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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
CONTINUING CONNECTED TRANSACTIONS
AND DISCLOSEABLE TRANSACTION
PROVISION OF LOANS

The Board hereby announces that on 28 June 2024, Nanfan Rongmao, an indirect non-wholly owned subsidiary of the Company, entered into the Framework Agreement with its indirect shareholders, Jinmao Tianjin, Hainan Nongken and Sanya Yazhou, pursuant to which Nanfan Rongmao agreed to provide loans to Jinmao Tianjin, Hainan Nongken and Sanya Yazhou based on the same terms and conditions and in proportion to the respective shareholding ratio of Jinmao Tianjin, Hainan Nongken and Sanya Yazhou in Nanfan Science and Technology City. The Framework Agreement will be for a term of three years commencing from 28 June 2024.

LISTING RULES IMPLICATIONS

Jinmao Tianjin is an indirect wholly-owned subsidiary of the Company, and Nanfan Rongmao is a direct wholly-owned subsidiary of Nanfan Science and Technology City, which is owned by Jinmao Tianjin, Hainan Nongken and Sanya Yazhou as to 70%, 20% and 10% respectively. Therefore, Nanfan Rongmao and Nanfan Science and Technology City are indirect non-wholly owned subsidiaries of the Company. Hainan Nongken and Sanya Yazhou are substantial shareholders of Nanfan Science and Technology City and are therefore connected persons of the Company at the subsidiary level. Accordingly, the transaction regarding the provision of loans by Nanfan Rongmao to Hainan Nongken and Sanya Yazhou under the Framework Agreement constitutes a continuing connected transaction involving provision of financial assistance by the Group to a connected person at the subsidiary level under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios in respect of the aggregate maximum daily balance (including the accrued interests) of the loans to be provided by Nanfan Rongmao to Hainan Nongken and Sanya Yazhou are more than 5% but less than 25%, pursuant to Rule 14A.101 of the Listing Rules, as (i) Hainan Nongken and Sanya Yazhou are connected persons of the Company at the subsidiary level; (ii) the continuing connected transactions contemplated under the Framework Agreement are entered into on normal commercial terms; and (iii) the Board (including all independent non-executive Directors) has approved the relevant transactions and confirmed that such transactions are entered into on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole, and therefore the transaction is subject to the reporting, announcement and annual review requirements, but is exempt from the independent shareholders' approval requirement. None of the Directors is regarded as having a material interest in the transactions under the Framework Agreement, and hence none of the Directors has abstained from voting on the Board resolution approving the transactions under the Framework Agreement.

As one or more of the applicable percentage ratios in respect of the aggregate maximum daily balance (including the accrued interests) of the loans to be provided by Nanfan Rongmao to Hainan Nongken and Sanya Yazhou are more than 5% but less than 25%, the transaction regarding the provision of loans by Nanfan Rongmao to Hainan Nongken and Sanya Yazhou, in aggregate, 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 28 June 2024, Nanfan Rongmao, an indirect non-wholly owned subsidiary of the Company, entered into the Framework Agreement with its indirect shareholders, Jinmao Tianjin, Hainan Nongken and Sanya Yazhou, pursuant to which Nanfan Rongmao agreed to provide loans to Jinmao Tianjin, Hainan Nongken and Sanya Yazhou based on the same terms and conditions and in proportion to the respective shareholding ratio of Jinmao Tianjin, Hainan Nongken and Sanya Yazhou in Nanfan Science and Technology City. The Framework Agreement will be for a term of three years commencing from 28 June 2024.

MAJOR TERMS OF THE FRAMEWORK AGREEMENT

Date

28 June 2024

Parties

Lenders: Nanfan Rongmao

Borrowers: Jinmao Tianjin, Hainan Nongken and Sanya Yazhou

Provision of loans

Under the Framework Agreement, Nanfan Rongmao shall provide loans to Jinmao Tianjin, Hainan Nongken and Sanya Yazhou as and when agreed by the parties. The amount of the loans to be provided by Nanfan Rongmao to the parties shall be proportional to the respective shareholding ratio of Jinmao Tianjin, Hainan Nongken and Sanya Yazhou in Nanfan Science and Technology City, and other terms and conditions of the loans shall also be the same. The parties shall enter into specific loan agreements separately according to the terms and conditions set out in the Framework Agreement.

