
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your Shares in **China Jinmao Holdings Group Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**POTENTIAL MAJOR TRANSACTION IN RELATION TO
DISPOSAL OF 100% EQUITY INTEREST IN JIN MAO SANYA
THROUGH PUBLIC TENDER AND TRANSFER
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A letter from the Board is set out on pages 4 to 12 of this circular.

A notice convening the EGM to be held at Salon III-IV, Mezzanine Floor, Grand Hyatt Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Friday, 15 November 2024 at 9:30 a.m. is set out on pages 72 to 73 of this circular. A form of proxy for use at the EGM is enclosed with this circular.

Whether or not you are able to attend and vote at the EGM in person, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as practicable and in any event not later than 48 hours (excluding any part of a day that is a public holiday) before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

30 October 2024

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DEFINITIONS

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

“Board”	the board of Directors of the Company
“CBEX”	the China Beijing Equity Exchange (北京產權交易所)
“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 directors of the Company
“EGM”	the extraordinary general meeting of the Company to be held at Salon III-IV, Mezzanine Floor, Grand Hyatt Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Friday, 15 November 2024 at 9:30 a.m. for the purpose of considering and approving the grant of the Proposed Mandate
“Group”	the Company and its subsidiaries
“Hainan Jin Mao”	Jin Mao Hainan Investment Company Limited (金茂(海南)投資有限公司), a company established under the laws of the PRC with limited liability, which is an indirect wholly-owned subsidiary of the Company
“Hilton Sanya Resort and Spa”	Hilton Sanya Yalong Bay Resort and Spa, which is wholly owned by Jin Mao Sanya as at the Latest Practicable Date
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jin Mao Group”	China Jin Mao (Group) Company Limited (中國金茂(集團)有限公司), a company established under the laws of the PRC with limited liability, which is an indirect wholly-owned subsidiary of the Company

DEFINITIONS

“Jin Mao Sanya”	Jin Mao Sanya Resort Hotel Company Limited (金茂(三亞)度假酒店有限公司), a company established under the laws of the PRC with limited liability, which is held as to 39% and 61% by Jin Mao Group and Hainan Jin Mao respectively as at the Latest Practicable Date
“Latest Practicable Date”	23 October 2024, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Minimum Consideration”	the minimum consideration for the Potential Disposal, amounted to approximately RMB1,848.88 million
“Potential Disposal”	the potential disposal of the sale of the Sale Shares of Jin Mao Group and Hainan Jin Mao through the Public Tender and the transfer of the Related Claims of Hainan Jin Mao through the Public Tender
“PRC”	the People’s Republic of China, and for the purpose of this circular, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Property Transfer Agreement”	the property transfer agreement entered into between Jin Mao Group, Hainan Jin Mao and the final transferee in relation to the Potential Disposal
“Proposed Mandate”	the general mandate proposed to be granted in advance by the Shareholders at the EGM to the Directors to proceed with and complete the Potential Disposal by way of Public Tender
“Public Tender”	the public tender process conducted through the CBEX in respect of the Potential Disposal
“Related Claims”	the claims of Hainan Jin Mao against Jin Mao Sanya on 14 November 2024, which will be acquired by and assigned to the final transferee, and it is estimated that the Related Claims will amount to approximately RMB58.461 million, which is ultimately subject to the actual carrying amount thereof

DEFINITIONS

“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	100% of the equity interest of Jin Mao Sanya
“SASAC”	the State-owned Assets Supervision and Administration Commission of the State Council of the PRC
“Savills”	Savills Valuation and Professional Services Limited, an independent professional valuer with asset valuation qualifications
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the share(s)
“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 wholly-owned subsidiary of Sinochem Holdings
“Sinochem Holdings”	Sinochem Holdings Corporation Ltd. (中國中化控股有限責任公司), a state-owned enterprise incorporated in the PRC, which is wholly-owned by the SASAC
“Sinochem Hong Kong”	Sinochem Hong Kong (Group) Company Limited (中化香港(集團)有限公司), a company incorporated in Hong Kong with limited liability, the immediate controlling shareholder of the Company holding approximately 38.40% of the total number of issued Shares, and an indirect subsidiary of Sinochem Holdings
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“Valuation Report (Hilton Sanya Resort and Spa)”	the valuation report issued by Savills in respect of the valuation of Hilton Sanya Resort and Spa as at 31 August 2024
“%”	per cent

LETTER FROM THE BOARD



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)

Executive Directors

Mr. ZHANG Zenggen (*Chairman*)
Mr. TAO Tianhai (*Chief Executive Officer*)
Mr. ZHANG Hui (*Senior Vice President*)
Ms. QIAO Xiaojie (*Chief Financial Officer*)

Non-executive Directors

Mr. CHENG Yong
Ms. CHEN Aihua
Mr. CHEN Yijiang
Ms. WANG Wei

Independent Non-executive Directors

Mr. SU Xijia
Mr. SUEN Man Tak
Mr. GAO Shibin
Mr. ZHONG Wei

Registered Office

Rooms 4702-03, 47th Floor
Office Tower
Convention Plaza
No. 1 Harbour Road
Wanchai
Hong Kong

30 October 2024

To the Shareholders

Dear Sir or Madam,

**POTENTIAL MAJOR TRANSACTION IN RELATION TO
DISPOSAL OF 100% EQUITY INTEREST IN JIN MAO SANYA
THROUGH PUBLIC TENDER AND TRANSFER
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 15 October 2024 in relation to the Board's approval on a proposed plan to dispose of the Sale Shares and to assign the Related Claims by way of Public Tender and transfer at the CBEX. As at the Latest Practicable Date, the Sale Shares represent the entire equity interest in Jin Mao Sanya, an indirect wholly-owned subsidiary of the Company, and the Related Claims represent the

LETTER FROM THE BOARD

balance of Hainan Jin Mao's claims to Jin Mao Sanya as at 14 November 2024 (the total outstanding principal amount only as there is no accrued interest on internal shareholder's loans), which is estimated to be approximately RMB58.461 million. Pursuant to the relevant PRC laws and regulations, the Potential Disposal is intended to be conducted by a Public Tender trading through the CBEX and the successful delisting party, as the final transferee, shall also enter into the Property Transfer Agreement with Jin Mao Group and Hainan Jin Mao, as the transferor, in accordance with the requirements of the CBEX. The Potential Disposal, if materialized, may constitute a major transaction of the Company pursuant to Chapter 14 of the Listing Rules and is subject to reporting, announcement, circular, and Shareholders' approval requirements.

The purpose of this circular is to provide you with (i) further information regarding the Potential Disposal; (ii) the valuation report of Jin Mao Sanya; (iii) the Valuation Report (Hilton Sanya Resort and Spa) issued by Savills; (iv) a notice of the EGM; and (v) other information as required under the Listing Rules.

MAJOR TERMS OF THE POTENTIAL DISPOSAL

Public Tender

The Company will undergo the process of Public Tender at the CBEX in accordance with the relevant regulations. Prospective transferees are required to pay a deposit before the final day of the Public Tender.

Date and Procedures of the Public Tender

Upon the granting of the Proposed Mandate by the Shareholders at the EGM, Jin Mao Group and Hainan Jin Mao will conduct the Public Tender for the Potential Disposal at the CBEX, in which the Public Tender document contains, including but not limited to, (i) the Minimum Consideration; and (ii) the principal terms of the Potential Disposal.

The announcement period for the Public Tender is normally 20 working days. During the announcement period for the Public Tender, prospective transferees may indicate their interest and register themselves as prospective transferee. If there are two or more prospective transferees, the final transferee shall be determined according to the bidding procedures of the CBEX. Upon expiration of announcement period for Public Tender, the CBEX will notify the Jin Mao Group and Hainan Jin Mao of the identity of the final transferee. Within 7 working days from the day following the notification, the Jin Mao Group and Hainan Jin Mao are required to enter into the Property Transfer Agreement with such final transferee.

As at the Latest Practicable Date, material information of the Property Transfer Agreement including the final transferee, final consideration, delivery and completion timeline have not been determined. To the best of the Directors' knowledge and based on information currently available to the Directors, no connected persons of the Company will participate in the process of Public Tender. In the event that any connected persons of the Company register as a prospective transferee, the Company will make further announcement and comply with the relevant requirements under the Listing Rules.

LETTER FROM THE BOARD

CONDITIONS PRECEDENT TO THE POTENTIAL DISPOSAL

The Potential Disposal shall be conditional upon the Company having completed all filing procedures and obtained all necessary consents and approvals regarding the Potential Disposal including (i) the approval by the Shareholders in respect of the Proposed Mandate at the EGM and (ii) the approval by the SASAC before the formal tender regarding the economic activities, which includes the approval concerning the economic activities of the transfer of state-owned assets and the registration for valuation of state-owned assets.

The Proposed Mandate shall be effective for 12 months from date of Shareholders' approval at the EGM and no long stop date is currently available for the Potential Disposal.

Once a transferee for the Sale Shares has been identified, the transferor is unconditionally obliged under the rules of the CBEX to enter into the Property Transfer Agreement with such transferee and shall, subject to the payment of the consideration by the transferee, complete the transaction contemplated thereunder. Given such restriction, the Company would not be able to conduct the Potential Disposal by way of Public Tender unless a prior mandate is sought.

Related Claims

At the same time as the completion of the Potential Disposal, the final transferee is obliged to acquire and accept the Related Claims on an equivalent basis. It is estimated that as of 14 November 2024, the Related Claims (the total outstanding principal amount only as there is no accrued interest on internal shareholder's loans) will amount to approximately RMB58.461 million, which is ultimately subject to the actual carrying amount thereof.

Consideration for the Transfer and Valuation

Subject to the below, the final consideration for the transfer will depend on the final bid price provided that it is not less than the Minimum Consideration. The Minimum Consideration for the Public Tender is approximately RMB1,848.88 million and was determined based on (i) the appraised net asset value of Jin Mao Sanya as of 30 June 2024 of approximately RMB1,744.10 million; (ii) value of the Hilton Sanya Resort and Spa as at 31 August 2024 of RMB1,606 million under the Valuation Report (Hilton Sanya Resort and Spa); and (iii) the total outstanding principal amount of the Related Claims. The valuation of net assets of Jin Mao Sanya is carried out by Beijing Pan-China Assets Appraisal Co., Ltd.* (北京天健興業資產評估有限責任公司), an independent valuer, using the asset-based approach. According to Beijing Pan-China Assets Appraisal Co., Ltd., the appraised value has achieved a greater appreciation, when compared with the book value of the fixed assets of Jin Mao Sanya, due to the good location of the Hilton Sanya Resort and Spa, its early development and completion at low cost, the impact of economic development, its own good operating conditions in recent years, and the growth rate of the property market in the PRC since the establishment of the Hilton Sanya Resort and spa.

LETTER FROM THE BOARD

The valuation of Hilton Sanya Resort and Spa is carried out by Savills, an independent valuer, using the income approach. Pursuant to Rule 14.61 of the Listing Rules, the valuation of Hilton Sanya Resort and Spa using income approach is exempt from being regarded as profit forecast, as the Hilton Sanya Resort and Spa, which comprises hotel properties, falls within the meaning of property interest as defined in Rule 5.01(3) of the Listing Rules.

The Company understands (i) the asset-based approach has been used in valuing the net assets of Jin Mao Sanya and (ii) the income approach has been used in valuing the Hilton Sanya Resort and Spa and income approach is considered as the most accepted valuation method for valuing most forms of on-going operational hotel properties. The direct comparison method is not applicable in valuing the Hilton Sanya Resort and Spa as there is lack of recent transaction similar to the properties. The Directors have reviewed (i) the valuation report of Jin Mao Sanya and (ii) the Valuation Report (Hilton Sanya Resort and Spa), as well as the methodology, basis and assumptions of the valuation contained therein. The Directors considered (i) the valuation report of Jin Mao Sanya and (ii) the Valuation Report (Hilton Sanya Resort and Spa), as well as the methodology, basis and assumptions of the valuation contained therein are in line with market practices. The Directors are therefore of the view that they are fair and reasonable.

Payment and Completion

Prospective transferees shall pay a deposit under the requirements of CBEX and the deposit shall be 30% of the Minimum Consideration, i.e. RMB554.66 million. Upon completion of the bidding process by the prospective transferees, the deposit will form part of transfer consideration. Should the prospective transferees fail to delist successfully, CBEX will refund the deposit to the prospective transferees in accordance with its rules.

The final transfer consideration for the Potential Disposal will be paid in cash by the final transferee as follows:

- (a) Deposit: will form part of transfer consideration upon entering into the Property Transfer Agreement;
- (b) Payment of other transfer consideration: the final transferee shall pay the other transfer consideration (excluding the deposit) to the bank account designated by CBEX in a lump sum within 5 working days following the entering into the Property Transfer Agreement;
- (c) CBEX shall transfer the whole transfer consideration to the bank account designated by Jin Mao Group and Hainan Jin Mao within 3 business days following the issuance of transaction certificate.

LETTER FROM THE BOARD

After obtaining the transaction certificate issued by CBEX, since the date on which Jin Mao Group and Hainan Jin Mao received all the transfer consideration transferred by CBEX, the final transferee was registered in the register of shareholders of Jin Mao Sanya and the completion of transfer of relevant documents of Jin Mao Sanya, the final transferee shall enjoy all rights and obligations as a shareholder of Jin Mao Sanya without the premise of completing the industrial and commercial change registration procedures. Meanwhile, the final transferee, Jin Mao Group and Hainan Jin Mao shall procure and cooperate with Jin Mao Sanya to apply and complete the industrial and commercial change registration procedures.

Within 30 working days after the completion of all the closing matters agreed by the parties and the completion of the pre-approval of the company name following change of the name of Jin Mao Sanya, with the cooperation of Jin Mao Group and Hainan Jin Mao, the final transferee will submit a full set of information for the registration of this transaction to the competent authority of Administration for Market Regulation of Jin Mao Sanya. The final transferee shall undertake to change the name of Jin Mao Sanya, so that “Jin Mao” shall not appear in the company name.

INFORMATION ABOUT JIN MAO SANYA

Jin Mao Sanya was established on 29 August 2003, with a registered capital of RMB300 million. As of the Latest Practicable Date, it is held as to 39% by Jin Mao Group and 61% by Hainan Jin Mao. Jin Mao Sanya only holds Hilton Sanya Resort and Spa, a five-star hotel that was opened in 2006 with 492 guest rooms.

Set out below are the key financial data of Jin Mao Sanya:

	31 December 2022 <i>(approximately RMB million) (Audited)</i>	31 December 2023 <i>(approximately RMB million) (Audited)</i>	31 August 2024 <i>(approximately RMB million) (Unaudited)</i>
Total assets	571.42	499.68	502.51
Total liabilities	131.34	98.74	94.87
Equity attributable to owners	440.07	400.93	407.65

LETTER FROM THE BOARD

	For the year ended 31 December 2022	For the year ended 31 December 2023	As of 31 August 2024
	<i>(approximately RMB million) (Audited)</i>	<i>(approximately RMB million) (Audited)</i>	<i>(approximately RMB million) (Unaudited)</i>
Revenue	143.95	268.68	161.14
Net profit/("–" refers to loss) (Before taxation and extraordinary items)	10.33	97.63	44.33
Net profit/("–" refers to loss) (After taxation and extraordinary items)	8.78	78.90	36.35

FINANCIAL EFFECT OF THE POTENTIAL DISPOSAL AND USE OF PROCEEDS

Based on the Minimum Consideration for the Potential Disposal of approximately RMB1,848.88 million, and 100% equity interest in Jin Mao Sanya of approximately RMB399 million (the carrying value of assets of Jin Mao Sanya) as of 30 June 2024, the gain (before tax) from the Potential Disposal is approximately RMB1,371 million. The aforementioned estimated gain is calculated with reference to the Minimum Consideration, the book value of the relevant assets and liabilities of Jin Mao Sanya reflected in the consolidated statements of the Group, and the Related Claims. The actual gain recorded by the Company from the Potential Disposal will be subject to the audited consolidated financial statements of the Company.

