 49% by Jiaxing Zhenmao, and is an indirect non-wholly-owned subsidiary of the Company. Upon completion of the Transaction, Chengdu Yuemao will become an indirect wholly-owned subsidiary of the Company.

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

BACKGROUND

The Board hereby announces that on 15 May 2024, Jinmao Xinan (an indirect wholly-owned subsidiary of the Company), Jiaxing Zhenmao and Chengdu Yuemao entered into the Equity Transfer Agreement, pursuant to which Jinmao Xinan agreed to acquire and Jiaxing Zhenmao agreed to sell 49% equity interests in Chengdu Yuemao for a total consideration of approximately RMB1,192.81 million.

PRINCIPAL TERMS OF THE EQUITY TRANSFER AGREEMENT

Date

15 May 2024

Parties

- (1) Jinmao Xinan (as the Purchaser)
- (2) Jiaxing Zhenmao (as the Seller)
- (3) Chengdu Yuemao (as the project company)

Interests to be acquired

As at the date of this announcement, Chengdu Yuemao is held as to 51% by Chongqing Shanyanmao, an indirect wholly-owned subsidiary of the Company and 49% by Jiaxing Zhenmao, and is an indirect non-wholly-owned subsidiary of the Company. Pursuant to the Equity Transfer Agreement, Jinmao Xinan agreed to acquire and Jiaxing Zhenmao agreed to sell 49% equity interests in Chengdu Yuemao. Upon completion of the Transaction, Chengdu Yuemao will become an indirect wholly-owned subsidiary of the Company.

Consideration and payment

The total consideration for the Transaction is RMB1,192.81 million, which was determined based on the appraised value of the net assets of Chengdu Yuemao as at 30 September 2023 (i.e. RMB2,399,201,200) as valued by an independent valuer using the asset-based approach, and further adjusted based on the agreement in the Loan Agreements entered into between Chengdu Yuemao and Shanghai Jinmao, a wholly-owned subsidiary of the Company, regarding that all loan interests corresponding to 49% of the loan principal shall be entitled by Jiaxing Zhenmao, including:

- 1) Excluding the net after-tax amount of RMB33,729,451.98 paid by Shanghai Jinmao to Chengdu Yuemao as of 30 September 2023 for the loan interests that shall be entitled by Jiaxing Zhenmao under the Loan Agreements, the adjusted consideration for 49% equity interests in Chengdu Yuemao is RMB1,159,081,156.53; and
- 2) Chengdu Yuemao shall simultaneously pay the net after-tax amount of RMB33,729,451.98 for all loan interests entitled by Jiaxing Zhenmao pursuant to the Loan Agreements.

Jinmao Xinan shall pay the consideration in one lump sum to the account designated by Jiaxing Zhenmao in cash within 10 working days after signing the Equity Transfer Agreement. The parties shall cooperate to complete the formalities for the change of registration with the department in charge of industrial and commercial administration in relation to the transfer of 49% equity interests in Chengdu Yuemao within 30 working days after the payment of consideration. The cash amount payable by Jinmao Xinan will be funded by the internal resources of the Group.

INFORMATION ABOUT CHENGDU YUEMAO AND THE PROJECT

Chengdu Yuemao was established on 8 April 2022. As at the date of this announcement, the registered capital of Chengdu Yuemao is RMB2,320,310,000, which is held as to 51% by Chongqing Shanyanmao and 49% by Jiaxing Zhenmao. Upon completion of the Transaction, Chengdu Yuemao will become an indirect wholly-owned subsidiary of the Company.

Chengdu Yuemao is engaged in the development of the Project. The Project is located in the area of Yuehu Science and Technology City, Wuhou District, Chengdu, Sichuan Province, the PRC. The Project has a site area of approximately 42,767.5 sq.m. and has been developed into a saleable residential project with a total gross floor area of approximately 123,716.12 sq.m. The construction was completed in March 2024.

