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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)

CONNECTED TRANSACTION
UNDER THE LOAN AGREEMENT AND THE MORTGAGE AGREEMENT

The Board announces that on 26 April 2024, Zhantuo Real Estate, an indirect wholly-owned subsidiary of the Company, as borrower, entered into the Loan Agreement with Sinochem Finance, as lender, pursuant to which Sinochem Finance agreed to provide the Loan in a total principal amount of RMB1,500,000,000 to Zhantuo Real Estate.

As a security for its repayment obligations under the Loan Agreement, Zhantuo Real Estate entered into the Mortgage Agreement with Sinochem Finance on the same date, pursuant to which Zhantuo Real Estate agreed to mortgage the Properties to Sinochem Finance.

IMPLICATIONS UNDER THE LISTING RULES

Sinochem Holdings is the ultimate controlling shareholder of the Company, indirectly holding approximately 38.40% of the total number of issued shares of the Company, and is therefore a connected person of the Company. As Sinochem Finance is owned as to 37% by Sinochem Holdings and as to 63% in aggregate by Sinochem Corporation and Sinochem Capital, both of which are indirect subsidiaries of Sinochem Holdings, Sinochem Finance is a connected person of the Company. The provision of secured Loan by Sinochem Finance to Zhantuo Real Estate constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As the relevant percentage ratios applicable to the secured Loan exceed 5%, the transaction under the Loan Agreement and the Mortgage Agreement is subject to the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee has been established to advise the Independent Shareholders in respect of the Loan Agreement and the Mortgage Agreement and the transaction contemplated thereunder. Opus Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

The Company will convene the EGM for approval by the Independent Shareholders in respect of the Loan Agreement and the Mortgage Agreement and the transaction contemplated thereunder. The Company will dispatch a circular containing the details of the Loan Agreement and the Mortgage Agreement and the transaction contemplated thereunder, a letter from the Independent Board Committee, a letter from the Independent Financial Adviser and a notice of the EGM to the Shareholders on or before 31 May 2024 as the Company requires additional time to prepare and finalize certain information to be set out in the circular.

BACKGROUND

The Board announces that on 26 April 2024, Zhantuo Real Estate, an indirect wholly-owned subsidiary of the Company, as borrower, entered into the Loan Agreement with Sinochem Finance, as lender, pursuant to which Sinochem Finance agreed to provide the Loan in a total principal amount of RMB1,500,000,000 to Zhantuo Real Estate.

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PRINCIPAL TERMS OF THE LOAN AGREEMENT

Date: 26 April 2024

Parties: (a) Zhantuo Real Estate (an indirect wholly-owned subsidiary of the Company, as borrower)
(b) Sinochem Finance (as lender)

Total principal amount: RMB1,500,000,000, to be drawn down in two tranches. It is expected that Zhantuo Real Estate will draw down no less than RMB1,080,000,000 by 28 June 2024, and draw down the remaining principal amount of the Loan by 30 August 2024.

Sinochem Finance will issue a written confirmation to Zhantuo Real Estate at the time of release of each tranche, setting out the amount, interest rate and drawdown date of each tranche.

Interest rate: The interest rate for each tranche of the Loan shall be determined on the basis of, and shall not be higher than, the five-year loan prime rate (the “**Five-year LPR**”) published by the National Interbank Funding Center for the most recent month prior to the drawdown date of such tranche. On such basis, the interest rate for the first tranche of the Loan is provisionally set at 2.4% per annum and will be conclusively confirmed by both parties prior to the drawdown date of the first tranche.

Sinochem Finance has the right to adjust the interest rate on a quarterly basis by reference to the Five-year LPR of the most recent month before the first natural day of the first month of each quarter, provided that the adjusted interest rate shall not be higher than the Five-year LPR of the most recent month. If Zhantuo Real Estate does not accept the adjustment of the interest rate, it shall repay the full amount of the Loan by the end of the quarter.

Term: Subject to the approval by the Independent Shareholders at the EGM, the Loan Agreement has a term of 12 years commencing from 24 June 2024. Each tranche of the Loan will mature on the expiry date of the Loan Agreement.

Purpose: Zhantuo Real Estate shall use all the funds borrowed under the Loan Agreement for the repayment of shareholder's loans and for liquidity expenses.