Upon completion of the Potential Disposal, Jin Mao Sanya will no longer be a subsidiary of the Company.

The Group intends to use the proceeds towards future possible appropriate investments including the participation in land purchase and development, merger and acquisition of high-quality assets opportunities in the future and/or as general working capital. The Group currently has no specific plan for material investments and therefore the future allocation of the proceeds is not certain currently.

LETTER FROM THE BOARD

REASONS FOR AND BENEFITS OF THE POTENTIAL DISPOSAL

Jin Mao Sanya only owns Hilton Sanya Resort and Spa, a 5-star hotel. The Directors are of the view that (i) as Hilton Sanya Resort and Spa has been in operation for nearly 20 years since 2006, its decoration and facilities are relatively outdated and require continuous renovation investment; and (ii) against the background of current economic climate and prevailing market conditions (in particular the uncontrollable future market changes in Yalong Bay area), it is a good opportunity to realise the sale of the hotel as a whole at a reasonable price by way of disposal of equity interest, while allowing the Group to better align it with the Group's business strategy in maintaining a moderate scale of assets (including boutique hotels) held and where the sales realization value being better than operating the Hilton Sanya Resort and Spa. The cash flows and profits generated from the Potential Disposal will improve the overall financial position and working capital condition of the Group and also enable the Group to pursue other new investment opportunities in due course.

Having considered the above factors, in particular the Group's business strategy and development plan, the Directors (including the independent non-executive Directors) are of the view that it is an opportune time to proceed with the Potential Disposal, and the Minimum Consideration and the terms of the Potential Disposal and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable, and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

Based on the Minimum Consideration, the highest applicable percentage ratio in respect of the Potential Disposal may be expected to be more than 25% but less than 75%. Accordingly, the Potential Disposal, if materialized, may constitute a major transaction of the Company pursuant to Chapter 14 of the Listing Rules and is subject to reporting, announcement, circular, and Shareholders' approval requirements. To the best of the Directors' knowledge and based on information currently available to the Directors, no Shareholder is required to abstain from voting on the resolution to be proposed at the EGM to approve the granting of the Proposed Mandate.

After the final consideration for the transfer and final transferee have been confirmed, or in the event the Potential Disposal falls into another category of notifiable transaction (other than a major transaction) under Chapter 14 of the Listing Rules, the Company will make further announcement(s) and comply with the relevant requirements under the Listing Rules.

LETTER FROM THE BOARD

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 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.

Jin Mao Group, an indirect wholly-owned subsidiary of the Company, is principally engaged in the hotel management, property management, conference and exhibition services and real estate leasing in the PRC and holds 39% of the Sale Shares.

Hainan Jin Mao, an indirect wholly-owned subsidiary of the Company, is principally engaged in investment holding and holds 61% of the Sale Shares.

Jin Mao Sanya, an indirect wholly-owned subsidiary of the Company, has only served as the main entity for the development, holding and operation of the Hilton Sanya Resort and Spa since establishment.

EGM

A notice convening the EGM to be held at Salon III-IV, Mezzanine Floor, Grand Hyatt Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Friday, 15 November 2024 at 9:30 a.m. is set out on pages 72 to 73 of this circular. At the EGM, ordinary resolutions will be proposed to the Shareholders to consider and, if thought fit, approve the ordinary resolutions in respect of the granting of the Proposed Mandate.

In accordance with the requirements of the Listing Rules, any votes of Shareholders at any general meeting shall be taken by way of poll. Accordingly, the chairman of the meeting will at the EGM demand, pursuant to Article 58(1) of the articles of association of the Company, that votes on the ordinary resolutions set out in the notice of the EGM be taken by way of poll.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, no Shareholder has a material interest in the Potential Disposal and no Shareholder is required to abstain from voting on the resolution to approve the ordinary resolutions in respect of the granting of the Proposed Mandate at the EGM.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, there is (i) no voting trust or other agreement or arrangement or understanding entered into by or binding upon any Shareholder; and (ii) no obligation or entitlement of any Shareholder as at the Latest Practicable Date, whereby it has or may have temporarily or permanently passed control over the exercise of the voting right in respect of its Shares to a third party, either generally or on a case-by-case basis. Accordingly, to the best knowledge, information and belief of the Directors, there exists no discrepancy between any

LETTER FROM THE BOARD

Shareholder's beneficial shareholding interest in the Company and the number of Shares in the Company in respect of which such Shareholder will control or will be entitled to exercise control over the voting right at the EGM.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not the Shareholders are able to attend at the EGM, they are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event no later than 48 hours (excluding any part of a day that is a public holiday) before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the EGM or any adjournment thereof if they so wish.

RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the Minimum Consideration and the Potential Disposal and the transactions contemplated thereunder are entered into by the Group in its ordinary and usual course of business (aligning with its business strategy of holding boutique hotels, optimizing asset allocation and revitalizing assets, which therefore forms part of the Group's principal business activities and is conducted in its ordinary and usual course of business) after arm's length negotiations, on normal commercial terms, in the interests of the Company and the Shareholders as a whole, and the terms of the transactions contemplated thereunder are fair and reasonable so far as the Shareholders are concerned. Accordingly, the Directors recommend the Shareholders to vote in favor of the ordinary resolutions to be proposed at the EGM to approve the ordinary resolution in relation to the grant of the Proposed Mandate.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
For and on behalf of the Board of
China Jinmao Holdings Group Limited
ZHANG Zenggen
Chairman

FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for the three years ended 31 December 2021, 2022 and 2023, and six months ended 30 June 2024 are disclosed in the following documents which have been published on the HKEx news website of the Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the website of the Company (www.chinajinmao.cn):

- the annual report for the year ended 31 December 2021 published on 21 April 2022 (pages 172 to 315) (https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0421/2022042101887_c.pdf);
- the annual report for the year ended 31 December 2022 published on 24 April 2023 (pages 176 to 319) (https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0424/2023042401742_c.pdf);
- the annual report for the year ended 31 December 2023 published on 24 April 2024 (pages 172 to 315) (https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0424/2024042402181_c.pdf); and
- the interim report for the six months ended 30 June 2024 published on 12 September 2024 (pages 69 to 120) (<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0912/2024091201396.pdf>).

INDEBTEDNESS

At the close of business on 30 September 2024, being the latest practicable date for the purposes of this indebtedness statement prior to the publication of this circular, the Group had outstanding (i) corporate bonds and notes of approximately RMB42,615 million, both unguaranteed and unsecured; and (ii) bank and other borrowings of approximately RMB99,247 million, of which approximately RMB49,140 million was secured by the Group's assets (including property, plant and equipment, properties under development, properties held for sale, investment properties and trade receivables) and the remainder were unguaranteed and unsecured. In addition, the Group provided guarantees in respect of mortgage loan for certain purchasers of the Group's properties amounting to approximately RMB17,471 million. The Group also provided guarantees to its joint ventures and associates in respect of certain of their bank and other borrowings, and the total amount of guarantees given by the Group was approximately RMB2,221 million.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, as at the close of business on 30 September 2024, the Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchase commitments, guarantees or other contingent liabilities.

WORKING CAPITAL

The Directors are of the opinion that, after taking into account the Group's cash and cash equivalents on hand, the financial resources available to the Group and cash generated from future operations, the Group has sufficient working capital to satisfy its requirements for at least the next twelve months following the date of publication of this circular.

FINANCIAL AND TRADING PROSPECTS OF THE GROUP

2024 is a year of continuous recovery, in-depth rejuvenation, and momentum gaining for China's economy. It is also a year for continuous risk releasing and accelerated structural adjustments. The central government has emphasised "to adhere to making progress while maintaining stability, promoting stability through progress, and establishing before breaking", supporting the healthy development of the real estate industry. With a lot of room for improvement in the quantity and quality of urbanisation in the PRC, the industry is transforming towards the direction of "high quality, new technology, and good services", bringing huge potential for building a new model of real estate development. We are full of confidence in the future market. The Company will adhere to the strategic direction of "in-depth cultivation and focus, as well as quality and efficiency improvement", and implement "revitalising the existing projects and optimising the additional projects". Moreover, we will implement a new management model as a city operator, make effort to promote the theme of the year "product upgrades", construct good quality housing and provide good services for people, achieving the long-term, stable and high-quality development of the Company.

ASSET VALUATION REPORT

on

**the Value of the Entire Shareholders' Equity of
Jin Mao Sanya Resort Hotel Company Limited Involved
in the Proposed Transfer of Equity Interests by
China Jin Mao (Group) Company Limited and
Jin Mao Hainan Investment Company Limited**

Tian Xing Ping Bao Zi (2024) No. 1514
(1 of 1)



北京天健兴业资产评估有限公司
PAN-CHINA APPRAISAL CO., LTD

14 October 2024

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DISCLAIMER

- I. The Asset Valuation Report is prepared in accordance with the Basic Standards for Asset Appraisal issued by the Ministry of Finance and the Practice Standards and Professional Ethics for Asset Appraisal issued by the China Appraisal Society (CAS).
- II. The Client or other users of the Asset Valuation Report shall use the Asset Valuation Report in accordance with the provisions of laws and administrative regulations and the scope of use specified in the Asset Valuation Report. If the Client or other users of the Asset Valuation Report use the Asset Valuation Report in violation of the foregoing provisions, the asset appraisal institution (the “Valuer”) and the asset appraisers shall not be liable. The Asset Valuation Report shall only be used by the Client, other users of the Asset Valuation Report as agreed in the Asset Appraisal Service Contract and users of the Asset Valuation Report as required by laws and administrative regulations. In addition, any other institution or individual shall not be a user of this Asset Valuation Report. The asset appraisal institution and the asset appraisers remind that the user of the Asset Valuation Report shall correctly understand the valuation conclusion. The valuation conclusion is not equivalent to the realizable price of the valuation object, and the valuation conclusion shall not be considered as a guarantee for the realizable price of the valuation target.
- III. The asset appraisal institution and the asset appraiser shall abide by laws, administrative regulations and asset appraisal standards, adhere to the principles of independence, objectivity and impartiality, and bear the responsibility for the Asset Valuation Report issued by it according to law.
- IV. The list of assets and liabilities involved in the valuation target shall be declared by the Client and the target entity and certified by signature, seal or other means permitted by law. The Client and other relevant parties shall be responsible for the authenticity, integrity and legality of the materials provided by them according to law.
- V. The asset appraisal institution and the asset appraisers have no existing or expected interest relationship with the valuation target in the Asset Valuation Report. There is no existing or expected interest relationship with the relevant parties, and there is no prejudice against the relevant parties.
- VI. The asset appraisers have conducted on-site investigation on the valuation target and the assets involved in the Asset Valuation Report. Necessary attention has been paid to the legal ownership of the valuation target and the assets involved, the legal ownership information of the valuation target and the assets involved have been checked, the problems found have been truthfully disclosed, and the client and other relevant parties have been requested to improve the property rights to meet the requirements of issuing the Asset Valuation Report.
- VII. The analysis, judgment and results in the Asset Valuation Report issued by the asset appraisal institution are subject to the assumptions and restrictions in the Asset Valuation Report, and the user of the Asset Valuation Report shall fully consider the assumptions, restrictions and special matters stated in the Asset Valuation Report and their impact on the valuation conclusion.

SUMMARY OF THE ASSET VALUATION REPORT

on

**the Value of the Entire Shareholders' Equity of
Jin Mao Sanya Resort Hotel Company Limited Involved
in the Proposed Transfer of Equity Interests by
China Jin Mao (Group) Company Limited and
Jin Mao Hainan Investment Company Limited**

Tian Xing Ping Bao Zi (2024) No. 1514

Upon engagement by Jin Mao Hainan Investment Company Limited and Guangzhou Jinmao Real Estate Co., Ltd., Pan-China Appraisal Co., Ltd. has followed the necessary valuation procedures and adopted the asset-based approach and the income approach to appraise the market value of the entire shareholders' equity of Jin Mao Sanya Resort Hotel Company Limited involved in the proposed transfer of equity interests by China Jin Mao (Group) Company Limited and Jin Mao Hainan Investment Company Limited as at 30 June 2024 in accordance with relevant laws, administrative regulations and asset appraisal standards and following the principles of independence, objectivity and impartiality. The asset valuation is reported as follows:

I. Purpose of valuation: Based on Sinochem Holdings Corporation Ltd.'s Reply on the Approval of Joint Listing and Transfer of 100% Equity and All Creditor's Rights of Jin Mao Sanya Resort Hotel Company Limited (Sinochem Holdings Enterprise Management [2024] No. 46) 《關於同意聯合掛牌轉讓金茂(三亞)度假酒店有限公司100%股權及全部債權的批覆》(中國中化企管[2024]46號), China Jin Mao (Group) Company Limited and Jin Mao Hainan Investment Company Limited intended to transfer the equity of Jin Mao Sanya Resort Hotel Company Limited. Therefore, an evaluation on the entire shareholders' equity of Jin Mao Sanya Resort Hotel Company Limited was required to provide a value reference for the above economic behavior.

II. Valuation target: Value of the entire shareholders' equity of Jin Mao Sanya Resort Hotel Company Limited as at the Valuation Benchmark Date.

III. Valuation scope: Total assets and liabilities of Jin Mao Sanya Resort Hotel Company Limited.

IV. Type of value: Market value.

V. Valuation benchmark date: 30 June 2024.

VI. Valuation methodology: The asset-based approach and the income approach.

VII. Valuation conclusion:

For this valuation, the appraisers adopted the asset-based approach and the income approach to appraise the valuation target separately, and finally selected the valuation results under the asset-based approach as the valuation conclusion after conducting analysis.

Upon asset-based valuation, the book value of total assets of Jin Mao Sanya Hotel Company Limited is RMB498,442,400, and the appraised value is RMB1,843,049,700, representing an increase of RMB1,344,607,400 or 269.76%; the book value of its total liabilities is RMB98,954,100, and the appraised value is RMB98,954,100, without change; the book value of its net assets is RMB399,488,300 and the appraised value is RMB1,744,095,600, representing an increase of RMB1,344,607,400 or 336.58%.

Summary of Valuation Results under the Asset-based Approach

Unit: RMB0'000

Item	Book value A	Appraised value B	Increase C=B-A	% D=C/A×100
1 Current assets	7,592.39	7,592.39	—	—
2 Non-current assets	42,251.84	176,712.58	134,460.74	318.24
3 Including: Long-term equity investment	—	—	—	—
4 Investment real estate	—	—	—	—
5 Fixed assets	32,049.86	176,433.08	144,383.22	450.50
6 Construction in progress	15.05	—	-15.05	-100.00
7 Intangible assets	9,907.43	—	-9,907.43	-100.00
8 Including: Land use rights	9,877.29	—	-9,877.29	-100.00
9 Other non-current assets	279.50	279.50	0.00	0.00
10 Total assets	49,844.24	184,304.97	134,460.74	269.76
11 Current liabilities	9,612.43	9,612.43	—	—
12 Non-current liabilities	282.98	282.98	—	—
13 Total liabilities	9,895.41	9,895.41	—	—
14 Net assets (Equity attributable to owners)	39,948.83	174,409.56	134,460.74	336.58

When utilizing the valuation conclusion of the Report, users are advised to consider the impact of Section XI “SPECIAL REMINDERS” in the main text of the Report, and pay attention to the assumptions and preconditions upon which the valuation conclusion is based.

We particularly emphasize: the valuation opinions only serve as a value reference basis for equity transactions between the involved parties and should not replace their decision on the prices for equity transactions.

The Report and its conclusion are solely intended for the purposes of valuation specified herein and may not be used for any other purpose.