Based on the financial statements of Chengdu Yuemao prepared in accordance with the China Accounting Standards for Business Enterprises, the audited total assets and the audited net assets of Chengdu Yuemao as at 31 December 2023 were approximately RMB4,163.64 million and RMB2,323.00 million, respectively. The profitability of Chengdu Yuemao for the two years ended 31 December 2023 is as follows:

	For the year ended 31 December 2022 <i>(approximately RMB million)</i> <i>(Audited)</i>	For the year ended 31 December 2023 <i>(approximately RMB million)</i> <i>(Audited)</i>
Loss/profit before taxation	-32.21	36.15
Loss/profit after taxation	-24.17	27.11

REASONS FOR AND BENEFITS OF THE TRANSACTION

Jiaxing Zhenmao intends to dispose of its equity interest in Chengdu Yuemao for its own reasons. Prior to the Transaction, Chengdu Yuemao was an indirect non-wholly-owned subsidiary of the Company and its daily operation and management as well as the development of the Project were led and responsible by the Group. Chengdu Yuemao will become an indirect wholly-owned subsidiary of the Company through the Transaction, which will ensure the successful closing of the Project and the smooth completion of all related matters.

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

INFORMATION REGARDING THE PARTIES

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.

Jinmao Xinan is an indirect wholly-owned subsidiary of the Company, and is principally engaged in real estate investment and development in the PRC.

Jiaxing Zhenmao is a limited partnership and an indirect non-wholly-owned subsidiary of the Company. It is principally engaged in real estate investment in the PRC. The limited partnership interest of Jiaxing Zhenmao is held as to 49.9730% by each of Jinmao Xinan and China Resources SZITIC Trust Co., Ltd. The ultimate beneficial owner of China Resources SZITIC Trust Co., Ltd. is China Resources Company Limited, which is under the SASAC of the State Council. The general partner of Jiaxing Zhenmao is Hainan Qimao Consulting Services Co., Ltd. (海南啓茂諮詢服務有限公司), holding 0.0539%. Hainan Qimao Consulting Services Co., Ltd. is indirectly held as to 50% by each of the Company and Shenwan Hongyuan Group Co., Ltd.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save for the Group's indirect interest in Jiaxing Zhenmao as mentioned above, the other beneficial owners of Jiaxing Zhenmao 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:

“Board”	the board of directors of the Company
“Chengdu Yuemao”	Chengdu Yuemao Property Co., Ltd. (成都悦茂置業有限公司), a company established under the laws of the PRC with limited liability, which is held as to 51% by Chongqing Shanyanmao and 49% by Jiaxing Zhenmao and is an indirect non-wholly owned subsidiary of the Company
“Chongqing Shanyanmao”	Chongqing Shanyanmao Property Co., Ltd. (重慶山焱茂置業有限公司), a company established under the laws of the PRC with limited liability, and an indirect wholly-owned subsidiary 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, the shares of which are listed on The Stock Exchange of Hong Kong Limited
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Equity Transfer Agreement”	the equity transfer agreement entered into among Jinmao Xinan, Jiaxing Zhenmao and Chengdu Yuemao on 15 May 2024 in relation to the Transaction
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Jinmao Xinan”	Jinmao Xinan Enterprise Management (Tianjin) Limited (金茂西南企業管理(天津)有限公司), a company established under the laws of the PRC with limited liability, and an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Loan Agreements”	the loan-related agreements entered into between Shanghai Jinmao and Chengdu Yuemao on 15 December 2022 and 21 March 2023, respectively, in which it was agreed that Chengdu Yuemao shall provide loans to Shanghai Jinmao in an aggregate amount of not exceeding RMB1,967,000,000
“PRC”	the People’s Republic of China and for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Project”	Chengdu Yuehu Jinmao Residence Project, located in Wuhou District, Chengdu, Sichuan Province, the PRC
“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 established under the laws of the PRC with limited liability, and a wholly-owned subsidiary of the Company
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Transaction”	the acquisition by Jinmao Xinan, and the disposal by Jiaxing Zhenmao, of 49% equity interests in Chengdu Yuemao

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

Hong Kong, 15 May 2024

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 Ms. WANG Wei as Non-executive Directors; and Mr. SU Xijia, Mr. SUEN Man Tak, Mr. GAO Shibin and Mr. ZHONG Wei as Independent Non-executive Directors.