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五礦地產有限公司 **MINMETALS LAND LIMITED**

(Incorporated in Bermuda with limited liability)

(Stock Code: 230)

CONTINUING CONNECTED TRANSACTIONS **KUANGMAO AGREEMENT**

KUANGMAO AGREEMENT

Reference is made to the announcement of the Company dated 26 April 2021 and the circular of the Company dated 17 May 2021 in relation to the major transaction in respect of the Kuangmao Agreement.

On 26 April 2021, Guangzhou Kuangmao (an indirect non-wholly owned subsidiary of the Company) entered into the Kuangmao Agreement with Shengshi Guangye (an indirect wholly-owned subsidiary of the Company holding 51% of the equity interest of Guangzhou Kuangmao) and Xiefeng (holder of 49% of the equity interest of Guangzhou Kuangmao) pursuant to which Guangzhou Kuangmao may during the term commencing from 26 April 2021 to 25 April 2024 provide loans by way of entrustment loans or directly provide loans to Xiefeng and Shengshi Guangye (or their respective direct holding company, or designated fellow subsidiaries in the PRC). The total outstanding balance of the loans provided or to be provided to Xiefeng and Shengshi Guangye at any time during the term of the Kuangmao Agreement shall not exceed RMB931 million (approximately HK\$1,147.36 million) and RMB969 million (approximately HK\$1,194.20 million) respectively.

As at the date of the Kuangmao Agreement, Guangzhou Kuangmao was an insignificant subsidiary of the Company as all relevant ratios pursuant to Rule 14A.09(1) of the Listing Rules based on the financial statements of Guangzhou Kuangmao for the period from 12 December 2018 (date of incorporation) to 31 December 2018 and for the two years ended 31 December 2019 and 2020, respectively were less than 10%. Xiefeng was therefore not regarded as a connected person of the Company pursuant to Rule 14A.09 of the Listing Rules and the transactions contemplated under the Kuangmao Agreement did not constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. As the transactions contemplated under the Kuangmao Agreement (on a stand-alone basis and when aggregated with the Previous Xiefeng Loans) constituted a major transaction for the Company, the Kuangmao Agreement and the provision of loans to Xiefeng under the Kuangmao Agreement have been approved by written shareholder's approval in accordance with Rule 14.44 of the Listing Rules as at the date of the Kuangmao Agreement.

Based on the unaudited financial information of Guangzhou Kuangmao and the Company for the year ended 31 December 2021, it is expected that the relevant ratios (as defined under Rule 14A.09(1) of the Listing Rules) of Guangzhou Kuangmao shall exceed 10% for the year ended 31 December 2021, and thus Guangzhou Kuangmao has ceased to be an insignificant subsidiary of the Company under Rule 14A.09(1) of the Listing Rules and Xiefeng shall become a connected person of the Company at the subsidiary level under the Listing Rules.

LISTING RULES IMPLICATIONS

The Kuangmao Agreement and the provision of the loans to Xiefeng under the Kuangmao Agreement have become continuing connected transactions for the Company under the Listing Rules. Pursuant to Rule 14A.60 of the Listing Rules, the Company is required to comply with the applicable reporting and disclosure requirements under Chapter 14A of the Listing Rules regarding such continuing connected transactions. As the Board has approved the continuing connected transactions of the Company and the independent non-executive Directors have confirmed that the terms of such transactions are fair and reasonable and are on normal commercial terms and in the interests of the Company and the Shareholders as a whole, the continuing connected transactions are exempted from the circular, independent financial advice and Shareholders' approval requirements under Rule 14A.101 of the Listing Rules. The Company will comply in full with all applicable reporting and disclosure under Chapter 14A of the Listing Rules upon any variation or renewal of the Kuangmao Agreement.

On 26 April 2021, Guangzhou Kuangmao (an indirect non-wholly owned subsidiary of the Company) entered into the Kuangmao Agreement with Shengshi Guangye (an indirect wholly-owned subsidiary of the Company holding 51% of the equity interest of Guangzhou Kuangmao) and Xiefeng (holder of 49% of the equity interest of Guangzhou Kuangmao) pursuant to which Guangzhou Kuangmao may during the term commencing from 26 April 2021 to 25 April 2024 provide loans by way of entrustment loans or directly provide loans to Xiefeng and Shengshi Guangye (or their respective direct holding company, or designated fellow subsidiaries in the PRC).