In accordance with relevant national regulations, the validity period of the valuation conclusion is one year, starting from the valuation benchmark date of 30 June 2024, and ending on 29 June 2025.

This summary is extracted from the text of the Asset Valuation Report. For details of the valuation project and to have a reasonable understanding of the valuation conclusion, the Report users should carefully read the full text of the valuation report, upon obtaining consent of owners of the valuation report, and pay attention to the section of “SPECIAL REMINDERS”.

**The Value of the Entire Shareholders' Equity of
Jin Mao Sanya Resort Hotel Company Limited Involved
in the Proposed Transfer of Equity Interests by
China Jin Mao (Group) Company Limited and
Jin Mao Hainan Investment Company Limited**

Tian Xing Ping Bao Zi (2024) No. 1514

To Jin Mao Hainan Investment Company Limited and Guangzhou Jinmao Real Estate Co., Ltd.:

Upon engagement by the Company, Pan-China Appraisal Co., Ltd. has followed the necessary valuation procedures and adopted the asset-based approach and the income approach to appraise the market value of the entire shareholders' equity of Jin Mao Sanya Resort Hotel Company Limited involved in the proposed transfer of equity interests by China Jin Mao (Group) Company Limited and Jin Mao Hainan Investment Company Limited as at 30 June 2024 in accordance with relevant laws, administrative regulations and asset appraisal standards and following the principles of independence, objectivity and impartiality. The asset valuation is reported as follows:

I. THE CLIENT, TARGET ENTITY AND OTHER USERS OF THE ASSET VALUATION REPORT AS AGREED IN THIS VALUATION SERVICE CONTRACT

(I) Profile of the Client

Company name: Jin Mao Hainan Investment Company Limited

Registered address: First Floor, Office Area of Sanya Yalong Bay Development Co., Ltd.

Legal representative: ZHANG Runhong

Registered capital: RMB1,511,578,967

Business type: Limited liability company (Joint venture between entities from Hong Kong, Macau, Taiwan, and domestic entities)

Date of establishment: 21 August 2003

Duration of operation: 21 August 2003 to 21 August 2033

Unified social credit identifier: 91460200747793336Q

Business scope: Conference services, entertainment center, fitness services, sale of sugar, tobacco, alcohol, handicrafts, local specialty products, aquatic products, and general merchandise, hotel management training, comprehensive real estate development and operation (can only engage in development and operation upon obtaining relevant qualifications), technical consulting and services, tourism project development, room and dining reservations.

(II) Profile of the Joint Client

Company name: Guangzhou Jinmao Real Estate Co., Ltd.

Registered address: Room 229, 2nd Floor, No. 3, Alley 1, Development Road, Pearl River Management District, Nansha District, Guangzhou (for office use only)

Legal representative: LI Xing

Registered capital: RMB7,000 million

Business type: Limited liability company (Hong Kong, Macau, and Taiwan Investment, non-wholly-owned)

Date of establishment: 4 September 2014

Duration of operation: 4 September 2014 to 4 September 2044

Unified social credit identifier: 9144011530462148XM

Business scope: Real estate consulting, real estate brokerage, real estate appraisal, housing rental, non-residential real estate leasing, land use rights leasing, property management, investment activities using self-owned funds, real estate development and operation.

(III) Profile of the Target Entity

1. Basic information

Company name: Jin Mao Sanya Resort Hotel Company Limited (“Jin Mao Sanya”)

Registered address: No. 19-08-58, Yalong Bay Resort District, Sanya, Hainan Province

Legal representative: SUN Yuanhong (孫遠紅)

Registered capital: RMB300 million

Business type: Other limited liability company

Date of establishment: 29 August 2003

Duration of operation: 29 August 2003 to 28 August 2033

Unified social credit identifier: 91460200747794910D

Business scope: Guest rooms, catering (for branch use only), conference services, entertainment centers, beauty and hairdressing (for certification purposes only), fitness services, sales of sugar, tobacco and alcohol, handicrafts, local specialty, aquatic products and non-staple food, and general merchandise, hotel management training, real estate development and operation (limited to below level 2), technical consultation and services, tourism project development.

2. *Historical evolution and company shareholding structure*

Jin Mao Sanya Resort Hotel Company Limited was established in August 2003. The shareholding structure was shown in the table below:

Amount unit: RMB0'000

No.	Shareholder	Shareholding ratio	Subscription/paid-in amount
1	Jin Mao Hainan Investment Company Limited	61%	18,300.00
2	China Jin Mao (Group) Company Limited	39%	11,700.00
Total		100%	30,000.00

As of 30 June 2024, the valuation benchmark date, there was no change in the shareholding structure.

3. *Statement of financial position and results of operations*

Statement of financial position

Unit: RMB0'000

Item	31 December 2021	31 December 2022	31 December 2023	30 June 2024
Current assets	15,911.21	11,364.23	6,429.78	7,592.39
Non-current assets	48,821.27	45,777.35	43,538.09	42,251.84
Including: Investment real estate				
Fixed assets	38,104.70	35,406.62	33,137.98	32,049.86
Construction in progress				
Intangible assets	10,544.70	10,284.79	10,044.22	9,907.43
Other non-current assets	171.87	85.94	279.34	231.45
Total assets	64,732.48	57,141.58	49,967.87	49,844.24
Current liabilities	15,168.73	12,933.60	9,515.64	9,612.43
Non-current liabilities	237.90	200.81	358.80	282.98
Total liabilities	15,406.63	13,134.41	9,874.44	9,895.41
Equity attributable to owners	49,325.85	44,007.17	40,093.44	39,948.83

Statement of results of operations

Unit: RMB0'000

Item	2021	2022	2023	January to June 2024
I. Revenue	21,410.62	14,394.52	26,867.80	12,414.31
Less: Operating costs	9,646.36	8,332.17	11,304.31	6,572.51
Business taxes and surcharges	408.54	406.02	478.09	231.45
Selling expenses	556.60	484.95	2,170.23	354.70
Administrative expenses	5,032.04	4,399.16	3,331.21	1,821.91
Financial expenses	(105.15)	(145.24)	(90.20)	(23.56)
Asset impairment loss				
Add: Other income	56.46	115.89	88.57	2.93
Investment income				
Credit impairment loss	(1.50)			
Asset disposal income				
II. Operating profit	5,927.18	1,033.35	9,762.72	3,460.23
Add: Non-operating income				
Less: Non-operating expenses				
III. Total profit	5,927.18	1,033.35	9,769.02	3,415.56
Less: Income tax expense	1,084.67	155.00	1,878.84	596.90
IV. Net profit	4,842.51	878.35	7,890.18	2,818.66

The financial data were listed in the above statements, of which the 2021 data has been audited by Ernst & Young Hua Ming Certified Public Accountants (Special General Partnership), and an unqualified audit report of Ernst & Young Hua Ming (2022) Shen Zi No. 61161302_A07 has been issued; the data for 2022 to 2023 has been audited by Baker Tilly China Certified Public Accountants (Special General Partnership), and unqualified audit reports of Tian Zhi Ye Zi (2023) No. 28891 and Tian Zhi Ye Zi (2024) No. 2160 have been issued; the data as at 30 June 2024 has been audited by Beijing Zhongming Guocheng Certified Public Accountants (Special General Partnership) Shanghai Branch, and an unqualified audit report of Zhongming Guocheng Zhuan Shen Zi (2024) No. SH0446 has been issued.

(IV) Other Users of the Asset Valuation Report as Agreed in the Asset Valuation Engagement Contract

As agreed in the Asset Valuation Engagement Contract, there were no other users of the Report.

(V) Relationship between the Client and the Target Entity

The client, Jin Mao Hainan Investment Company Limited, was a shareholder of the target entity, Jin Mao Sanya Resort Hotel Company Limited. The joint client, Guangzhou Jinmao Real Estate Co., Ltd., served as the Jinmao regional headquarters of Jin Mao Hainan Investment Company Limited.

II. PURPOSE OF VALUATION

Based on Sinochem Holdings Corporation Ltd.'s Reply on the Approval of Joint Listing and Transfer of 100% Equity and All Creditor's Rights of Jin Mao Sanya Resort Hotel Company Limited (Sinochem Holdings Enterprise Management [2024] No. 46) 《關於同意聯合掛牌轉讓金茂(三亞)度假酒店有限公司100%股權及全部債權的批覆》(中國中化企管[2024]46號), China Jin Mao (Group) Company Limited and Jin Mao Hainan Investment Company Limited intended to transfer the equity of Jin Mao Sanya Resort Hotel Company Limited. Therefore, an evaluation on the entire shareholders' equity of Jin Mao Sanya Resort Hotel Company Limited was required to provide a value reference for the above economic behavior.

III. VALUATION TARGET AND SCOPE

(I) Valuation Target

The valuation target was the entire equity of shareholders of Jin Mao Sanya Resort Hotel Company Limited.

(II) Valuation Scope

The valuation scope was all assets and liabilities of Jin Mao Sanya Resort Hotel Company Limited included in the valuation scope as at the valuation benchmark date. In particular, the book value of total assets, liabilities and net assets were RMB498,442,400, RMB98,954,100 and RMB399,488,300 respectively. The book value has been audited by Beijing Zhongming Guocheng Certified Public Accountants (Special General Partnership) Shanghai Branch, which has issued an unqualified audit report of Zhongming Guocheng Zhuan Shen Zi (2024) No. SH0446. The book value of various assets and liabilities were set out in the sheet below:

Summary of Asset Valuation Declaration

Unit: RMB0'000

Item name	Book value
Current assets	7,592.39
Non-current assets	42,251.84
Including: Long-term equity investment	—
Investment real estate	—
Fixed assets	32,049.86
Construction in progress	15.05
Intangible assets	9,907.43
Including: Land use rights	9,877.29
Other non-current assets	279.50
Total assets	49,844.24
Current liabilities	9,612.43
Non-current liabilities	282.98
Total liabilities	9,895.41
Net assets	39,948.83

The asset valuation scope was subject to the valuation declaration form provided by the target entity. The client has undertaken that the valuation target and scope were consistent with those in relation to the economic transaction, without duplication or omission.

1. Profile of major assets

The major assets of the target entity were fixed assets and intangible assets. The details were as follows:

(1) Fixed assets

1) Fixed assets – buildings and structures

The property is known as the Hilton Sanya Yalong Bay Resort and Spa (三亞亞龍灣希爾頓大酒店) in Yalong Bay Resort District, Sanya, Hainan Province. The property completed consists of lobby, meeting rooms and buildings 1-8 in Area A, the main building and massage rooms in Area B, Villas 1 and 2, and Building 3 in Area C, with a total certified gross floor area of 75,207.93 square meters. The property was completed in April 2006 and is of steel-reinforced concrete structure, with a hotel plot ratio of approximately 0.48. The hotel has a total of 492 guest rooms, suites, and villas. Guest rooms have an area of 48.5 square meters and above, with more than 70% having a sea view.

2) Fixed assets – equipment assets

The equipment assets within the valuation scope are equipment assets, including machinery and equipment, transportation equipment and electronic equipment.

A. Machinery and equipment

For this valuation, a total of 1,691 machinery and equipment were included in the valuation scope, which were supporting facilities of the hotel such as air-conditioners, elevators, generators, boilers, etc. The equipment was basically in normal use and well maintained.

B. Valuation of vehicles

The company has declared a total of 12 vehicles, of which 6 are property assets. Other vehicles included in the valuation scope totaled 6, such as Golden Dragon buses, Yutong buses, Nissan vans and other vehicles. All were purchased after 2011, and the owner of the certificates is Jin Mao Sanya Resort Hotel Company Limited Hilton Sanya Yalong Bay Resort and Spa. 4 of the above 6 vehicles included in the valuation scope were in a state to be scrapped, while the other vehicles were still in normal use.

C. Valuation of electronic equipment

A total of 299 units of electronic equipment have been declared this time, of which 295 were property assets. The remaining other equipment included in the valuation scope totaled 4, specifically furniture used for the hotel's beauty and hairdressing, which were purchased in 2010. The equipment was basically in normal use and well maintained.

(2) *Intangible assets*

1) Land use rights

The land is located in Yalong Bay Resort District, Sanya for commercial service use. The type of land use right is granted, with a site area of 108,610.37 square meters. The land use rights will be expired on 19 October 2062, and the remaining land use term is 38.3 years as at the valuation benchmark date.

2) Other intangible assets

Other intangible assets are outsourced software for hotel use.

2. *Other off-balance sheet assets declared by the company*

None.

3. *Citing reports issued by other institutions*

This time, an unqualified audit report of Zhongming Guocheng Zhuan Shen Zi (2024) No. SH0446 issued by Beijing Zhongming Guocheng Certified Public Accountants (Special General Partnership) Shanghai Branch was cited.

IV. TYPE OF VALUE

The type of value concluded in this valuation report was the market value of the assets entrusted to be valued.

The type of value for this valuation was market value. The market value mentioned in the Report referred to the estimated value of the valuation target in an arm's-length transaction on the valuation benchmark date between a willing buyer and a willing seller wherein the parties have each acted rationally and not by compulsion.

Based on the purpose of valuation, specific market conditions and the condition of the valuation target, the type of value selected for the valuation was determined to be market value.

V. VALUATION BENCHMARK DATE

The valuation benchmark date is 30 June 2024.

The valuation benchmark date was determined by the client and was consistent with the valuation benchmark date agreed in the Asset Valuation Engagement Contract

VI. BASIS FOR VALUATION

The basis in respect of economic transaction, laws and regulations, valuation standards, asset ownership and valuation pricing were followed in the valuation:

(I) Basis in respect of Economic Transaction

1. The Reply on the Approval of Joint Listing and Transfer of 100% Equity and All Creditor's Rights of Jin Mao Sanya Resort Hotel Company Limited (Sinochem Holdings Enterprise Management [2024] No. 46).

(II) Basis of Laws and Regulations

1. Law of the People's Republic of China on the State-Owned Assets of Enterprises (Order No. 5 of the President of the People's Republic of China);
2. Civil Code of the People's Republic of China (Order No. 45 of the President of the People's Republic of China, amended and adopted at the 3rd Session of the 13th National People's Congress of the People's Republic of China on 28 May 2020);
3. Company Law of the People's Republic of China (Order No. 45 of the President of the People's Republic of China, amended and adopted at the 7th Session of the Standing Committee of the 14th National People's Congress of the People's Republic of China on 29 December 2023);
4. Urban Real Estate Administration Law of the People's Republic of China (Order No. 32 of the President of the People's Republic of China, the third revision based on the Decision on Amending the Land Administration Law of the People's Republic of China and the Urban Real Estate Administration Law of the People's Republic of China, passed at the 12th Session of the 13th National People's Congress Standing Committee on 26 August 2019);
5. Enterprise Income Tax Law of the People's Republic of China (Order No. 23 of the President of the People's Republic of China, the second revision based on the Decision on Amending Four Laws Including the Electric Power Law of the People's Republic of China, passed at the 7th Session of the 13th National People's Congress Standing Committee on 29 December 2018);

6. Asset Appraisal Law of the People's Republic of China (Order No. 46 of the President of the People's Republic of China);
7. Administrative Measures for State-owned Assets Appraisal (Order No. 91 of the State Council in 1991, amended by Order No. 732 of the State Council in 2020);
8. Detailed Rules for the Implementation of the Administrative Measures for State-owned Asset Appraisal (Guo Zi Ban Fa [1992] No. 36 issued by the former National State-owned Assets Management Bureau);
9. Notices on the Opinions on Reforming the Administrative Measures for the State-owned Asset Appraisal to Strengthen the Supervision and Administration of Assets Appraisal (Guo Ban Fa [2001] No. 102);
10. Regulations on Certain Issues Concerning the Administration of State-owned Assets Appraisal (Order No. 14 of the Ministry of Finance);
11. Provisional Regulations on the Supervision and Administration of State-owned Assets of Enterprises (Order No. 378 of the State Council in 2003, revised by Order No. 588 of the State Council and further amended by Order No. 709 of the State Council);
12. Measures for the Supervision and Administration of the Transactions of State-owned Assets of Enterprises (Order No. 32 of the SASAC and the Ministry of Finance);
13. Provisional Measures on the Administration of State-owned Assets Appraisal of Enterprises (Order No. 12 of the SASAC of the State Council in 2005);
14. Notice on Strengthening the Administration of State-owned Assets Appraisal of Enterprises (Guo Zi Wei Chan Quan [2006] No. 274);
15. Notice on Relevant Matters Concerning the Examination of Appraisal Reports on State-owned Assets of Enterprises (Guo Zi Chan Quan [2009] No. 941);
16. Guidelines on the Filing of State-owned Assets Appraisal Projects for Enterprises (Guo Zi Fa Chan Quan [2013] No. 64);
17. Notice on Promoting the Transfer of State-owned Property Rights of Enterprises (Guo Zi Fa Chan Quan [2014] No. 95);
18. Financial Supervision and Administration Measures on the Assets Appraisal Industry (Order No. 97 of the Ministry of Finance);

19. Implementation Regulations for the Land Administration Law of the People's Republic of China (Order No. 743 of the State Council of the People's Republic of China, amended and approved at the 132nd Executive Meeting of the State Council on 21 April 2021);
20. Provisional Regulations of the People's Republic of China on Land Use Tax in Cities and Towns (the fourth revision in accordance with the Decision of the State Council on Amending Several Administrative Regulations on 2 March 2019);
21. Regulation on the Implementation of the Enterprise Income Tax Law of the People's Republic of China (Order No. 714 of the State Council);
22. Provisional Regulations of the People's Republic of China on Value-added Taxes (Order No. 134 of the State Council);
23. Detailed Rules for the Implementation of the Provisional Regulations of the People's Republic of China on Value-added Tax (Order No. 65 of the Ministry of Finance and the State Taxation Administration);
24. Other relevant laws and regulations.