Interest rate of loans

Under the Framework Agreement, the effective interest rate of each of the loans shall be determined by reference to the latest loan prime rate for the same period as published by the National Interbank Funding Center from time to time, subject to a floating range of 50% higher or lower than such rate. Such rate is publicly available to the market and updated by the National Interbank Funding Center from time to time.

Repayment of loans and payment of interests

Interests shall generally be paid on a quarterly basis. The parties may set out in detail the interest payment method and loan repayment schedule in the loan agreements to be separately entered into by the parties. To maintain its normal operation and depending on its financial needs, Nanfan Rongmao shall be entitled to request for early repayment of the principal and interest of the loans by Jinmao Tianjin, Hainan Nongken and Sanya Yazhou.

Offsetting right

If Nanfan Rongmao is unable to recover the loans provided or any interests accrued thereon pursuant to the Framework Agreement due to any reasons caused by Jinmao Tianjin, Hainan Nongken and Sanya Yazhou, Nanfan Rongmao shall be entitled to offset such amounts payable by Jinmao Tianjin, Hainan Nongken and Sanya Yazhou to Nanfan Rongmao against any amounts payable by Nanfan Rongmao to such parties.

Term

The Framework Agreement shall be for a term of three years commencing from 28 June 2024. The term of the loan agreements to be separately entered into by the parties under the Framework Agreement shall not exceed the term of the Framework Agreement.

Cap amounts

The Company expects that during the term of the Framework Agreement, the maximum daily balances (including the accrued interests) of the loans to be provided by Nanfan Rongmao to Hainan Nongken and Sanya Yazhou will be RMB340 million and RMB170 million, respectively.

In calculating such caps, the Directors have considered the progress of development projects and cash balance of Nanfan Rongmao and its profit distribution plan for the next three years, and Nanfan Rongmao has retained sufficient working capital for the purpose of its property development projects for at least the coming six months. In addition, the Directors have also considered the fund management strategies of the Group and the development and financial needs of the Group during the term of the Framework Agreement.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

In view of the satisfactory sales and sufficient sales proceeds received by Nanfan Rongmao, the Directors consider that the provision of loans by Nanfan Rongmao to its indirect shareholders can reduce the level of its idle cash and meet the development and financial needs of the Group in other development projects through fully utilising its funding strength, promoting reasonable allocation of resources and increasing its funding utilisation rate. The amount of the loans to be provided by Nanfan Rongmao to Jinmao Tianjin, Hainan Nongken and Sanya Yazhou will be proportional to the respective shareholding ratio of Jinmao Tianjin, Hainan Nongken and Sanya Yazhou in Nanfan Science and Technology City, and all other terms and conditions of the loans will also be the same, which are in line with the equity ratio of Jinmao Tianjin, Hainan Nongken and Sanya Yazhou in Nanfan Science and Technology City.

In order to ensure the terms and conditions of the loans will equally apply to Jinmao Tianjin, Hainan Nongken and Sanya Yazhou, the headquarter of the Company will, together with Nanfan Rongmao, determine the amount and the term of the loans to be provided by Nanfan Rongmao based on its financial position, following which, relevant proposals will be submitted to the board of directors of Nanfan Science and Technology City, the direct shareholder of Nanfan Rongmao for approval and a corresponding shareholder's resolution will be issued, and the specific loan agreements to be entered into by the parties will be submitted to the compliance and legal personnel of the Company to ensure that such agreements will be entered into pursuant to the Framework Agreement.

The Directors (including the independent non-executive Directors) consider that the Framework Agreement and the continuing connected transactions contemplated thereunder are entered into by the Group in its ordinary course of business, on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole. None of the Directors is regarded as having a material interest in the transactions under the Framework Agreement, and hence none of the Directors has abstained from voting on the Board resolution approving the transactions under the Framework Agreement.

