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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)

ANNOUNCEMENT
DISCLOSEABLE TRANSACTION
ACQUISITION OF 56.67% EQUITY INTERESTS IN WEIDIDAO AND
JOINT DEVELOPMENT OF HANGZHOU LAND PARCEL

The Board hereby announces that Yuemao Real Estate, a wholly-owned subsidiary of the Company, has subscribed for an equivalent amount of the additional registered capital of Weididao at a consideration of RMB1,307,870 through a listing-for-sale process organized by the Hangzhou Equity Exchange. On 28 December 2023, Yuemao Real Estate entered into Transaction Documents with Hangzhou Development, Weididao and Chengsheng Real Estate, pursuant to which (1) Yuemao Real Estate agreed to make additional capital contribution to Weididao in the amount of RMB1,307,870 and acquire 56.67% equity interests in Weididao; (2) Yuemao Real Estate agreed to acquire part of the creditor's rights of Weididao Shareholder's Loan in proportion to its 56.67% equity interests, amounting to approximately RMB500.21 million. Upon completion of Weididao Capital Increase, Yuemao Real Estate and Hangzhou Development will directly hold 56.67% and 43.33% equity interests in Weididao, respectively, and indirectly hold 51% and 49% equity interests in Chengsheng Real Estate through Weididao, respectively. Weididao and Chengsheng Real Estate will become non-wholly owned subsidiaries of the Company. Yuemao Real Estate and Hangzhou Development will jointly develop the Hangzhou Land Parcel through Weididao and Chengsheng Real Estate.

As the highest applicable percentage ratio in respect 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 Yuemao Real Estate, a wholly-owned subsidiary of the Company, has subscribed for an equivalent amount of the additional registered capital of Weididao at a consideration of RMB1,307,870 through a listing-for-sale process organized by the Hangzhou Equity Exchange. On 28 December 2023, Yuemao Real Estate entered into Transaction Documents with Hangzhou Development, Weididao and Chengsheng Real Estate, pursuant to which (1) Yuemao Real Estate agreed to make additional capital contribution to Weididao in the amount of RMB1,307,870 and acquire 56.67% equity interests in Weididao; (2) Yuemao Real Estate agreed to acquire part of the creditor's rights of Weididao Shareholder's Loan in proportion to its 56.67% equity interests, amounting to approximately RMB500.21 million. Upon completion of Weididao Capital Increase, Yuemao Real Estate and Hangzhou Development will directly hold 56.67% and 43.33% equity interests in Weididao, respectively, and indirectly hold 51% and 49% equity interests in Chengsheng Real Estate through Weididao, respectively. Weididao and Chengsheng Real Estate will become non-wholly owned subsidiaries of the Company. Yuemao Real Estate and Hangzhou Development will jointly develop the Hangzhou Land Parcel through Weididao and Chengsheng Real Estate.

The Hangzhou Land Parcel was acquired by Hangzhou Development on 18 July 2023 through a public tender process for land. As at the date of this announcement, Weididao is a wholly-owned subsidiary of Hangzhou Development; Chengsheng Real Estate, in which Hangzhou Development and Weididao hold 10% and 90% equity interests respectively, is a project company investing in the development of the Hangzhou Land Parcel.

PRINCIPAL TERMS OF THE TRANSACTION DOCUMENTS

Date

28 December 2023

Parties

- (1) Development Cooperation Agreement: Hangzhou Development, Yuemao Real Estate, Weididao and Chengsheng Real Estate
- (2) Capital Increase Agreement: Hangzhou Development, Yuemao Real Estate and Weididao
- (3) Creditor's Rights Transfer Agreement: Hangzhou Development and Yuemao Real Estate

Weididao Capital Increase

Weididao will increase its registered capital from RMB1,000,000 to RMB2,307,870. The additional registered capital of RMB1,307,870 is subscribed for by Yuemao Real Estate and shall be paid in full within five working days after signing the Capital Increase Agreement. Upon completion of the Capital Increase, Yuemao Real Estate and Hangzhou Development will directly hold 56.67% and 43.33% equity interests in Weididao, and indirectly hold 51% and 49% equity interests in Chengsheng Real Estate through Weididao, respectively. Weididao and Chengsheng Real Estate will become non-wholly owned subsidiaries of the Company.