(III) Basis of Appraisal Standards

1. Basic Standards for Assets Appraisal (Cai Zi [2017] No. 43);
2. Professional Ethics for Asset Appraisal (Zhong Ping Xie [2017] No. 30);
3. Terms for Asset Appraisal Standard 2020 (Zhong Ping Xie [2020] No. 31);
4. Practice Standards for Asset Appraisal – Asset Appraisal Procedures (Zhong Ping Xie [2018] No. 36);
5. Practice Standards for Asset Appraisal – Asset Appraisal Reports (Zhong Ping Xie [2018] No. 35);
6. Practice Standards for Asset Appraisal – Assets Appraisal Entrustment Contract (Zhong Ping Xie [2017] No. 33);
7. Practice Standards for Asset Appraisal – Assets Appraisal Files (Zhong Ping Xie [2018] No. 37);
8. Practice Standards for Asset Appraisal – Assets Appraisal Method (Zhong Ping Xie [2019] No. 35);
9. Practice Standards for Asset Appraisal – Adoption of Expert Work and Relevant Reports (Zhong Ping Xie [2017] No. 35);

10. Practice Standards for Asset Appraisal – Enterprise Value (Zhong Ping Xie [2018] No. 38);
11. Practice Standards for Asset Appraisal – Intangible Assets (Zhong Ping Xie [2017] No. 37);
12. Practice Standards for Asset Appraisal – Real Estate (Zhong Ping Xie [2017] No. 38);
13. Practice Standards for Asset Appraisal – Machinery and Equipment (Zhong Ping Xie [2017] No. 39);
14. Guidance on Appraisal Report of State-owned Assets of Enterprises (Zhong Ping Xie [2017] No. 42);
15. Asset Appraisal Expert Guidance No. 8 – Verification and Validation in Asset Appraisal (Zhong Ping Xie [2019] No. 39);
16. Quality Control Guidance on the Business of Asset Appraisal Institution (Zhong Ping Xie [2017] No. 46);
17. Guiding Opinions on Types of Value under Asset Appraisal (Zhong Ping Xie [2017] No. 47);
18. Guiding Opinions on Legal Ownership of the Target of Asset Appraisal (Zhong Ping Xie [2017] No. 48).

(IV) Basis of Asset Ownership

1. Real estate certificates;
2. Contracts and invoices for the purchase of major equipment, as well as ownership documents such as relevant agreements and contracts;
3. Other ownership documents.

(V) Basis of Pricing in Value Estimation

1. The Asset Appraisal Form and Income Forecast Statement provided by the target entity;
2. Notice on Several Issues Concerning the National Implementation of Value-added Tax Reform (issued by the Ministry of Finance and the State Taxation Administration on 19 December 2008, Cai Shui [2008] No. 170);

3. Notice on Input Tax Deduction of Fixed Assets (issued by the Ministry of Finance and the State Taxation Administration on 9 September 2009, Cai Shui [2009] No. 113);
4. Notice on the Comprehensive Implementation of the Pilot Program for the Conversion of Business Tax to Value-added Tax (issued by the Ministry of Finance and the State Taxation Administration on 23 March 2016, Cai Shui [2016] No. 36);
5. Notice of the Ministry of Finance and the State Taxation Administration on Adjusting Value-added Tax Rates (Cai Shui [2018] No. 32);
6. Announcement on the Issuance of the Interim Measures for the Staged Deduction of Input VAT on Real Estate (Announcement No. 15 of 2016 by the State Taxation Administration on 31 March 2016);
7. Interpretation of the Announcement by the State Taxation Administration on the Interim Measures for the Staged Deduction of Input VAT on Real Estate (issued by the State Taxation Administration on 7 April 2016);
8. Historical annual audit reports, future annual business plans and profit forecasts provided by the target entity;
9. Other related valuation information recorded and collected by appraiser from on-site survey.

VII. VALUATION METHODOLOGY

(I) Brief Introduction to Valuation Methodology

The appraisal methods of enterprise valuation mainly include asset-based approach, income approach and market approach.

The asset-based approach for enterprise valuation, also known as the cost approach, refers to the valuation method that determines the value of a valuation target by appraising the value of its various assets and liabilities on balance sheet and various identifiable assets and liabilities off balance sheet, with reference to the balance sheet of the target entity as at the valuation benchmark date.

The income approach in enterprise valuation refers to the valuation method that capitalizes or discounts the expected income to determine the value of the valuation target. The specific methods commonly used in the income approach include the dividend discount method and the cash flow discount method. Income approach measures the value of enterprises from the perspective of their profitability, and is based on the expected utility theory of economics.

The market approach in enterprise valuation refers to the valuation method of comparing the valuation target with comparable listed companies or comparable transaction cases to determine the value of the valuation target. There are two commonly used specific methods under the market approach, which are listed company comparison and transaction-case comparison.

(II) Selection of Valuation Methodology

The asset-based approach is a valuation method to determine the value of the valuation target by reasonably assessing the value of various assets and liabilities on and off the balance sheet of the enterprise based on the balance sheet. Taking into account the current valuation, the target entity can provide and the appraisers can also collect information from outside to meet the requirements of the asset-based approach, so that a comprehensive inventory and valuation of the assets and liabilities of the target entity can be conducted. Therefore, the asset-based approach is applicable to this valuation.

The basis of the income approach is the expected utility theory of economics, that is, for investors, the value of the enterprise lies in the expected income that the enterprise can produce in the future. Although the income approach does not directly use the reference in the actual market to explain the current fair market value of the valuation target, it evaluates assets from the perspective of their expected profitability, which is the fundamental basis for determining the current fair market value of assets. This approach can fully reflect the overall value of the enterprise, and the evaluation conclusion is reliable and persuasive. In light of conditions for applying the income approach, since the enterprise has independent profitability and the management of the target entity provides the future annual earnings forecast data, that the future profitability of the enterprise can be reasonably estimated based on historical business data and internal and external business environments, and that the risk of future income can be reasonably quantified, the income approach is applicable to this valuation.

The primary business of Jin Mao Sanya is hotel operation, and it is difficult to find comparable assets in the market that are similar to the subject property in terms of asset size and structure, business scope, profitability, and other aspects. Alternatively, obtaining relevant financial information may be challenging, which does not meet the conditions for assessment using the market approach.

(III) Introduction of the Specific Valuation Approaches***I) Asset-based approach***

The asset-based approach, which is a method for appraising enterprise values, refers to the method for determining the value of the valuation target based on the reasonable valuation of the value of assets and liabilities of an enterprise on the basis of the balance sheet of the valuation target as of the valuation date. The process of valuation of different types of assets and liabilities is as follows:

1. Valuation of current assets and liabilities

Current assets of the target entity include monetary funds, accounts receivable, prepayments, other receivables, and inventories; while liabilities include accounts payable, receipts in advance, staff remuneration payable, tax payable, other payables, non-current liabilities due within one year, lease liabilities and deferred tax liabilities.

- (1) Monetary funds: refers to bank deposits, the appraised value of which was determined as the verified book value which was arrived at after the verification of bank reconciliation statements, bank confirmations, etc.
- (2) Accounts receivable and other receivables: the appraised value shall be determined based on the recoverable amount of each account receivable provided that the amount of all the accounts receivable is duly verified. If there is a good reason to believe that all the amount can be recovered, the appraised value shall be calculated at the total amount of all accounts receivable.
- (3) Prepayments: prepaid accounts are mainly prepaid promotion fees and insurance premiums. The appraised value shall be determined based on the value of assets or rights from corresponding goods that can be recovered. For recoverable goods or rights, the verified book value is taken as the appraised value.
- (4) Inventories

Inventories are goods in stock, mainly alcoholic beverages, soft drinks and retail goods sold by hotels. For purchased inventories with short inventory time, strong liquidity and little change in market price, the appraised value is determined by the verified book value.

- (5) Liabilities: the appraised value of liabilities shall be determined based on the liability items and amounts actually to be assumed by the appraised entities (realized based on the evaluation purpose) provided that such liabilities were duly checked and verified.

2. *Valuation of non-current assets*

(1) Buildings and structures

① Approaches selection

Valuation approaches generally include the market approach, cost approach and income approach. Based on the relevant conditions such as the purpose of valuation, the valuation target, the type of value, the availability of data, and the applicability of valuation approaches, the main valuation approach for similar valuation target is the income approach. Consequently, the income approach has been selected for this valuation. The reasons are as follows:

The cost approach is generally applicable to the valuation of real estate where there is no or insufficient market basis and the market approach or income approach is not appropriate. As the main factor determining the market value is market supply and demand rather than replacement cost, the value of real estate measured by the cost approach often deviates significantly from the market price, therefore, the cost approach was not selected for this valuation.

The market approach is a method of obtaining the value or price of the assets under valuation by selecting a certain number of comparable examples, comparing them with the assets under valuation and processing the transaction prices of the comparable examples according to the differences between them. There is a lack of examples of resort hotel real estate transactions of similar size and type as at the valuation benchmark date, which makes it inappropriate to adopt the market approach for the purpose of valuation.

Income approach, the current status of the valuation target is hotel real estate, which is a profitable real estate. It is operated under an entrusted operation mode, with stable operation and expected stable operating income in the future. Therefore, it is appropriate to adopt the income approach to evaluate its market value.

In summary, the market value of the commercial properties was evaluated by income approach.

② Approaches introduction

The income approach is a method of forecasting the future income of the valuation target and using the rate of return or capitalization rate and income multiplier to convert the future income into value to derive the value or price of the valuation target.

Calculation formula of the income approach:

$$V = A_1 / (1 + r)^{1/2} + A_2 / (1 + r)^{1 + 1/2} + \dots + A_n / (1 + r)^{n - 1 + 1/2}$$

Where: A1 is the annual net income of the first year

A2 is the annual net income of the second year

A_n is the annual net income of the n-th year

r is the rate of return

n is the income period

(2) Equipment assets

The equipment assets within the valuation scope are equipment assets, including three major categories as machinery and equipment, transportation equipment and electronic equipment.

1) Machinery and equipment

A total of 1,691 machinery and equipment were included in the scope of this valuation, and the supporting facilities such as air conditioners, elevators, generators and boilers for the hotel were appraised as a whole in the hotel real estate.

2) Valuation of vehicles

The enterprise declared a total of 12 vehicles, of which 6 were appraised as a whole in the hotel real estate, and 6 other vehicles, specifically, Golden Dragon buses, Yutong buses, Nissan vans, etc. 4 of the 6 vehicles were in the state of being scrapped. Vehicles to be scrapped are appraised according to their recoverable residual value.

For vehicles in normal use and large buses, the cost approach was used for this valuation due to the difficulty of searching for market transaction cases, and the market approach was mainly used for the valuation of small passenger cars that are actively traded. The specific approaches of the cost approach are as follows:

① Full replacement price of vehicles

The full replacement price of vehicles consists of three parts as the purchase price (VAT exclusive), the purchase tax and other reasonable expenses (such as the vehicle validation fee, license fee and handling fee). The purchase price was determined with reference mainly to the market price of the same type of vehicle in the recent transactions.

② Determination of the integrated residue ratio

Pursuant to the current standard for mandatory vehicles scrappage, the depreciation rate was determined by two methods, namely the mileage driven by the vehicle and the used life. Then, the integrated residue ratio was determined by combining the above with the depreciation rate obtained through technical evaluation by on-site surveying.

③ Determination of the appraised value of vehicles

Appraised value = full replacement price of the vehicle × integrated residue ratio

3) Valuation of electronic equipment

A total of 299 electronic equipment were declared, of which 295 were property assets appraised as a whole in the hotel real estate, and the remaining other equipment totaled 4 items, specifically furniture used in the hotel's beauty and hairdressing. The cost approach is mainly used in the appraisal of electronic equipment and other equipment.

The formula of cost approach is as follows:

Appraised value = full replacement price × integrated residue ratio

① Determination of the full replacement price of electronic equipment

Electronic and other equipment, which are generally delivered, installed and debugged by the distributor. The replacement cost shall be determined at the tax-exclusive market purchase price.

② Determination of the residue ratio

For small equipment such as electronic equipment and air conditioners, the integrated residue ratio was determined mainly based on the economic service life; while reference shall also be made to the work environment and the operation condition of the equipment for determining the integrated residue ratio of large electronic equipment.

③ Determination of the appraised value

Appraised value = full replacement price of the electronic equipment × residue ratio

(3) Construction in progress

Construction in progress is hotel furniture and grease trap related equipment, which are appraised as a whole in the hotel real estate.

(4) Right-of-use assets

The right-of-use assets are leased staff quarters, and the appraised value is recognized at the verified book value.

(5) Land use rights

The land use rights are hotel land and are appraised as a whole in the hotel real estate.

(6) Other intangible assets

Other intangible assets are various types of software used by the hotel and are appraised as a whole in the hotel real estate.

(7) Deferred tax assets

Deferred tax assets are deductible temporary differences arising from inconsistencies between accounting and tax accounting; Based on the inspection of accounts and original evidences, the verified book value is used as the appraised value.

II) Income approach

The discounted cash flow (DCF) approach has been adopted for this income approach valuation, while free cash flow of the enterprise has been selected. The value of entire shareholders' equity is obtained indirectly through the valuation of the overall value of the enterprise.

The profit forecasted type of this income approach is single statement type.

This valuation is based on the free net cash flow of the enterprise for certain years in the future. The value of overall operating assets of the enterprise, calculated through adding up the discounted values with the adoption of an appropriate discount rate, is added to surplus assets, non-operating assets, and the appraised value of long-term equity investments less interest-bearing liabilities in order to derive the value of entire shareholders' equity.