CONTINUING CONNECTED TRANSACTIONS PURSUANT TO RULE 14A.60(1) OF THE LISTING RULES

Principal terms of the Kuangmao Agreement are summarised as follows:

Date

26 April 2021

Parties

- (i) Guangzhou Kuangmao, an indirect non-wholly owned subsidiary of the Company, as lender;
- (ii) Shengshi Guangye, an indirect wholly-owned subsidiary of the Company and holder of 51% of the equity interest of Guangzhou Kuangmao, as borrower; and
- (iii) Xiefeng, holder of 49% of the equity interest of Guangzhou Kuangmao, as borrower

Term of the Kuangmao Agreement

Three years commenced from 26 April 2021 to 25 April 2024

Subject Matter

As at 31 December 2021, Guangzhou Kuangmao has provided loans to Xiefeng for an amount of approximately RMB465.5 million (approximately HK\$573.68 million) under the Kuangmao Agreement. For the remaining term of the Kuangmao Agreement, Guangzhou Kuangmao, depending on the idle cash available to it, entrust financial institutions in the PRC which are qualified to engage in entrustment loan business, and as approved by Shengshi Guangye and Xiefeng, to further provide entrustment loans or directly provide loans to Xiefeng and Shengshi Guangye (or their respective direct holding company, or designated fellow subsidiaries in the PRC) based on the same terms and conditions and in proportion to their respective shareholdings in Guangzhou Kuangmao on an unsecured interest-free basis. The total outstanding balance of the loans provided or to be provided to Xiefeng and Shengshi Guangye at any time during

the term of the Kuangmao Agreement shall not exceed RMB931 million (approximately HK\$1,147.36 million) and RMB969 million (approximately HK\$1,194.20 million) respectively.

Term of the loans and early repayment

The loans which have been provided to Xiefeng as at 31 December 2021 are each of a term not exceeding three years, commencing no earlier than 26 April 2021 and ending no later than 25 April 2024. The additional loans which will be provided to Xiefeng during the remaining term of the Kuangmao Agreement shall commence on the date of the relevant loans and end no later than 25 April 2024. The loans shall be repaid in one lump sum on the maturity date of the relevant loans. Guangzhou Kuangmao may, at any time by giving 30 working days advance written notice to both Shengshi Guangye and Xiefeng (or their respective direct holding company, or designated fellow subsidiaries in the PRC), request for early repayment of all or part of the loans made to each of Shengshi Guangye and Xiefeng (or their respective direct holding company, or designated fellow subsidiaries in the PRC) under the Kuangmao Agreement on a prorated basis.

Historical transaction amounts

Based on the record of the Group, (i) the amount of loans provided to Xiefeng under the 2020 Xiefeng Loan and 2021 January Xiefeng Loan, which remained outstanding as at the date of this announcement, were approximately RMB122.5 million (approximately HK\$150.97 million) and approximately RMB122.5 million (approximately HK\$150.97 million) respectively; and (ii) the amount of loans provided to Xiefeng under the Kuangmao Agreement for the year ended 31 December 2021 was approximately RMB465.5 million (approximately HK\$573.68 million). Such loans shall be repaid in one lump sum upon maturity.

ANNUAL CAP AMOUNTS

The total outstanding balance of the loans provided or to be provided to Xiefeng at any time during the term of the Kuangmao Agreement shall not exceed RMB931 million (approximately HK\$1,147.36 million).

The Annual Cap Amount was determined principally by reference to (i) the remaining amount of loans that can be provided to Shengshi Guangye and Xiefeng out of the cap amount after deducting the amount of loans already provided to Shengshi Guangye and Xiefeng, (ii) the idle cash balance that Guangzhou Kuangmao may have available for use and the development progress of Parc One and its planned sales scale during the term of the Kuangmao Agreement, and (iii) the development and financial requirements of Guangzhou Kuangmao during the term of the Kuangmao Agreement.

REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

Guangzhou Kuangmao is engaged in the ownership and development of Parc One and is generating steady funding from its operation. Based on the planned development schedule, sales programme and costing of Parc One, it is expected that Guangzhou Kuangmao may accumulate idle cash from time to time. The Directors consider that the provision of loans by Guangzhou Kuangmao to its shareholders will allow it to release its idle cash to other members of the Group, and will also enhance the working capital of the Group as a whole, and provide flexibility in the planning and management of the Group's liquidity position during the respective term of the Kuangmao Agreement.