Creditor's Rights Transfer

To pay the land premium for the Hangzhou Land Parcel and the working capital required for the operation of the Project Company, Hangzhou Development provided Weididao with the Weididao Shareholder's Loan in an aggregate amount of approximately RMB882.67 million as of the date of the Transaction Documents. Yuemao Real Estate agreed to acquire part of the creditor's rights in the Weididao Shareholder's Loan in proportion to its 56.67% equity interests, amounting to approximately RMB500.21 million, of which (1) 55% of the consideration for the Creditor's Rights Transfer (i.e. approximately RMB275.11 million) will be paid within five working days after the Creditor's Rights Transfer Agreement takes effect; (2) the remaining 45% of the consideration for the Creditor's Rights Transfer (i.e. approximately RMB225.09 million) shall be paid within eight months after the Creditor's Rights Transfer Agreement takes effect, and interests shall be paid on such deferred payment at the rate of 4.35% per annum, with the estimated total interest expense not exceeding RMB6.53 million.

The consideration for Weididao Capital Increase and Creditor's Rights Transfer was determined through the listing-for-sale process organized by the Hangzhou Equity Exchange, and was the minimum price set forth in the listing-for-sale document. The minimum price was determined based on the appraised value of net assets and liabilities of Weididao as of 17 November 2023, taking into account the amount of existing registered capital of Weididao. The appraisal was conducted by an independent appraisal institution, Zhejiang Zhengda Assets Appraisal Co., Ltd. (浙江正大資產評估有限公司), with the use of an asset-based approach, mainly taking into account the appreciation of the assets of Hangzhou Land Parcel and the liabilities of Weididao.

The total amount of additional registered capital, consideration for the Creditor's Rights Transfer and interest (if any) payable by Yuemao Real Estate in the Transaction is not expected to exceed approximately RMB508.04 million.

Corporate Governance

Weididao shall set up a board of directors comprising five directors, two of whom shall be appointed by Hangzhou Development and three of whom shall be appointed by Yuemao Real Estate. The chairman of the board of directors shall be nominated by Yuemao Real Estate, and the legal representative shall be served by the chairman of the board of directors. Weididao shall have two supervisors, with each being appointed by Hangzhou Development and Yuemao Real Estate, respectively.

The general manager of Weididao shall be appointed by Yuemao Real Estate and is responsible for the daily operation and management of Weididao and the development, investment, construction and operation of the Hangzhou Land Parcel; the joint general manager shall be appointed by Hangzhou Development and is responsible for assisting the general manager in carrying out his work with the same approval authority. The financial controller of Weididao shall be appointed by Yuemao Real Estate, and the financial manager shall be appointed by Hangzhou Development.

The terms of reference of the shareholders' meeting, the board of directors and the supervisors of the Project Company are consistent with those of the shareholders' meeting, the board of directors, the supervisors, the general manager and the joint general manager of Weididao. The voting rules of the Project Company are also the same as those of Weididao.

INFORMATION ABOUT WEIDIDAO AND HANGZHOU LAND PARCEL

Hangzhou Development acquired the state-owned land use right of the Hangzhou Land Parcel at a consideration of RMB944.18 million through a public tender process on 18 July 2023. This land parcel is located in Shangcheng District, Hangzhou, and is used for residential purposes, with a site area of approximately 30,679 square meters. The above-ground plot ratio is 1.1, with a plot ratio-based gross floor area of approximately 33,747 square meters.

As at the date of this announcement, Weididao, established in May 2018, is a wholly-owned subsidiary of Hangzhou Development. Based on the financial statements of Weididao prepared in accordance with the PRC Accounting Standards for Business Enterprises, the audited total assets and audited net assets of Weididao as of 17 November 2023 were approximately RMB883.67 million and RMB1 million, respectively. The profit of Weididao for the two years ended 31 December 2022 are as follows:

| | For the year ended 31 December 2021 <i>(Approximately RMB million)</i> <i>(Audited)</i> | For the year ended 31 December 2022 <i>(Approximately RMB million)</i> <i>(Audited)</i> |
|-------------------|--|--|
| Profit before tax | 0.12 | 0.14 |
| Profit after tax | 0.12 | 0.14 |

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Transaction paves the way for the Group to obtain high quality land resources reserve in Hangzhou, which will enhance the Group's market share and brand influence in Hangzhou.