1. Calculation model

$$E = V - D \quad \text{Formula 1}$$

$$V = P + C_1 + C_2 \quad \text{Formula 2}$$

In the above formulas:

E: Value of entire shareholders' equity;

V: Overall value of the enterprise;

D: Appraised value of interest-bearing liabilities;

P: Appraised value of operating assets;

C₁: Appraised value of surplus assets;

C₂: Appraised value of non-operating assets;

In which, *P*, the appraised value of operating assets in formula 2, is calculated with the formula as follows:

$$P = \sum_{t=1}^n [R_t \times (1 + r)^{-t}] \quad \text{Formula 3}$$

In formula 3:

R_t : Free cash flow of the enterprise of the t-th explicit forecast period;

t: Number of explicit forecast period 1, 2, 3, ..., n;

r: Discount rate.

2. *Determination of key parameters in the model*

1) Determination of expected income

Free cash flow of the enterprise is taken as the quantitative indicator of the expected income of the enterprise in this valuation.

Free cash flow of the enterprise refers to the total of all cash flow after payment of operating expenses and income tax and before cash payment to those who claim against the company. Its calculation formula is as follows:

Free cash flow of the enterprise = operating profit before interest and after tax + depreciation and amortization – capital expenditure – working capital movement.

2) Determination of income period

Income period in appraising enterprise value normally refers to the number of years in the future in which the enterprise can obtain income. To derive a reasonable forecast of future income, income period of the enterprise can be categorized as limited period and unlimited period according to the characteristics of production and operation of the enterprise and relevant laws, regulations, contracts and agreements.

The main business of Jin Mao Sanya Resort Hotel Company Limited is hotel operation. Based on the land useful life of the building, the corresponding income period was determined to be the fund recovery period. The appraisers have determined the valuation benchmark date to October 2062 as the explicit forecast period after comprehensive analysis.

3) Determination of discount rate

There are various methods and ways to determine discount rate. Based on the principle of consistency between income amount and discount rate, the income amount is valued using the free cash flow of the enterprise in this valuation, and the discount rate of the enterprise value is determined by comprehensively considering the rate of return and weight of various assets.

4) Determination of appraised value of interest-bearing liabilities

The interest-bearing liabilities of the enterprise are non-current liabilities and lease liabilities due within one year, which are recognized at book value.

5) Determination of appraised value of surplus assets and non-operating assets (liabilities)

Surplus assets refer to assets that are not directly related to the income of the enterprise and in excess of the amount needed to operate such enterprise, which refer to excess monetary funds. Non-operating assets refer to assets that are not directly related to the income of the enterprise and not profit-generating. Separate valuation is carried out for such assets.

VIII. VALUATION PROCESS AND SITUATION

Under national asset valuation requirements and accounting principles, at the legal requirements and regulatory requirements of relevant authorities, according to the agreements in the Asset Valuation Engagement Contract signed with the client, Pan-China Appraisal Co., Ltd. has verified the legal documents, accounting records and related information provided by the client, made necessary ownership check, field visit and proofreading on the related assets against the list of assets rendered by the target entity, and carried out the necessary market survey and comparison of trading prices, as well as financial analysis and forecasting among other required asset valuation process, as detailed below:

1. Appointment and preparation

- (1) In August 2024, Pan-China Appraisal Co., Ltd. (the “Valuer”) was appointed by the client to carry out this valuation. Upon the appointment, the Valuer carefully discussed with the client on the valuation purpose, valuation target, valuation scope, valuation benchmark date, target asset features and other factors affecting the asset valuation program.
- (2) According to the features of target asset, the Valuer arranged the asset valuation declaration breakdown specifically, and designed the main asset survey form, the main business profitability survey form etc., carried out business training on the client’s personnel participating in the asset valuation, and filled out the asset valuation checklist and various questionnaires.
- (3) Design of the valuation program

Based on the asset features it has understood, the Valuer developed the valuation plans, determined the appraisers and established the asset valuation onsite team.

(4) Preparation of valuation information

The Valuer collected and sorted the valuation target's market trading price information, market price information of major raw materials, title documents etc.

2. Onsite checks

(1) Authenticity and legitimacy investigation

According to the assets and liabilities declaration breakdown provided by the client and the target entity, the appraisers took different methods to verify physical assets and monetary claims and liabilities to confirm the authenticity and accuracy of assets and liabilities.

For monetary funds, the appraisers conducted investigations by checking journals and reviewing bank statements and bank balance reconciliations.

For claims and debts, the appraisers determined the authenticity of the assets and liabilities by checking the general ledger, sub-ledgers, and spot checking contract vouchers.

For machinery and equipment, inventory and buildings, the appraisers combined key survey and general survey, with the priority in the investigation of inventory, buildings, important equipment and other assets. The appraisers checked the property titles, machinery purchase contract, purchase invoice and others, to ensure the authenticity of assets.

(2) Asset reality survey

The appraisers combined key survey and general survey, with the priority in the investigation of inventory, investment real estate and equipment. The appraisers mainly checked the building maintenance records and the equipment running logs, and with the cooperation of target entity's asset managers, field surveyed the property appearance, structure, decoration, title information, and inspected the equipment running status. After surveys, the appraisers completed the key assets checklist.

(3) Physical asset value composition and business development survey

According to the target entity's asset features, the appraisers investigated the rationality and compliance of its asset value composition, with the priority in checking the authenticity, accuracy, integrity and compliance of the book value of fixed assets. The appraisers checked relevant accounting vouchers, accounting books and final accounts, construction contracts, equipment procurement contracts and other information.

(4) *Corporate revenue, cost and other operations survey*

The appraisers collected previous year's profit/loss accounting information of related entity, made calculation and analysis; and investigated the actual running status, revenue, cost, expense composition and future development trend of various entities and business units through interviews, based on which the appraisers developed future cash flow forecasting.

By collecting related information, the appraisers analyzed and forecast the market conditions, future competitions and development trend of Jin Mao Sanya's various businesses.

3. Valuation methodology selection, market information collection and estimation process

The appraisers started estimation by reference to corporate historical information and future operational forecasting, after clarifying the valuation parameters and price standards, according to the work plans developed on site specific to project features and the pricing principles and valuation models determined in consideration of actual conditions.

4. Valuation summary

(1) *Determination of valuation results*

The valuation results of the target asset through asset-based approach and present value approach are determined on the basis of the field surveys of appraisers from Pan-China Appraisal Co., Ltd. as well as necessary market surveys and estimations.

(2) *Analysis of valuation results and preparation of valuation report*

At the Valuer's standard requirements, the appraisers developed the valuation report on related assets. The valuation results and related asset valuation report are subject to 3-level review according to the Valuer's required process. Upon final review as correct, the asset appraisers signed on the report, and the project team completed and submitted the report.

(3) *Documentation of working paper*

The 3rd and 4th stages mentioned above span from August to October 2024.

IX. VALUATION ASSUMPTIONS**(I) General assumptions:**

1. Trading assumption: It is assumed that all target assets are in the trading process, so the appraisers would value the assets according to the target asset trading conditions and other simulated market.
2. Open market assumption: Open market assumption is about the conditions of a market into which the asset is entering and how this asset is influenced under said market conditions. Open market refers to fully developed and improved market conditions, where both the buyer and the seller are willing to trade, in equal stances, with sufficient opportunities and time to obtain market information. On this competitive market, both buyer and seller's transactions are willing, rational, unforced or unrestricted.
3. Continuing use assumption: Continuing use assumption is about the conditions of a market into which the asset is entering and the asset's status under said market conditions. Firstly, the target asset is in use, and secondly, it's assumed that said asset will continue in use. In such assumption, the purpose change or best use condition of asset is not considered, whose valuation results are used in limited scope.
4. Limited term going concern assumption: Specific to the actual conditions of asset on the benchmark date, it's assumed that the entity is operating in existing business period, following the operational objectives, in current external environment. The operator of the entity is capable, responsible; the entity is operating lawfully, profitable duly, to maintain its ongoing operation.

(II) Valuation assumptions using income approach:

1. Assuming there is no material change in prevailing national laws, regulations and policies, or in the national macroeconomic conditions; in this transaction, there is no material change in the political, economic or social conditions of the region each party is located; there is material negative influence caused by other unpredictable or force majeure factors.
2. Assuming the entity is operating in the payment period of existing investment project, specific to the actual conditions of the asset on the valuation benchmark date.
3. Assuming the operator of entity is responsible, and the management team of the entity is competent.

4. Assuming the entity fully complies with all related laws and regulations, unless otherwise specified.
5. Assuming the entity's future accounting policies are substantially the same in all material respects with those accounting policies adopted in preparation of this report.
6. Assuming the entity's business scope and manner are consistent with current direction, in the current management manner and management level.
7. Assuming there is no material change in interest rate, exchange rate, tax base and tax rate, policy-based charges or levies.
8. Assuming there is no material negative influence on the entity due to other force majeure factor or unpredictable factor.
9. Assuming the entity's expected annual cash inflow is average inflow, and cash outflow is average outflow.
10. Assuming the Management Agreement with Hilton International Ltd. can continue normally, without material change in the operating terms.
11. Under Article 2 of the Announcement of the State Administration of Taxation of the Ministry of Finance on Further Supporting the Development of Small and Micro Enterprises and Individual Industrial and Commercial Households (MOF SAT Announcement [2023] No. 12), from 1 January 2023 to 31 December 2027, small-scale VAT payers, small low-profit enterprises and individual industrial and commercial households will be subject to half of the resource tax (excluding water resource tax), urban maintenance and construction tax, property tax, urban land use tax, stamp duty (excluding stamp duty on securities trading), cultivated land occupation tax, education surcharge and local education surcharge. This entity is a small scale taxpayer, complying with the half reduction policy on property tax and urban land use tax. Since this entity started to perform this policy in 2019 and this policy continued in 2023, it's assumed that this policy will continue upon expiry, in consideration of the valuation purpose.
12. Under the Notice of the State Administration of Taxation on the Preferential Policies for Corporate Income Tax in the Hainan Free Trade Port (Cai Shui [2020] No. 31), as an entity registered in Hainan Free Trade Port and substantially operating in the encouraged industry category, Jin Mao Sanya Resort Hotel Company Limited is subject to corporate income tax at the reduced tax rate of 15%, from 1 January 2020 to 31 December 2024. Currently, there is no indication that this policy will continue. It is assumed that this policy will no longer be extended upon expiry, so the entity will be subject to corporate income tax at the rate of 25% after 2024.

X. VALUATION CONCLUSIONS**(I) Conclusion by the asset-based approach**

Upon asset-based valuation, the book value of total assets of Jin Mao Sanya Hotel Company Limited is RMB498,442,400, and the appraised value is RMB1,843,049,700, representing an increase of RMB1,344,607,400 or 269.76%; the book value of its total liabilities is RMB98,954,100, and the appraised value is RMB98,954,100, without change; the book value of its net assets is RMB399,488,300 and the appraised value is RMB1,744,095,600, representing an increase of RMB1,344,607,400 or 336.58%.

Summary of Valuation Results under the Asset-based Approach

Unit: RMB0'000

Items	Book value A	Appraised value B	Increase C=B-A	% D=C/A×100
1 Current assets	7,592.39	7,592.39	—	—
2 Non-current assets	42,251.84	176,712.58	134,460.74	318.24
3 Including: Long-term equity investment	—	—	—	—
4 Investment real estate	—	—	—	—
5 Fixed assets	32,049.86	176,433.08	144,383.22	450.50
6 Construction in progress	15.05	—	-15.05	-100.00
7 Intangible assets	9,907.43	—	-9,907.43	-100.00
8 Including: Land use rights	9,877.29	—	-9,877.29	-100.00
9 Other non-current assets	279.50	279.50	0.00	0.00
10 Total assets	49,844.24	184,304.97	134,460.74	269.76
11 Current liabilities	9,612.43	9,612.43	—	—
12 Non-current liabilities	282.98	282.98	—	—
13 Total liabilities	9,895.41	9,895.41	—	—
14 Net assets (Equity attributable to owners)	39,948.83	174,409.56	134,460.74	336.58

Note: The conclusion is detailed in the Asset Valuation Breakdown.

(II) Conclusion by the income approach

Upon valuation by income approach, the appraised value of total equities of Jin Mao Sanya is RMB1,709,591,700, representing an increase of RMB1,310,103,400 or 327.95%.

(III) Finalization of the valuation results

Total equities of the entire shareholders of the target entity are valued with asset-based approach and income approach respectively. With asset-based approach, the result is RMB1,744,095,600, while with income approach, the result is RMB1,709,591,700, with the difference of RMB34,503,900 or 1.98%.

The difference is mainly because according to Jin Mao Sanya's hotel operating model, equity income approach corresponds to core asset hotel properties and operating capital, team management etc., requiring a return equal to the discount rate WACC of equity income approach; while property income approach corresponds to single property asset, requiring a return equal to the return of property hotel asset. Given the same core asset income, the appraised value with income approach is lower than that with asset-based approach.

The target entity Jin Mao Sanya is mainly engaged in hotel operation. The asset-based approach reflects the fair value of asset from the perspective of asset replacement. In this valuation, the target entity provided the detailed information on its assets and liabilities, the appraisers also collected external materials required for asset-based approach, we carried out overall check and valuation on the target entity's assets and liabilities, and meanwhile, in consideration of the target entity's profit model or operational features, its main assets being hotel property assets, since its hotel property assets are already priced at fair value, the asset-based approach perfectly reflected its corporate value. Therefore, comparatively, asset-based approach provides more reliable results.

According to the above analysis, the appraised value of all shareholders' equity of Jin Mao Sanya is RMB1,744,095,600.

XI. SPECIAL REMINDERS

The following matters cannot be appraised or estimated by the appraisers according to their professional level and capability, however, such matters may affect the conclusions of valuation, so the users of this Report shall be reminded:

- (I) The "appraised value" in this Report refers to the fair value in our opinion of the target asset in current use as a going concern, as listed for the only purpose of this Report, on the premise of benchmark date status and external economic environment.
- (II) The conclusions of valuation herein reflect the market value of the target determined in the open market principle, for the purpose of this valuation, regardless of relevant costs or taxes to be borne in the process of title registration or title change of such assets, without any provision for tax adjustment on the increased value upon valuation. The conclusions shall not be deemed as a guarantee for the realizable price of the valuation target.
- (III) Incompleteness or flaw in title documents: None.

- (IV) 4 vehicles included in the valuation scope are to be scrapped, with the original book value of RMB2,968,846.61, and net value of RMB134,109.48.
- (V) The appraised value of hotels included in this valuation scope is the market value of real estate, including the value of land use rights.
- (VI) In this valuation, the properties scope is determined by the management team of the target entity as if such assets are to be handed over in the delivery of properties, covering buildings (structures) and auxiliary office equipment, hotel furniture, machinery and equipment, hotel fittings, hotel equipment, transport equipment, remodeling cost and others, therefore, the appraised value with income approach includes the value of foregoing assets, as detailed in the fixed assets valuation breakdown.
- (VII) The target entity is a small scale taxpayer, subject to the half reduction policy on real estate tax and urban land use tax. Since this entity started to perform this policy in 2019, this policy continued in 2023, and subsequently there is no indication of discontinuity. It is assumed that this policy will continue upon expiry, in consideration of the valuation purpose, that is, in this valuation, real estate tax and urban land use tax are calculated at half rate.
- (VIII) Under the Notice of the State Administration of Taxation on the Preferential Policies for Corporate Income Tax in the Hainan Free Trade Port (SAT [2020] No. 31), as an entity registered in Hainan Free Trade Port and substantially operating in the encouraged industry category, Jin Mao Sanya is subject to corporate income tax at the reduced tax rate of 15%, from 1 January 2020 to 31 December 2024. Currently, there is no indication that this policy will continue. It is assumed that this policy will no longer continue upon expiry, so the entity will be subject to corporate income tax at the rate of 25% after 2024.
- (IX) As of benchmark date, the target entity had no financing lease or mortgage/pledge.
- (X) During the period from benchmark date to the report date, the client and the target entity had not reported any subsequent events that had a significant impact.