Repayment: Within ten years from the drawdown date of the first tranche of the Loan, 21 June and 21 December (or the next business day if such dates are not business days) of each year shall be the repayment dates. On each repayment date, Zhantuo Real Estate shall repay RMB25,000,000 to Sinochem Finance (or the full amount if the outstanding principal of the Loan is less than RMB25,000,000). Upon maturity of the Loan, Zhantuo Real Estate shall repay the remaining principal amount of the Loan to Sinochem Finance in one lump sum.

Zhantuo Real Estate shall pay the accrued interest on each tranche of the Loan to Sinochem Finance on a quarterly basis.

Zhantuo Real Estate may, by serving a prior notice of five business days to Sinochem Finance and upon obtaining the consent from Sinochem Finance, repay the Loan and any interest accrued thereon, in whole or in part, prior to the maturity date.

PRINCIPAL TERMS OF THE MORTGAGE AGREEMENT

- Date: 26 April 2024
- Parties: (a) Zhantuo Real Estate (as mortgagor)
- (b) Sinochem Finance (as mortgagee)
- Collateral: As a security for its repayment obligations under the Loan Agreement, Zhantuo Real Estate agreed to mortgage the Properties to Sinochem Finance.
- The Properties are the six office buildings and underground garage developed by Zhantuo Real Estate on the land on which the Project is located. The Project is located at No. 7 Huiquan Street, Chaoyang District, Beijing with a site area of 38,100 square meters and a total gross floor area of 102,251.78 square meters.
- The preliminary appraised value of the Properties as at 31 December 2023 was RMB3,099,288,804 (the “**Preliminary Appraised Value**”). The parties have engaged an independent valuer to determine the fair value of the Properties (the “**Final Appraised Value**”). If the Final Appraised Value is lower than the Preliminary Appraised Value, Sinochem Finance shall have the right to reduce the principal amount of the Loan to be released to Zhantuo Real Estate by an amount of not more than the difference between the Preliminary Appraised Value and the Final Appraised Value.
- Total amount of guarantee: The total amount of guarantee under the Mortgage Agreement shall not exceed RMB1,500,000,000, including the outstanding principal of the Loan under the Loan Agreement, together with any interests, default interests, compensations, liquidated damages and any other expenses incurred by Sinochem Finance for the realization of its claims.

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE LOAN AGREEMENT AND THE MORTGAGE AGREEMENT

Zhantuo Real Estate shall use all the funds borrowed under the Loan Agreement for the repayment of shareholder's loans and for liquidity expenses. As at the date of this announcement, the Group has extended shareholder's loans in a total amount of approximately RMB3,130 million to Zhantuo Real Estate for the development of the Project. Financing from financial institutions for repayment of shareholder's loans can reduce the Project's occupation of funds of the Group, allowing the Group to rationally allocate its resources, improve its funding utilization efficiency, and meet the Group's development and financial needs for other development projects. Sinochem Finance has been providing financial services to the Group for many years and can offer reliable and stable finance resource and mid-term and long-term credit line for the Group. Before the entering into of the Loan Agreement and the Mortgage Agreement, Zhantuo Real Estate obtained quotations from several financial institutions, including Sinochem Finance and commercial banks. As compared with the offers from commercial banks, the amount, interest rate and other terms and conditions of the Loan provided by Sinochem Finance are more favorable to Zhantuo Real Estate than those offered by commercial banks.

The Directors (excluding the independent non-executive Directors whose opinions will be set out in the letter from the Independent Board Committee to be included in the circular) consider that the Loan Agreement and the Mortgage Agreement were entered into by the Company on normal commercial terms after arm's length negotiations, and the terms of the transaction under the Loan Agreement and the Mortgage Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. As Mr. CHENG Yong and Ms. CHEN Aihua are employees of Sinochem Holdings, they are regarded as having material interests in the transaction under the Loan Agreement and the Mortgage Agreement and have abstained from voting on the Board resolution to approve the transaction contemplated under the Loan Agreement and the Mortgage Agreement.