LISTING RULES IMPLICATIONS

Jinmao Tianjin is an indirect wholly-owned subsidiary of the Company, and Nanfan Rongmao is a direct wholly-owned subsidiary of Nanfan Science and Technology City, which is owned by Jinmao Tianjin, Hainan Nongken and Sanya Yazhou as to 70%, 20% and 10% respectively. Therefore, Nanfan Rongmao and Nanfan Science and Technology City are indirect non-wholly owned subsidiaries of the Company. Hainan Nongken and Sanya Yazhou are substantial shareholders of Nanfan Science and Technology City and are therefore connected persons of the Company at the subsidiary level. Accordingly, the transaction regarding the provision of loans by Nanfan Rongmao to Hainan Nongken and Sanya Yazhou under the Framework Agreement constitutes a continuing connected transaction involving provision of financial assistance by the Group to a connected person at the subsidiary level under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios in respect of the aggregate maximum daily balance (including the accrued interests) of the loans to be provided by Nanfan Rongmao to Hainan Nongken and Sanya Yazhou are more than 5% but less than 25%, pursuant to Rule 14A.101 of the Listing Rules, as (i) Hainan Nongken and Sanya Yazhou are connected persons of the Company at the subsidiary level; (ii) the continuing connected transactions contemplated under the Framework Agreement are entered into on normal commercial terms; and (iii) the Board (including all independent non-executive Directors) has approved the relevant transactions and confirmed that such transactions are entered into on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole, and therefore the transaction is subject to the reporting, announcement and annual review requirements, but is exempt from the independent shareholders' approval requirement. None of the Directors is regarded as having a material interest in the transactions under the Framework Agreement, and hence none of the Directors has abstained from voting on the Board resolution approving the transactions under the Framework Agreement.

As one or more of the applicable percentage ratios in respect of the aggregate maximum daily balance (including the accrued interests) of the loans to be provided by Nanfan Rongmao to Hainan Nongken and Sanya Yazhou are more than 5% but less than 25%, the transaction regarding the provision of loans by Nanfan Rongmao to Hainan Nongken and Sanya Yazhou, in aggregate, 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 large-scale developer and operator of quality real estate projects in the PRC. The Company is the platform enterprise of Sinochem Holdings Corporation Ltd. (中國中化控股有限責任公司) 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.

Nanfan Rongmao, an indirect non-wholly owned subsidiary of the Company, is principally engaged in the real estate development and operation in the PRC.

Nanfan Science and Technology City, an indirect non-wholly owned subsidiary of the Company, is principally engaged in the real estate development and operation in the PRC.

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

Hainan Nongken is principally engaged in off-season seed breeding and production in Hainan, services for off-season seed breeding in Hainan and the real estate investment in the PRC. The ultimate beneficial owner of Hainan Nongken is State-owned Assets Supervision and Administration Commission of Hainan Province (海南省國有資產監督管理委員會).

Sanya Yazhou is principally engaged in the comprehensive management of Sanya Yazhou Bay Science and Technology City as well as construction and management of government-invested projects in the PRC. The ultimate beneficial owner of Sanya Yazhou is Sanya Yazhou Bay Science and Technology City Administration (三亞崖州灣科技城管理局).

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
“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
“Director(s)”	the director(s) of the Company
“Framework Agreement”	the loan framework agreement dated 28 June 2024 entered into between Nanfan Rongmao, Jinmao Tianjin, Hainan Nongken and Sanya Yazhou
“Group”	the Company and its subsidiaries
“Hainan Nongken”	Hainan Nongken Nanfan Industry Group Co., Ltd. (海南農墾南繁產業集團有限公司), a company incorporated under the laws of the PRC with limited liability, owned by third parties independent of the Company and its connected persons, and a shareholder of Nanfan Science and Technology City holding 20% of its equity interest

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jinmao Tianjin”	Jinmao Investment Management (Tianjin) Co., Ltd. (金茂投資管理(天津)有限公司), a company incorporated under the laws of the PRC with limited liability, an indirect wholly-owned subsidiary of the Company, and a shareholder of Nanfan Science and Technology City holding 70% of its equity interest
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nanfan Rongmao”	Sanya Nanfan Rongmao Properties Co., Ltd. (三亞南繁榮茂置業有限公司), a company incorporated under the laws of the PRC with limited liability, a direct wholly-owned subsidiary of Nanfan Science and Technology City which is owned as to 70% by Jinmao Tianjin, 20% by Hainan Nongken and 10% by Sanya Yazhou, and an indirect non-wholly-owned subsidiary of the Company
“Nanfan Science and Technology City”	Nanfan Science and Technology City Co., Ltd. (南繁科技城有限公司), a company incorporated under the laws of the PRC with limited liability, an indirect non-wholly owned subsidiary of the Company, and a shareholder of Nanfan Rongmao holding 100% of its equity interest
“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
“Sanya Yazhou”	Sanya Yazhou Bay Science and Technology City Holding Group Co., Ltd. (三亞崖州灣科技城控股集團有限公司), a company incorporated under the laws of the PRC with limited liability, owned by third parties independent of the Company and its connected persons, and a shareholder of Nanfan Science and Technology City holding 10% of its equity interest
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	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, 28 June 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. CHEN Yijiang 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.