The appraisers had not identified any subsequent events that had a significant impact.

XII. USE LIMITS OF THE ASSET VALUATION REPORT

- (I) This Valuation Report is only for the purpose stated herein;
- (II) The failure of the client or other users of this Valuation Report to use this Report within the scope of use stated herein at legal and regulatory requirements shall not hold the Valuer and its appraisers liable;

- (III) The users of this Report shall not include any entity or person other than the client, other users of the Asset Valuation Report entrusted in the Asset Valuation Engagement Contract, and the users at legal and regulatory requirements;
- (IV) The users of this Report shall correctly understand the conclusions, while the conclusions are not equal to the realizable values of the target, and the conclusions shall not be deemed as a guarantee for the realizable values of said target;
- (V) This Report may only be usable officially upon filing with the relevant authority for state-owned assets or the relevant authority for business;
- (VI) If all or part of this Report is extracted, cited or disclosed on public media, then the Valuer shall review the relevant contents, unless otherwise appointed by the related parties or otherwise required by laws and regulations;
- (VII) The conclusions revealed herein are only effective for the economic behaviors specific to this project. The conclusions are effective for one year from 30 June 2024 (the valuation benchmark date) to 29 June 2025. When the purpose of valuation is realized within the effective period, the valuation conclusion shall be taken as the reference basis of the value. Beyond 1 year, the assets shall be reassessed.

XIII. REPORT DATE

The date of this Asset Valuation Report is 14 October 2024.

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Valuer: Pan-China Appraisal Co., Ltd.

Legal representative:

Appraiser:

Appraiser:

14 October 2024

ATTACHMENTS

- I. Photocopies of economic behaviors documents corresponding to the purpose
- II. Photocopies of the Auditor's Report of the target entity
- III. Photocopies of the business licenses of the client and the target entity (as legal persons)
- IV. Photocopies of the title certificates of the client and the target entity
- V. Letter of commitments of the client and the target entity
- VI. Signed letters of commitments of the appraisers
- VII. Photocopies of the filings or qualification certificates of the Valuer
- VIII. Photocopies of the business license of the Valuer (as legal person)
- IX. Signed photocopies of appraisers' qualification certificates
- X. Photocopy of Asset Valuation Engagement Contract
- XI. Photocopies of major title documents concerning the target
- XII. Explanation on the significant difference between asset book value and appraised value

The following is the text of a letter and valuation report prepared for the purpose of incorporation in this circular received from Savills Valuation and Professional Services (China) Limited, an independent valuer, in connection with their opinion of market value of the Property held by the Group as at 31 August 2024.



The Directors
China Jinmao Holdings Group Limited
Room 4702-03,
47/F, Office Tower
Convention Plaza
1 Harbour Road
Wanchai
Hong Kong

Savills Valuation and
Professional Services (China) Limited
Room 1208, 12/F
1111 King's Road
Taikoo Shing, Hong Kong

T : (852) 2801 6100
F : (852) 2530 0756

30 October 2024

savills.com

Dear Sirs,

RE: Hilton Sanya Yalong Bay Resort and Spa (三亞亞龍灣希爾頓大酒店), Yalong Bay National Resort District, Sanya, Hainan Province, PRC (the "Property")

INSTRUCTIONS

In accordance with the instructions from China Jinmao Holdings Group Limited (the "Company") for us to value the Property held by the Company and its subsidiaries (collectively referred to as the "Group"), we confirm that we have carried out an inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of market value of the Property as at 31 August 2024 (the "valuation date") for incorporation in a circular.

BASIS OF VALUATION

Our valuation is our opinion of the market value of the Property concerned which we would define as intended to mean "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Moreover, market value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

Our valuation has been undertaken in accordance with the latest edition of the HKIS Valuation Standards 2020 published by The Hong Kong Institute of Surveyors (“HKIS”), which incorporates the International Valuation Standards (“IVS”), and, where applicable, the relevant HKIS or jurisdictional supplement. We have also complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

IDENTIFICATION AND STATUS OF THE VALUER

The subject valuation exercise is handled by our Ms. Jennie C.W. Chang, who is a Senior Associate Director of Savills Valuation and Professional Services (China) Limited (“SVPSCL”) and a Member of the HKIS (General Practice Division) and a Member of the Royal Institution of Chartered Surveyors (“RICS”) with over 17 years’ experience in valuation of properties in the PRC and has sufficient knowledge of the relevant market, the skills and understanding to handle the subject valuation exercise competently.

Prior to your instructions for us to provide this valuation services in respect of the Property, we had not been involved in valuation of the Property in the past 12 months.

We are independent of the Group. We are not aware of any instances which would give rise to potential conflict of interest from us in the subject exercise. We confirm that we are in the position to provide objective and unbiased valuation for the Property.

VALUATION METHODOLOGY

Direct Comparison Method is regarded as the most preferable method for property valuation. It involves the analysis of sales comparable in the market of similar properties compared with the Property. Given that the Property is characterized by a unique combination of luxurious amenities and quality services, there are insufficient recent market comparables on similar properties in the vicinity to determine the market value of the Property by using Direct Comparison Method. As such, in valuing the Property, we have adopted the Discounted Cash Flow (“DCF”) Analysis. DCF Analysis is a method of valuation where a discount rate is applied to a series of cash flows over an investment horizon including a terminal value to discount them to a present value. We have adopted a 5-year projection time frame in our DCF Analysis. In preparing the DCF Analysis, the income and expenses over the coming 5 years from the Valuation Date are itemized and projected annually taking into account either the historical operating accounts or the contractual tenancies, and the expected growth of income and expenses. The net cash flows from the 6th year onward are capitalized at appropriate terminal capitalization rates for the Property. The terminal value is then discounted at our adopted rates that reflect the rate of return that adequately compensate the investors for the risks taken.

TITLE INVESTIGATION

In respect of the Property in the PRC, we have been provided with copies of the title documents relating to the Property. However, we have not searched the original documents to verify ownership or to ascertain the existence of any amendments which may not appear on the copies provided to us. In the course of our valuation, we have relied on the information and advice given by the Group and the legal opinion issued by Fangda Partners (方達律師事務所) (the “Group’s PRC legal adviser”) regarding the title to the Property.

SOURCE OF INFORMATION

In the course of our valuation, we have relied to a considerable extent on the information given by the Group and have accepted advice given to us on such matters as planning approvals, statutory notices, easements, tenure, particulars of occupancy, tenancy details, site and floor areas and all other relevant matters. Dimensions, measurements and areas included in the valuation report are based on the information contained in the documents provided to us and are therefore only approximations. No on-site measurements have been taken. We have no reason to doubt the truth and accuracy of the information provided to us by the Group, which is material to our valuation. We have also sought confirmation from the Group that no material facts have been omitted from the information supplied.

VALUATION ASSUMPTIONS

In valuing the Property in the PRC, unless otherwise stated, we have relied on the legal opinion issued by the Group’s PRC legal adviser and prepared our valuation on the basis that transferable land use rights in respect of the Property for their respective specific terms at nominal annual land use fees have been granted and that any land grant premium payable has already been fully paid. Therefore, unless otherwise stated, we have also prepared our valuation on the basis that the owner of the Property has good legal title and has free and uninterrupted rights to occupy, use, transfer, lease or assign the Property for the whole of the respective unexpired terms as granted.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on any property or for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

SITE INSPECTION

We have inspected exterior and where possible, the interior of the Property. Site inspection of the Property was carried out by our Mr. Edison Xie (Associate Director) on 20 September 2024. Mr. Edison Xie has over 12 years’ experience in valuation of properties in the

PRC. During the course of our inspection, we did not note any serious defects. However, no structural survey has been made and we are therefore unable to report whether the Property is free from rot, infestation or any other structural defects. No tests were carried out on any of the services.

CURRENCY

Unless otherwise stated, all money amounts stated are in Renminbi (“RMB”).

We enclose herewith our valuation report.

Yours faithfully,
For and on behalf of
**Savills Valuation and
Professional Services (China) Limited**

Jennie C.W. Chang
MRICS MHKIS RPS(GP)
Senior Associate Director

Note: Ms. Jennie C.W. Chang is a professional surveyor who has over 17 years’ experience in valuation of properties in the PRC.

Encl.

VALUATION REPORT

Property held by the Group for operation

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 August 2024
Hilton Sanya Yalong Bay Resort and Spa (三亞亞龍灣希爾頓大酒店), Yalong Bay National Resort District, Sanya, Hainan Province, PRC	The Property, known as Hilton Sanya Yalong Bay Resort and Spa, is a large-scale hotel erected on a parcel of land (Lot No. 19-08-58) with a site area of approximately 108,610.37 sq.m. The Property is situated along Wanyue Road of Yalong Bay National Resort District in Sanya City. The Property is about a 45-minute drive from downtown Sanya and Sanya Phoenix International Airport. Developments in the vicinity are dominated by various hotels and shopping centers. The locality is served by public facilities and transportation network. According to the information provided by the Group, the Property has eight blocks of multi-storey buildings including hotel main block, and various of 1-2 storey buildings as supporting facilities for the purpose of meeting and events space, amenities, spa and wellness purposes. Overall, the Property comprises 492 guest rooms, together with restaurants and bars, ball rooms, meeting rooms, spa villas and fitness centre, with a total gross floor area of approximately 75,207.93 sq.m. As advised by the Group, the Property is completed in 2005 and renovated in 2017. The land use rights of the Property have been granted and will be expired on 19 October 2062 for commercial service use.	As at the valuation date, the Property is operated as hotel under the brand name of Hilton Sanya Yalong Bay Resort and Spa.	RMB1,606,000,000 (Renminbi One Billion Six Hundred and Six Million)

Notes:

1. Pursuant to the State-owned Land Use Rights Grant Contract dated 4 August 2003, the land use rights of a parcel of land with a site area of approximately 162.90 mu have been granted to 中國金茂(集團)股份有限公司, for five star hotel use. The salient development conditions/restrictions are extracted as follows:

Nature of Main Development:	a five star hotel
Nature of Ancillary Development:	ancillary facilities of hotel
Plot Ratio:	0.5
Site Coverage:	9%
Building Height:	27m
Greenery Ratio:	70%

2. Pursuant to the Hainan Sanya Shi Land and Building Ownership Certificate – San Tu Fang (2008) Zi Di No. 0396 issued by Sanya People's Government dated 23 January 2008, the land use rights with a site area of approximately 108,610.37 sq.m., and building ownership with a total gross floor area of approximately 75,207.93 sq m is vested in Jinmao (Sanya) Resort Hotel Co., Ltd. ("Jinmao (Sanya)") for a term expiring on 19 October 2062 for commercial service use.
3. Pursuant to the Management Agreement entered into between Jinmao (Sanya) and Hilton International Co. (currently named as Hilton Enterprise Management (Shanghai) Limited ("Hilton Corporation")) dated 11 February 2004, Hilton Corporation shall be the operator of the Property and operate under the brand name of Hilton Sanya Yalong Bay Resort and Spa with an operating period expiring on 31 December 2031.
4. Pursuant to the Business License No. Qiong 00502674 dated 27 November 2020, Jinmao (Sanya) is a limited liability company and was incorporated with a registered capital of RMB300,000,000 for a term commencing on 29 August 2003.
5. We have been provided with a legal opinion on the title to the Property issued by the Group's PRC legal adviser, which contains, inter alia, the following information:
 - (i) Jinmao (Sanya) is the legal owner of the land use rights and the building ownership of the Property, Jinmao (Sanya) is entitled to occupy, use, transfer and lease of the Property;
 - (ii) The Property is not subject to mortgage and seizure; and
 - (iii) Jinmao (Sanya) shall obtain consent of Hilton Corporation prior to dispose of the Property.
6. As advised by the Group, the consent from Hilton Corporation as mentioned in Note 5 (iii) has been obtained.
7. The major parameters adopted in our valuation are as follows:

Average Daily Rate ("ADR"):	RMB1,100 per night per room*
Food & Beverage revenue:	31% of room revenue
Stabilized Occupancy Rate:	90%
Stabilized Growth Rate:	2.00%
Capitalization Rate:	4.00%
Discount Rate:	6.00%

* Based on our market research, room rates in locations similar to the Property range from RMB900 to RMB1,200 per day. To determine the Average Daily Room Rate (ADR), we made adjustments for differences in various aspects including but not limited to location, size and quality between the Property and comparable properties. The general principle for adjustment is that if the Property is superior to the comparable properties, an upward adjustment will be made. Conversely, if the Property is inferior or less desirable, a downward adjustment will be applied.

8. To arrive at our opinion of the market value, we have prepared a five-year income projection for the Property. This projection encompasses revenue generated from room sales as well as food & beverage services. The revenue from room sales is calculated by considering the Average Daily Rate (ADR), occupancy rate, and growth rate, as outlined in Note 7. For the food & beverage revenue, we have referenced the historical operating accounts provided by the Group. In addition to the revenue projections, we have also analyzed the historical expenses associated with the Property in order to calculate the net income of the Property. Consequently, the net income from the first to fifth years is derived from revenue minus expenses.

The terminal value is calculated based on the sixth year's net income, which is capitalized at the capitalization rate specified in Note 7 for the remainder of the land use term. The net incomes for the first through fifth years, along with the terminal value, are then discounted back to the Valuation Date using the discount rate indicated in Note 7.

The sum of the discounted values from the first to fifth years, together with the terminal value, represents our opinion of the Market Value of the Property as of the Valuation Date.

9. Based on our market research, the occupancy rate in the similar location to the Property are in the range between 80% to 95%.

1. RESPONSIBILITY OF THE DIRECTORS

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

2.1 Directors' interests

Save as disclosed below, as at the Latest Practicable Date, none of the Directors and chief executives of the Company or their respective associates had any interest or short position in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules:

Interests in the Shares or underlying shares of the Company

Name of directors	Capacity	Number of Shares held	Number of underlying Shares held (Note 1)	Percentage of issued share capital of the Company (Note 2)
Mr. ZHANG Zenggen	Beneficial owner	3,800,000	–	0.028%
Mr. TAO Tianhai	Beneficial owner	7,700,000	2,000,000 (long position)	0.072%
Mr. ZHANG Hui	Beneficial owner	6,484,000	2,000,000 (long position)	0.063%
Ms. QIAO Xiaojie	Beneficial owner	4,500,000	1,334,000 (long position)	0.043%

Note 1: This refers to underlying shares covered by share options granted, such options being unlisted physically settled equity derivatives.

Note 2: This represents the percentage of the aggregate long positions in Shares and underlying shares to the total number of issued Shares of the Company as at the Latest Practicable Date.

Interest in the debentures of an associated corporation of the Company

Name of directors	Name of associated corporation	Capacity	Amount of debentures held	Aggregate principal amount of debentures	Type of debentures
Mr. ZHANG Hui	Franshion Brilliant Limited	Beneficial owner	US\$1,000,000	US\$500,000,000	4.250% guaranteed senior notes due 2029 (Note 1)
	Franshion Brilliant Limited	Beneficial owner	US\$300,000	US\$600,000,000	3.200% guaranteed senior notes due 2026 (Note 2)

Note 1: This refers to the guaranteed senior notes issued by Franshion Brilliant Limited, a wholly-owned subsidiary of the Company, on 23 July 2019, which are freely transferable and non-convertible into shares.

Note 2: This refers to the guaranteed senior notes issued by Franshion Brilliant Limited on 9 April 2021, which are freely transferable and non-convertible into shares.