IMPLICATIONS UNDER THE LISTING RULES

Sinochem Holdings is the ultimate controlling shareholder of the Company, indirectly holding approximately 38.40% of the total number of issued shares of the Company, and is therefore a connected person of the Company. As Sinochem Finance is owned as to 37% by Sinochem Holdings and as to 63% in aggregate by Sinochem Corporation and Sinochem Capital, both of which are indirect subsidiaries of Sinochem Holdings, Sinochem Finance is a connected person of the Company. The provision of secured Loan by Sinochem Finance to Zhantuo Real Estate constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As the relevant percentage ratios applicable to the secured Loan exceed 5%, the transaction under the Loan Agreement and the Mortgage Agreement is subject to the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

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GENERAL INFORMATION

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 in the development of real estate business. The Company is principally engaged in city operations, property development, services and building technology, commercial leasing, retail operations and hotel operations.

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

Sinochem Holdings is the ultimate controlling shareholder of the Company. It is a large-scale chemical enterprise which operates in eight business sectors covering life science, materials science, basic chemicals, environmental science, rubber and tire, machinery and equipment, city operations, and industrial finance. The sole shareholder of Sinochem Holdings is the SASAC.

Sinochem Finance is a financial service company regulated by the People's Bank of China and the National Financial Regulatory Administration. It is committed to providing synergized settlement, financing and financial management and financial consulting services to Sinochem Holdings and its associates. Sinochem Finance is ultimately owned by Sinochem Holdings.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and approving the Loan Agreement and the Mortgage Agreement and the transaction contemplated thereunder
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board comprising all independent non-executive Directors, namely Mr. SU Xijia, Mr. SUEN Man Tak, Mr. GAO Shibin and Mr. ZHONG Wei, formed to advise the Independent Shareholders in respect of the Loan Agreement and the Mortgage Agreement and the transaction contemplated thereunder
“Independent Shareholders”	the Shareholders who are not required to abstain from voting at the EGM, i.e. the Shareholders other than Sinochem Holdings and its associates for the purpose of approving the Loan Agreement and the Mortgage Agreement and the transaction contemplated thereunder
“Independent Financial Adviser” or “Opus Capital”	Opus Capital Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), which has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Loan Agreement and the Mortgage Agreement and the transaction contemplated thereunder
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the Loan in a total principal amount of RMB1,500,000,000 provided by Sinochem Finance to Zhantuo Real Estate under the Loan Agreement
“Loan Agreement”	the loan agreement for fixed assets dated 26 April 2024 entered into between Zhantuo Real Estate and Sinochem Finance
“Mortgage Agreement”	the maximum amount mortgage agreement dated 26 April 2024 entered into between Zhantuo Real Estate and Sinochem Finance to secure the repayment obligations of Zhantuo Real Estate under the Loan Agreement
“PRC”	the People’s Republic of China, and for the purpose of this announcement only, excluding Hong Kong, Macau Special Administrative Region and Taiwan

“Project”	Chaoyang Jinmao Centre (朝陽金茂中心), an office project developed by Zhantuo Real Estate, which is located at No. 7 Huiquan Street, Chaoyang District, Beijing
“Properties”	the six office buildings and underground garage developed by Zhantuo Real Estate on the land on which the Project is located
“RMB”	Renminbi, the lawful currency of the PRC
“SASAC”	the State-owned Assets Supervision and Administration Commission of the State Council of the PRC
“Shareholder(s)”	holder(s) of ordinary share(s) of the Company
“Sinochem Capital”	Sinochem Capital Co., Ltd. (中化資本有限公司), a company with limited liability established under the laws of the PRC, and a subsidiary of Sinochem Corporation
“Sinochem Corporation”	Sinochem Corporation (中國中化股份有限公司), a company with limited liability established under the laws of the PRC, and an indirect subsidiary of Sinochem Holdings
“Sinochem Finance”	Sinochem Finance Co., Ltd. (中化集團財務有限責任公司), a company with limited liability established under the laws of the PRC, and a subsidiary of Sinochem Corporation
“Sinochem Holdings”	Sinochem Holdings Corporation Ltd. (中國中化控股有限責任公司), a state-owned enterprise established in the PRC, which is wholly owned by the SASAC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Zhantuo Real Estate”	Beijing Zhantuo Real Estate Co., Ltd. (北京展拓置業有限公司), a company with limited liability established under the laws of the PRC, and an indirect wholly-owned subsidiary of the Company
“%”	per cent

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

Hong Kong, 26 April 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.