The Directors consider that the Transaction is conducted on normal commercial terms, fair and reasonable, and in the interest of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect 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.

GENERAL INFORMATION

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 principally engaged in city operations, property development, commercial leasing, retail operations, hotel operations, as well as technology and services.

Yuemao Real Estate is an indirect wholly-owned subsidiary of the Company, and is principally engaged in real estate development and operation in the PRC.

Hangzhou Development is principally engaged in the business of land reclamation services, real estate development and operation, and the development and construction of affordable housing and public facilities in the PRC. According to the information available to the Company, Hangzhou Development is controlled by the State-owned Assets Supervision and Administration Commission of Hangzhou Municipal Government (杭州市人民政府國有資產監督管理委員會).

Weididao was previously engaged in the catering management business, and is currently principally engaged in industrial investment in the PRC.

Chengsheng Real Estate is a project company established by Hangzhou Development and Weididao for the development of the Hangzhou Land Parcel.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Hangzhou Development, Weididao, Chengsheng Real Estate and their 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:

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| “Board” | the board of Directors of the Company |
| “Capital Increase Agreement” | the Capital Increase Agreement entered into by and among Hangzhou Development, Yuemao Real Estate and Weididao on 28 December 2023 in relation to the capital increase in Weididao |
| “Chengsheng Real Estate” or “Project Company” | Hangzhou Chengsheng Real Estate Co., Ltd. (杭州城昇置業有限公司), a limited liability company established under the laws of the PRC and a wholly-owned subsidiary of Hangzhou Development as at the date of this announcement |
| “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 of Hong Kong Limited |
| “connected person(s)” | has the meaning ascribed to it under the Listing Rules |
| “Creditor's Rights Transfer” | transfer of part of the creditor's rights of the Weididao Shareholder's Loan by Hangzhou Development to Yuemao Real Estate for approximately RMB500.21 million |
| “Creditor's Rights Transfer Agreement” | the Creditor's Rights Transfer Agreement entered into by and between Hangzhou Development and Yuemao Real Estate on 28 December 2003 in relation to the Creditor's Rights Transfer |
| “Development Cooperation Agreement” | the Development Cooperation Agreement for the Land Parcel of Hangzhengchuchu [2023] No. 95 entered into by and among Hangzhou Development, Yuemao Real Estate, Weididao and Chengsheng Real Estate on 28 December 2023 in relation to the Transaction |
| “Directors” | the directors of the Company |
| “Group” | the Company and its subsidiaries |

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| “Hangzhou Development” | Hangzhou City Land Development Co., Ltd. (杭州市城市土地發展有限公司), a limited liability company established under the laws of the PRC and owned by the third parties independent of the Company and its connected persons |
| “Hangzhou Land Parcel” | the land parcel located in Shangcheng District, Hangzhou, the PRC, covering the Dingcheng Road green area in the east, the planned Huanding Road in the south, the planned Jiantang North Road in the west and Linding Road green area in the north |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “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 |
| “subsidiary(ies)” | has the meaning ascribed to it under the Listing Rules |
| “Transaction” | a series of arrangements between Yuemao Real Estate and Hangzhou Development, Weididao and Chengsheng Real Estate for the purpose of participating in the development of the Hangzhou Land Parcel, including the Weididao Capital Increase, Creditor’s Rights Transfer and co-development of the Hangzhou Land Parcel |
| “Transaction Documents” | the Development Cooperation Agreement, the Capital Increase Agreement and the Creditor’s Rights Transfer Agreement |
| “Weididao” | Hangzhou Weididao Catering Management Co., Ltd.(杭州味地道餐飲管理有限公司), a limited liability company established under the laws of the PRC and a wholly-owned subsidiary of Hangzhou Development as at the date of this announcement |
| “Weididao Capital Increase” | the increase in Weididao’s registered capital of RMB1,307,870, which will be subscribed for by Yuemao Real Estate |

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| “Weididao Shareholder’s Loan” | the shareholder’s loan provided by Hangzhou Development to Weididao in an aggregate amount of approximately RMB882.67 million as of the date of the Transaction Documents |
| “Yuemao Real Estate” | Hangzhou Yuemao Real Estate Co., Ltd. (杭州躍茂置業有限公司), a limited liability company established under the laws of the PRC and a wholly-owned subsidiary of the Company |

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

Hong Kong, 28 December 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 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.