2.2 Substantial shareholders' interests

Save as disclosed below, as at the Latest Practicable Date, so far as is known to the Directors, there was no other person (other than the Directors and chief executives of the Company) who had any interest or short position in the Shares or underlying shares of the Company which (i) were required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or (ii) were required, pursuant to section 336 of the SFO, to be recorded in the register of the Company referred to therein, or (iii) had already been notified to the Company and the Stock Exchange:

Name of substantial Shareholder	Long/short Position	Capacity/nature of Interests	Number of Shares Held	Percentage of issued share capital of the Company
Sinochem Hong Kong	Long position	Beneficial owner	5,183,735,902	38.40%
Sinochem Corporation	Long position	Interest of controlled corporation (Note 1)	5,183,735,902	38.40%
Sinochem Group Co., Ltd. ("Sinochem Group")	Long position	Interest of controlled corporation (Note 1)	5,183,735,902	38.40%
Sinochem Holdings	Long position	Interest of controlled corporation (Note 1)	5,183,735,902	38.40%

Name of substantial Shareholder	Long/short Position	Capacity/nature of Interests	Number of Shares Held	Percentage of issued share capital of the Company
Ping An Life Insurance Company of China, Ltd. ("Ping An Life")	Long position	Beneficial owner	1,787,077,435	13.24%
Ping An Insurance (Group) Company of China, Ltd. ("Ping An")	Long position	Interest of controlled corporation (Note 2)	1,787,077,435	13.24%
New China Life Insurance Company Ltd.	Long position	Beneficial owner	1,234,475,138	9.14%
UBS Group AG	Long position	Interest of controlled corporation (Note 3)	730,034,839	5.41%

Note 1: Sinochem Holdings holds the entire equity interest in Sinochem Group, which in turn holds 98% equity interest in Sinochem Corporation. Sinochem Corporation holds the entire equity interest in Sinochem Hong Kong. For the purpose of the SFO, Sinochem Holdings, Sinochem Group and Sinochem Corporation are all deemed to be interested in the Shares beneficially owned by Sinochem Hong Kong.

Note 2: Ping An holds 99.51% equity interest in Ping An Life and all equity interest in Ping An of China Asset Management (Hong Kong) Co. Limited. For the purpose of the SFO, Ping An is deemed to be interested in 1,787,077,435 Shares beneficially owned by Ping An Life.

Note 3: UBS Group AG is deemed to have interests in the Shares held by UBS AG, UBS Switzerland AG, UBS Asset Management (Shanghai) Limited, UBS Asset Management (Americas) Inc., UBS Asset Management (Australia) Ltd, UBS Fund Management (Luxembourg) S.A., UBS Asset Management (Deutschland) GmbH, UBS Asset Management (Hong Kong) Ltd, UBS Asset Management (Singapore) Ltd, UBS Asset Management Life Ltd, UBS Fund Management (Switzerland) AG, UBS Asset Management Switzerland AG, UBS Asset Management (UK) Limited and UBS O' Connor LLCm, and such companies are subsidiaries of UBS Group AG. In such long positions, 7,964,160 shares are held through cash settled unlisted derivatives).

Note 4: On 6 August 2019, Sinochem Hong Kong delivered 1,787,077,435 Shares to Ping An Life pursuant to a placing and subscription agreement dated 26 July 2019. Ping An Life is granted a pre-emptive right to off-market transfers and is thus deemed to be interested in the Shares held by Sinochem Hong Kong by virtue of s.317 of the SFO, and Sinochem Hong Kong is deemed to be interested in the Shares held by Ping An Life by virtue of s.317 of the SFO.

3. DIRECTORS' EMPLOYMENT WITH SUBSTANTIAL SHAREHOLDER

As at the Latest Practicable Date, the following Directors are also employees of a company which has an interest or short position in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Director	Name of substantial shareholder of the Company	Position in the substantial shareholder of the Company
Mr. CHENG Yong	Sinochem Holdings	Director of the human resources department
Ms. CHEN Aihua	Sinochem Holdings Sinochem Group Sinochem Corporation	Director of the audit department Supervisor Chairman of the board of supervisors
Ms. WANG Wei	Ping An Life	Risk specialist in the investment management team of the investment management centre

4. MATERIAL ADVERSE CHANGES

As at the Latest Practicable Date, the Directors were not aware of any material adverse changes in the financial or trading position of the Group since 31 December 2023, being the date to which the latest published audited financial statements of the Group were made up.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Company or any of its subsidiaries which is not terminable within one year without payment of compensation (other than statutory compensation).

6. COMPETING INTERESTS

As at the Latest Practicable Date, the Directors were not aware that any of them or any of their close associates (as defined in the Listing Rules) had interests in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group which would fall to be disclosed under the Listing Rules.

7. OTHER ARRANGEMENTS INVOLVING DIRECTORS

None of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group subsisting at the date of this circular and which was significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been since 31 December 2023 (the date to which the latest published audited accounts of the Group were made up), acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

8. EXPERT AND CONSENT

The following are the qualifications of the experts who have given opinions or advice, which are contained or referred to in this circular:

Name	Qualifications
Beijing Pan-China Assets Appraisal Co., Ltd.	Independent valuer
Savills	Independent valuer

As at the Latest Practicable Date, each of the experts:

- (a) has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name, in the form and context in which it appears;
- (b) did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and
- (c) did not have any direct or indirect interest in any assets which had been since 31 December 2023 (the date to which the latest published audited accounts of the Group were made up), acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

9. MATERIAL CONTRACTS

The following contracts, not being contracts in the ordinary course of business, have been entered into by members of the Group, within the two years preceding the Latest Practicable Date and are or may be material:

- (a) a letter of guarantee issued by Shanghai Jinmao Investment Management Group Co., Ltd. (上海金茂投資管理集團有限公司, “Shanghai Jinmao”, a wholly-owned subsidiary of the Company) and China Resources Land Holdings Company Limited (華潤置地控股有限公司, “CR Land Holdings”) to Great Wall Wealth Insurance Asset Management Co., Ltd. (長城財富保險資產管理股份有限公司, “Great Wall Wealth”) on 15 November 2022, pursuant to which Shanghai Jinmao and CR Land Holdings agreed to provide guarantees to Great Wall Wealth with respect to the debts of Nanjing Runmao Property Development Co., Ltd. (南京潤茂置業有限公司, “Nanjing Runmao”) with a principal amount of RMB4,000,000,000, provided that Shanghai Jinmao shall provide the guarantee with respect to 27.5% of the debts of Nanjing Runmao, and CR Land Holdings shall provide the guarantee with respect to the remaining 72.5% of the debts of Nanjing Runmao (for further details, please refer to the announcement of the Company dated 15 November 2022);
- (b) a renewed financial services framework agreement was entered into between the Group and Ping An Bank Co., Ltd. (平安銀行股份有限公司), Ping An Wealth Management Co., Ltd. (平安理財有限責任公司), Shenzhen Qianhai Pingyu Commercial Factoring Co., Ltd. (深圳市前海平裕商業保理有限公司), Ping An Property & Casualty Insurance Company of China, Ltd. (中國平安財產保險股份有限公司), Ping An Annuity Insurance Company of China, Ltd. (平安養老保險股份有限公司), Ping An Real Estate Co., Ltd. (平安不動產有限公司) and Ping An Asset Management Co., Ltd. (平安資產管理有限責任公司) (“Ping An Member Companies”) on 16 November 2022, pursuant to which the Group will continue to utilise the financial services available from Ping An Member Companies on a non-exclusive basis as it deems necessary for a period up to 31 December 2025 (for further details, please refer to the announcement of the Company dated 16 November 2022);
- (c) a project development entrusted management contract was entered into between the Company, Shijiazhuang Baobo Real Estate Development Co., Ltd. (石家莊保博房地產開發有限公司, “Shijiazhuang Baobo”, an indirect wholly-owned subsidiary of the Company) and Sinochem Holdings and its indirect wholly-owned subsidiary, Sinochem Holdings Xiong’an Property Co., Ltd. (中化控股雄安置業有限公司, “Sinochem Xiong’an”) on 30 December 2022, pursuant to which Shijiazhuang Baobo will provide management services to Sinochem Xiong’an in relation to the development and construction of the office building project to be constructed on land parcel No. 15 in Corporate Headquarters Zone, Xiong’an New Area Startup Zone, Hebei Province, the PRC (for further details, please refer to the announcement of the Company dated 30 December 2022);

- (d) an equity acquisition agreement was entered into between Jin Mao Suwan Enterprises Management (Tianjin) Company Limited (金茂蘇皖企業管理(天津)有限公司, “Jin Mao Suwan”, an indirect wholly-owned subsidiary of the Company), Jiaxing Liangmao Investment Partnership (Limited Partnership) (嘉興梁茂投資合夥企業(有限合夥), “Jiaxing Liangmao”, an indirect non-wholly-owned subsidiary of the Company) and Nanjing International Mall Construction Company Limited (南京國際商城建設有限公司, “Target Company”) on 15 March 2023, pursuant to which Jin Mao Suwan agreed to acquire and Jiaxing Liangmao agreed to sell 37.7464% equity interests in the Target Company for a consideration of RMB2,061,471,733 (for further details, please refer to the announcement of the Company dated 15 March 2023);
- (e) a supplemental agreement to the cooperation agreement dated 23 June 2020 was entered into between the Company and Sinochem Hong Kong on 17 March 2023, pursuant to which the parties agreed to extend the term of the Cash Pooling Cooperation Arrangement (as defined in the announcement of the Company dated 17 March 2023) to 31 December 2025, and to set the maximum daily balance and interest rate of the deposit placed and to be placed by the Company with the Bank Mendes Gans N.V. (“Bank”) under the Cash Pooling Cooperation Arrangement to be placed by the Company in the cash pool established by, among others, Sinochem Hong Kong and the Bank pursuant to the Cash Pooling Agreement, as well as the overdraft limit and interest rate applicable to the Company, during the extended term of the Cash Pooling Cooperation Arrangement (for further details, please refer to the announcements of the Company dated 28 October 2021 and 17 March 2023);
- (f) a framework agreement was entered into between Ningbo Yingmao Properties Development Co., Ltd. (寧波鷹茂地產開發有限公司, “Yingmao Properties”, an indirect non-wholly-owned subsidiary of the Company) and its shareholders, namely Wide Sea Limited (全海有限公司, “Wide Sea”) and Shenzhen Pingjia Investment and Management Co., Ltd. (深圳市平嘉投資管理有限公司, “Pingjia Investment”) on 24 March 2023, pursuant to which Yingmao Properties will continue to provide entrustment loans to Wide Sea and Pingjia Investment (or their respective designated entities) during the term of the new framework agreement. The aforesaid agreement expired on 31 December 2023 and the parties entered into a new framework agreement on 28 December 2023, pursuant to which the entrust loan arrangements have been extended till 31 December 2024 (for further details, please refer to the announcements of the Company dated 24 March 2023 and 28 December 2023);
- (g) an equity transfer agreement was entered into between Wuhan Xingmao Property Co., Ltd. (武漢興茂置業有限公司, “Wuhan Xingmao”, an indirect wholly-owned subsidiary of the Company) and Jiaxing Dingmao No. 1 Investment Partnership (Limited Partnership) (嘉興定茂壹號投資合夥企業(有限合夥), “Jiaxing Dingmao”, an affiliated company of the Company) on 30 March 2023, pursuant to which Wuhan Xingmao agreed to acquire and Jiaxing Dingmao agreed to sell 50% equity interests in the Wuhan Yumao Property Co., Ltd. (武漢煜茂置業有限公司) for a consideration of RMB1,178,734,400 (for further details, please refer to the announcement of the Company dated 30 March 2023);

- (h) a new framework agreement was entered into between the Project Companies (as defined in the announcement of the Company dated 12 May 2023) and their shareholders (including Beijing Xingmao Properties Co., Ltd. (北京興茂置業有限公司), Win Cheer Limited (“Win Cheer”), Tongxiang Haoji Properties Co., Ltd. (桐鄉豪吉置業有限公司), Tongxiang Haoqing Properties Co., Ltd. (桐鄉豪慶置業有限公司) and China Overseas Enterprise Development Group Co., Ltd. (中海企業發展集團有限公司)) on 12 May 2023, pursuant to which the Project Companies will continue to provide loans to their shareholders (or their respective designated entities) during the term of the new framework agreement which is three years, commencing from 13 May 2023 (for further details, please refer to the announcement of the Company dated 12 May 2023);
- (i) an equity pledge agreement was entered into between Guangzhou Pinmao Real Estate Development Co., Ltd. (廣州品茂房地產開發有限公司, “Guangzhou Pinmao”, an indirect wholly-owned subsidiary of the Company) and Industrial Bank Co., Ltd. (興業銀行股份有限公司) Guangzhou Branch (“Industrial Bank Guangzhou Branch”) on 25 August 2023, pursuant to which Guangzhou Pinmao agreed to pledge its 50% equity interests in the Zhuhai Tuomao Real Estate Development Co., Ltd. (珠海拓茂房地產開發有限公司, “Project Company”, owned as to 50% by each of Guangzhou Pinmao and Beijing Lingxiu Chuangying Information Consulting Centre (Limited Partnership) (北京領秀創贏信息諮詢中心(有限合夥)), and an affiliated company of the Company) in favour of Industrial Bank Guangzhou Branch to secure the due performance of the repayment obligations of the Project Company to Industrial Bank Guangzhou Branch under the loan agreement which was entered into between the Project Company and Industrial Bank Guangzhou Branch on 25 August 2023, pursuant to which Industrial Bank Guangzhou Branch agreed to provide a loan in the principal amount of RMB2,000,000,000 to the Project Company at the interest rate of the one-year loan prime rate published by the National Interbank Funding Centre minus 0.05% for a term of 48 months (for further details, please refer to the announcement of the Company dated 25 August 2023);
- (j) an equity transfer agreement was entered into between Shanghai Jinmao Investment Management Group Co., Ltd. (上海金茂投資管理集團有限公司, “Shanghai Jinmao”, a wholly-owned subsidiary of the Company) and Beijing Bohai Runze Commercial Management Co., Ltd. (北京渤海潤澤商業管理有限公司, “Bohai Runze”) on 17 October 2023 in relation to the proposed disposal by Shanghai Jinmao of its 100% equity interest in Jinmao (Beijing) Real Estate Co., Ltd. (金茂(北京)置業有限公司) to Bohai Runze at a consideration of RMB2,801.83 million (for further details, please refer to the announcement of the Company dated 17 October 2023);

- (k) a loan agreement was entered into between Jinmao Investment Management (Tianjin) Co., Ltd. (金茂投資管理(天津)有限公司, “Jinmao Tianjin”, an indirect wholly-owned subsidiary of the Company) and Nanjing Yaofang Properties Co. Ltd. (南京耀方置業有限公司, “Nanjing Yaofang”) on 21 October 2023, pursuant to which Jinmao Tianjin agreed to provide a loan to Nanjing Yaofang in a total amount of no more than RMB2,445,292,200 at the one-year LPR of the National Interbank published in September 2023, i.e., 3.45%, for the purpose of facilitating the subsequent negotiation among the parties on the development of the land parcel of No. 2023-WG-64 located at South of Zhuyuan Road Greenland, West of Dailunbang Greenland, Hi-Tech Zone, Suzhou City, Jiangsu Province, the PRC (for further details, please refer to the announcement of the Company dated 24 October 2023);
- (l) a new framework agreement was entered into between Jinmao Property Services Co., Limited (金茂物業服務發展股份有限公司, “Jinmao Services”, a non-wholly owned subsidiary of the company) and Sinochem Holdings for a term from 1 January 2024 to 31 December 2026 on 9 November 2023, pursuant to which Jinmao Services agreed to provide certain services to Sinochem Holdings and its associates (excluding, for the avoidance of doubt, the Company and its associates) (for further details, please refer to the announcement of the Company dated 9 November 2023);
- (m) a cooperation agreement was entered into between Ningbo Ningxing Properties Development Group Co., Ltd. (寧波寧興房地產開發集團有限公司, Ningbo Ningxing, an indirect wholly-owned subsidiary of the Company), Nanjing Yaofang and Suzhou Xinmao Real Estate Co., Ltd. (蘇州新茂置業有限公司, “Xinmao Real Estate”) on 24 November 2023, pursuant to which Ningbo Ningxing will acquire from Nanjing Yaofang its 51% equity interests in Xinmao Real Estate, make capital contribution in an amount of RMB1,881.9 million to Xinmao Real Estate, and provide shareholder investment amounted to RMB45.9 million as the initial startup funding of Xinmao Real Estate (for further details, please refer to the announcement of the Company dated 24 November 2023);
- (n) an equity transfer agreement was entered into between Shanghai Xingxiumao Business Management Co., Ltd. (上海興秀茂商業管理有限公司, “Shanghai Xingxiumao”, as the transferor) and the ABS Manager (as the transferee) on behalf of the 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 (“ABS”) on 23 November 2023, pursuant to which Shanghai Xingxiumao agreed to sell, and the ABS Manager, on behalf of the ABS, agreed to acquire, the entire equity interest in the Changsha Xiumao Business Management Co., Ltd. (長沙秀茂商業管理有限公司, “Project Company”) for the proposed spin-off which involves the separate listing of the Changsha Jinmao Mall of Splendor (長沙金茂覽秀城) (“Project”) on the Shanghai Stock Exchange through the establishment of the REITs as a close-ended publicly-listed infrastructure securities investment fund (for further details, please refer to the announcements of the Company dated 26 October 2023, 28 November 2023, 30 December 2023 and 4 March 2024);