The Directors consider that provision of interest-free loans to Xiefeng are fair and reasonable on the ground that (i) it was agreed between the parties upon the formation of the joint venture (Guangzhou Kuangmao) that loans shall be provided to both shareholders on pro-rata basis on the same terms to ensure fairness between the shareholders; and (ii) the Group intends to maintain long term cooperation with Xiefeng to leverage on their expertise in real estate investment and property management. Although the loan is to be provided by Guangzhou Kuangmao on an unsecured interest-free basis under the Kuangmao Agreement, the Company will closely monitor the financial positions of Ping An by reviewing its published financial statements twice a year once its financial statements are published on the websites of the Stock Exchange. The Group also will maintain adequate internal controls and procedures over the financial and operations of Guangzhou Kuangmao, such as reviewing the accounts of Guangzhou Kuangmao and the development progress of Parc One before the grant of the loans and quarterly during the term of the Kuangmao Agreement, in order to minimise the likelihood of defaults in repayment of the loans by Xiefeng or its direct holding company or designated fellow subsidiaries in the PRC and safeguard the Group's assets.

The Directors (including the independent non-executive Directors) consider that the terms of the Kuangmao Agreement and the provision of the loans to Xiefeng under the Kuangmao Agreement (including the Annual Cap Amounts) are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole. None of the Directors has a material interest in the Kuangmao Agreement and hence none of the Directors has abstained from voting on the resolution to approve the Kuangmao Agreement.

INTERNAL CONTROL PROCEDURES AND RISK MANAGEMENT MEASURES

In order to safeguard the interests of the Shareholders, the Group will adopt the following guidelines and principles in monitoring the transactions between Guangzhou Kuangmao, Shengshi Guangye and Xiefeng contemplated under the Kuangmao Agreement and the Annual Cap Amounts:

- (i) specifically designated personnel from the Company will be responsible for monitoring the transactions contemplated under the Kuangmao Agreement and the Annual Cap Amounts and will ensure that the underlying transactions are conducted in accordance with the terms of the Kuangmao Agreement;
- (ii) the Company's external auditors will conduct an annual review on the pricing and annual caps of the continuing connected transactions of the Company, including the transactions contemplated under the Kuangmao Agreement;
- (iii) the independent non-executive Directors will conduct an annual review of the implementation and enforcement of the continuing connected transactions of the Company, including the transactions contemplated under the Kuangmao Agreement and the Annual Cap Amounts on an annual basis; and
- (iv) the Company will review the transactions contemplated under the Kuangmao Agreement and the Annual Cap Amounts on an annual basis, summarise the experience and improve on any inadequacies.

INFORMATION OF THE PARTIES

The Group is principally engaged in the business of real estate development, specialised construction, property investment and securities investment.

Guangzhou Kuangmao is an indirect non-wholly owned subsidiary of the Company owned as to 51% by Shengshi Guangye and 49% by Xiefeng. It is principally engaged in the development of Parc One, a residential development project situated at Changling Road, Huangpu District, Guangzhou City, Guangdong Province, the PRC.

Shengshi Guangye is an indirect wholly-owned subsidiary of the Company and is principally engaged in investment holding. Minmetals Land Beijing is the direct holding company of Shengshi Guangye and an indirect wholly-owned subsidiary of the Company whose principal activity is the provision of management service and investment holding.

Xiefeng is principally engaged in real estate investment consultancy, real estate sales agency and property management businesses and is indirectly non-wholly owned by Ping An Real Estate for financial investment purpose. Ping An Real Estate is a subsidiary of Ping An and is principally engaged in investment management, investment consultancy, investment holding, entrusted management of equity investment fund and entrusted fund management businesses. Ping An is a company established under the laws of the PRC with limited liability, the A shares (stock code: 601318) and H shares (stock code: 2318)

of which are listed on the Shanghai Stock Exchange and the Stock Exchange, respectively. Ping An, together with its subsidiaries, is an insurance and financial service group in the PRC, which can provide a variety of insurance and financial services and products to corporate and retail customers.

LISTING RULES IMPLICATIONS

The Kuangmao Agreement and the provision of the loans to Xiefeng under the Kuangmao Agreement have become continuing connected transactions for the Company under the Listing Rules. Pursuant to Rule 14A.60 of the Listing Rules, the Company is required to comply with the applicable reporting and disclosure requirements under Chapter 14A of the Listing Rules regarding such continuing connected transactions. As the Board has approved the continuing connected transactions of the Company and the independent non-executive Directors have confirmed that the terms of such transactions are fair and reasonable and are on normal commercial terms and in the interests of the Company and the Shareholders as a whole, the continuing connected transactions are exempted from the circular, independent financial advice and Shareholders' approval requirements under Rule 14A.101 of the Listing Rules. The Company will comply in full with all applicable reporting and disclosure requirements under Chapter 14A of the Listing Rules upon any variation or renewal of the Kuangmao Agreement.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context otherwise requires:

- “2020 Xiefeng Loan” a loan provided by Guangzhou Kuangmao to Xiefeng for an amount of approximately RMB122.5 million (approximately HK\$150.97 million) under a loan agreement dated 30 June 2020 entered into between Guangzhou Kuangmao and Xiefeng (as supplemented);
- “2021 January Xiefeng Loan” a loan provided by Guangzhou Kuangmao to Xiefeng for an amount of approximately RMB122.5 million (approximately HK\$150.97 million) under a loan agreement dated 11 January 2021 entered into between Guangzhou Kuangmao and Xiefeng, further details of which are set out in the Company's announcement dated 11 January 2021;
- “Annual Cap Amount(s)” the maximum amount of loans to be provided by Guangzhou Kuangmao to Xiefeng under the Kuangmao Agreement for each of the two years ending 31 December 2022 and 2023 and for the period between 1 January 2024 and 25 April 2024;
- “Board” the board of Directors;

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| “Company” | Minmetals Land Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange; |
| “Directors” | the directors (including independent non-executive directors) of the Company; |
| “Guangzhou Kuangmao” | Guangzhou Kuangmao Property Development Co., Ltd.* (廣州市礦茂房地產開發有限公司), a company established under the laws of the PRC with limited liability undertaking the development of Parc One and an indirect non-wholly owned subsidiary of the Company; |
| “Group” | the Company and its subsidiaries; |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong; |
| “Kuangmao Agreement” | the loan framework agreement dated 26 April 2021 entered into among Guangzhou Kuangmao, Shengshi Guangye and Xiefeng; |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange; |
| “Minmetals Land Beijing” | Minmetals Land Investment Management (Beijing) Co., Ltd* (五礦建設投資管理(北京)有限公司), a company established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company and the direct holding company of Shengshi Guangye; |
| “Parc One” | a residential development project situated at Changling Road, Huangpu District, Guangzhou City, Guangdong Province, the PRC; |
| “Ping An” | Ping An Insurance (Group) Company of China, Ltd. (中國平安保險(集團)股份有限公司), a company established under the laws of the PRC with limited liability, the A shares (stock code: 601318) and H shares (stock code: 2318) of which are listed on the Shanghai Stock Exchange and the Stock Exchange, respectively; |
| “Ping An Real Estate” | Ping An Real Estate Co., Ltd.* (平安不動產有限公司), a company established under the laws of the PRC with limited liability; |
| “PRC” | the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan); |

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| “Previous Xiefeng Loans” | collectively, the 2020 Xiefeng Loan and the 2021 January Xiefeng Loan; |
| “RMB” | Renminbi, the lawful currency of the PRC; |
| “Shareholder(s)” | holder(s) of ordinary share(s) of HK\$0.10 each in the issued share capital of the Company; |
| “Shengshi Guangye” | Minmetals Shengshi Guangye (Beijing) Co., Ltd.* (五礦盛世廣業(北京)有限公司), a company established under the laws of the PRC with limited liability; |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |
| “Xiefeng” | Ningbo Yinzhou Xiefeng Corporate Management Co., Ltd.* (寧波市鄞州協豐企業管理有限公司), a company established under the laws of the PRC with limited liability; and |
| “%” | per cent. |

In this announcement, unless the context requires otherwise, the terms “associate(s)”, “connected person(s)”, “connected transaction(s)”, “percentage ratio(s)”, “controlling shareholder(s)” and “subsidiary(ies)”, shall have the meaning given to such terms in the Listing Rules.

For the purpose of illustration only and unless otherwise stated, conversion of Renminbi into Hong Kong dollars in this announcement is based on the exchange rate of RMB1.00 to HK\$1.2324. Such conversion should not be construed as a representation that any amount has been, could have been, or may be, exchanged at this or any other rate.

By order of the Board
Minmetals Land Limited
He Jianbo
Chairman

Hong Kong, 23 March 2022

* *For identification purpose only*

As at the date of this announcement, the board of directors of the Company comprises nine directors, namely Mr. He Jianbo as the Chairman and an executive director, Mr. Liu Bo, Mr. Chen Xingwu and Mr. Yang Shangping as executive directors, Ms. He Xiaoli and Mr. Huang Guoping as non-executive directors, and Mr. Selwyn Mar, Mr. Lam Chung Lun, Billy and Ms. Law Fan Chiu Fun, Fanny as independent non-executive directors.