- (o) a lease agreement was entered into by Sinochem Jinmao Property Management (Beijing) Co., Ltd. (中化金茂物業管理(北京)有限公司, “Jinmao PM”, a wholly-owned subsidiary of Jinmao Services), and China National Chemical Corporation (中國化工集團有限公司, “ChemChina”, a wholly-owned subsidiary of Sinochem Holdings) on 13 December 2023, pursuant to which Jinmao PM (as the lessee) will lease the 82 vacant housing units located at Zhonghaojiayuan, No. 19, Fushi Road, Haidian District, Beijing, the PRC, with a gross floor area of 8,429 square metres from ChemChina (as the lessor) for a term of five years from 31 January 2024 to 30 January 2029 (for further details, please refer to the announcement of the Company dated 13 December 2023);
- (p) the transactions documents entered into between Hangzhou Yuemao Real Estate Co., Ltd. (杭州躍茂置業有限公司, “Yuemao Real Estate”, a wholly-owned subsidiary of the Company), Hangzhou City Land Development Co., Ltd. (杭州市城市土地發展有限公司, “Hangzhou Development”), Hangzhou Weididao Catering Management Co., Ltd. (杭州味地道餐飲管理有限公司, “Weididao”) and Hangzhou Chengsheng Real Estate Co., Ltd. (杭州城昇置業有限公司, “Chengsheng Real Estate”) on 28 December 2023 (“Transaction Documents”), 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 the shareholder’s loan provided by Hangzhou Development to Weididao in an aggregate amount of approximately RMB882.67 million in proportion to its 56.67% equity interests, amounting to approximately RMB500.21 million as of the date of the Transaction Documents (for further details, please refer to the announcement of the Company dated 28 December 2023);
- (q) a capital increase agreement was entered into between the Company and Jinmao Huadong, Hangzhou Mancheng Equity Investment Partnership (杭州漫呈股權投資合夥企業, “Hangzhou Mancheng”) and Shenzhen Yulu Enterprise Management Co., Ltd. (深圳市豫祿企業管理有限公司, “Shenzhen Yulu”) on 28 December 2023, pursuant to which, Jinmao Huadong, Hangzhou Mancheng and Shenzhen Yulu agreed to contribute RMB500 million, RMB400 million and RMB90 million to Xi’an Runmao Real Estate Co., Ltd. (西安潤茂置業有限公司), respectively (for further details, please refer to the announcement of the Company dated 28 December 2023);
- (r) an agreement was entered into between Hefei Fengmao Real Estate Development Company Limited (合肥豐茂房地產開發有限公司, “Heifei Fengmao”, an indirect wholly-owned subsidiary of the Company), Beijing Capital Development Co., Ltd. (北京首都開發股份有限公司, “BCDC”) and Nanjing Jiatai Zhumao Real Estate Co., Ltd. (南京嘉泰築茂置業有限公司, “Nanjing Jiatai”) on 26 January 2024, pursuant to which, for the purpose of their subsequent cooperation in the development of the land parcel No. 2023G89 situated in Gulou District, Nanjing, the PRC, Hefei Fengmao (i) agreed to provide Nanjing Jiatai with the loan in the form of earnest

money in an aggregate amount of not exceeding RMB612,021,265 at an interest rate of 5.5% per annum; and (ii) conditionally agreed to participate in the listing-for-sale process for the capital increase of Nanjing Jiatai (for further details, please refer to the announcement of the Company dated 26 January 2024);

- (s) a Supplemental Agreement was entered into between the Company and Sinochem Finance Co., Ltd. (中化集團財務有限責任公司, “Sinochem Finance”, a non-wholly owned subsidiary of Sinochem Corporation) on 15 March 2024 to amend certain terms of the Sinochem Financial Services Framework Agreement, which include (i) an update to the scope of other financial services to be provided by Sinochem Finance per the regulatory update; (ii) the extension of the term of the agreement to 31 December 2026 and (iii) a minor amendment to the definition of “member unit”. At the same time, having reviewed the funding utilisation and funding deployment arrangements of the Group, the Company proposes to amend the maximum daily deposit balance for each year (for further details, please refer to the announcement of the Company dated 15 March 2024 and the circular dated 12 April 2024); and
- (t) an agreement was entered into by and among Qingdao High-tech Investment & Development Group Co., Ltd. (青島高新區投資開發集團有限公司), Qingdao Qingmao Real Estate Co., Ltd. (青島青茂置業有限公司) and Qingdao Shengmao Real Estate Co., Ltd. (青島晟茂置業有限公司, “Shengmao Real Estate”) on 22 March 2024, to increase the registered capital of Qingdao Eastern Eden Cultural Tourism Development Co., Ltd. (青島東方伊甸園文化旅遊開發有限公司) from RMB600 million to RMB1,050 million, with Shengmao Real Estate fully subscribing for the additional registered capital with a total payment of RMB450.10 million (for further details, please refer to the announcement of the Company dated 22 March 2024);
- (u) A loan agreement was entered into by and among Beijing Zhantuo Real Estate Co., Ltd. (北京展拓置業有限公司, “Zhantuo Real Estate”, an indirect wholly-owned subsidiary of the Company) and Sinochem Finance on 26 April 2024, 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 (for further details, please refer to the announcement of the Company dated 26 April 2024 and the circular dated 30 May 2024);
- (v) A new framework lease agreement was entered in to between the Company and Sinochem Holdings to extend the lease term to 31 December 2033, and to set annual caps for the three years ending 31 December 2026 under the new framework lease agreement (for further details, please refer to the announcement of the Company dated 7 May 2024 and the circular dated 30 May 2024);

- (w) an equity transfer agreement was entered into by and among Jinmao Xinan Enterprise Management (Tianjin) Limited (金茂西南企業管理(天津)有限公司, “Jinmao Xinan”, an indirect wholly-owned subsidiary of the Company), Jiaxing Zhenmao Investment Partnership (Limited Partnership) (嘉興振茂投資合夥企業(有限合夥), “Jiaxing Zhenmao”) and Chengdu Yuemao Property Co., Ltd. (成都悅茂置業有限公司, “Chengdu Yuemao”) on 15 May 2024, 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. Upon completion of the transaction, Chengdu Yuemao will become an indirect wholly-owned subsidiary of the Company (for further details, please refer to the announcement of the Company dated 15 May 2024);
- (x) an equity transfer agreement was entered into by and among Jinmao Xinan, Jiaxing Wenmao II Investment Partnership (Limited Partnership) (文茂貳號投資合夥企業(有限合夥), “Jiaxing Wenmao II”) and Chengdu Junmao Property Co., Ltd. (成都雋茂置業有限公司, “Chendu Junmao”) on 15 May 2024, pursuant to which Jinmao Xinan agreed to acquire and Jiaxing Wenmao II agreed to sell 49% equity interests in Chengdu Junmao for a total consideration of approximately RMB1,192.13 million. Upon completion of the transaction, Chengdu Junmao will become an indirect wholly-owned subsidiary of the Company (for further details, please refer to the announcement of the Company dated 15 May 2024);
- (y) a capital increase agreement was entered into by and among Hefei Fengmao, BCDC and Nanjing Jiatai on 24 June 2024, pursuant to which Hefei Fengmao agreed to provide capital investment of RMB302,884,461 to Nanjing Jiatai and acquired 51% equity interest in Nanjing Jiatai; BCDC agreed to provide capital investment of RMB269,410,599 to Nanjing Jiatai and held 49% equity interest in Nanjing Jiatai. Upon completion of the capital increase, the registered capital of Nanjing Jiatai will be increased to RMB550 million and Nanjing Jiatai will become an indirect non-wholly-owned subsidiary of the Company (for further details, please refer to the announcement of the Company dated 24 June 2024);
- (z) a framework agreement was entered into by and among Sanya Nanfan Rongmao Properties Co., Ltd. (三亞南繁榮茂置業有限公司, “Nanfan Rongmao”, an indirect non-wholly-owned subsidiary of the Company), its indirect shareholders, Jinmao Tianjin, Hainan Nongken Nanfan Industry Group Co., Ltd. (海南農墾南繁產業集團有限公司, “Hainan Nongken”) and 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, “Sanya Yazhou”), which was for a term of three years commencing from 28 June 2024, 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 Co., Ltd. (三亞崖州所持南繁科技城有限公司). 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 (for further details, please refer to the announcement of the Company dated 28 June 2024);

- (aa) a digital services framework agreement was entered into between the Group and Sinochem Information Technology Co., Ltd. (中化信息技術有限公司, “Sinochem Information”, an indirect wholly-owned subsidiary of Sinochem Holdings) on 26 July 2024, pursuant to which the Group will, from time to time, utilise the digital services available from Sinochem Information as it deems necessary until 31 December 2026 (for further details, please refer to the announcement of the Company dated 26 July 2024);
- (bb) a tendering and procurement services framework agreement was entered into between the Group and Sinochem Commerce Co., Ltd. (中化商務有限公司, “Sinochem Commerce”, an indirect non-wholly owned subsidiary of Sinochem Holdings) on 13 September 2024, pursuant to which the Group will, from time to time, utilise the tendering and procurement services provided by Sinochem Commerce as it deems necessary until 31 December 2026 (for further details, please refer to the announcement of the Company dated 13 September 2024); and
- (cc) an equity transfer agreement was entered into by and among Xi'an Shunmao Property Co., Ltd (西安順茂置業有限公司, “Xi'an Shunmao”, an indirect wholly-owned subsidiary of the Company), Jiaying Yangmao and Xi'an Mingmao Property Co., Ltd. (西安明茂置業有限公司, “Xi'an Mingmao”) on 29 September 2024, pursuant to which Xi'an Shunmao agreed to acquire and Jiaying Yangmao agreed to sell 40% equity interests in Xi'an Mingmao for a total consideration of approximately RMB1,664.74 million. Upon completion of the transaction, Xi'an Mingmao will become an indirect wholly-owned subsidiary of the Company (for further details, please refer to the announcement of the Company dated 30 September 2024).

10. LITIGATION

As at the Latest Practicable Date, the Group was not engaged in any litigation or claim of material importance and there was no litigation or claims of material importance known to the Directors to be pending or threatened by or against the Group.

11. MISCELLANEOUS

- (a) The secretary of the Company is Mr. LIAO Chi Chiun. Mr. LIAO earned a Bachelor of Arts (Honours) degree in accounting from De Montfort University, England in 1995 and is a fellow member of the Association of Chartered Certified Accountants and also an associate member of the Hong Kong Institute of Certified Public Accountants.
- (b) The registered office of the Company is situated at Rooms 4702-03, 47th Floor Office Tower, Convention Plaza, No. 1 Harbour Road, Wanchai, Hong Kong.
- (c) The share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

12. DOCUMENTS ON DISPLAY

Copies of the following documents are available on the HKEx news website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.chinajinmao.cn) from the date of this circular up to and including the date of the EGM:

- (a) forms of contracts for property transactions prepared by the Company;
- (b) the written consents referred to in the section headed “Expert and Consent” in this appendix;
- (c) the valuation report of Jin Mao Sanya prepared by Beijing Pan-China Assets Appraisal Co., Ltd., the text of which is set out in Appendix II; and
- (d) the valuation report (Hilton Sanya Resort and Spa) prepared by Savills, the text of which is set out in Appendix III.

NOTICE OF EGM



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of China Jinmao Holdings Group Limited (the “**Company**”) will be held at Salon III-IV, Mezzanine Floor, Grand Hyatt Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Friday, 15 November 2024 at 9:30 a.m. or any adjournment thereof to consider and, if thought fit, pass the following resolution as an ordinary resolution (with or without modifications):

ORDINARY RESOLUTION

“THAT:

- (a) the potential disposal (the “**Potential Disposal**”) of 100% equity interests in Jin Mao Sanya Resort Hotel Company Limited (“**Jin Mao Sanya**”) and the related claims of Jin Mao Hainan Investment Company Limited (“**Hainan Jin Mao**”, an indirectly wholly owned subsidiary of the Company) in Jin Mao Sanya, by Hainan Jin Mao and China Jin Mao (Group) Company Limited, an indirectly wholly owned subsidiary of the Company, as transferor, by way of public tender process (“**Public Tender**”) through the China Beijing Equity Exchange at the reserve price of not less than RMB1,848.88 million (the “**Minimum Consideration**”), be and is hereby approved, please refer to the announcement of the Company dated 15 October 2024 for further details; and
- (b) should there be a successful bidder in the Public Tender, the directors of the Company be and are hereby authorised to agree the final price for the Potential Disposal, provided it is not lower than the Minimum Consideration and any director of the Company be and is authorised to do all such acts and things, to sign and execute such documents or agreements or deeds on behalf of the Company and to do such other things and to take all such actions as he considers necessary, appropriate, desirable or expedient for the purposes of giving effect to or in connection with the Potential Disposal and any transaction contemplated thereunder, and to agree to such variation, amendments or waiver of matters relating thereto as are, in the opinion of the such director, in the interests of the Company and its shareholders as a whole.”

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

Hong Kong, 30 October 2024

NOTICE OF EGM

Notes:

- (1) The register of members of the Company will be closed from Tuesday, 12 November 2024 to Friday, 15 November 2024, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for entitlement to attend and vote at the EGM, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Monday, 11 November 2024.
- (2) Any member entitled to attend and vote at the EGM or any adjournment thereof convened by the above notice is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- (3) In case of joint holders of any share, any one of such joint holders may vote at the EGM or any adjournment thereof, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders are present at the EGM in person or by proxy, then one of the said persons so present whose name stands first on the register of members in respect of such share shall alone be entitled to vote in respect thereof.
- (4) In order to be valid, the form of proxy completed in accordance with the instructions printed thereon, together with the power of attorney or other authority (if any) under which it is signed (or a certified copy of that power or authority) must be deposited at the share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event no later than 48 hours (excluding any part of a day that is a public holiday) before the time appointed for holding the EGM or any adjournment thereof.
- (5) Completion and return of the form of proxy will not preclude members from attending and voting in person at the EGM should they so wish, and in such event, the form of proxy shall be deemed to be revoked.
- (6) If typhoon signal no. 8 or above remains hoisted or a black rainstorm warning signal or "extreme conditions caused by a super typhoon" announced by the Government of Hong Kong is in force at 7:00 a.m. on the date of the EGM, the EGM will be postponed. The Company will post an announcement on the Company's website at www.chinajinmao.cn and the HKEx news website at www.hkexnews.hk to notify shareholders of the date, time and place of the rescheduled meeting.

As at the date of this notice, 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.