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**五礦地產有限公司**  
**MINMETALS LAND LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 230)**

**MAJOR TRANSACTION**  
**CAPITAL INJECTION AGREEMENT**  
**DEEMED DISPOSAL OF 49% EQUITY INTEREST IN THE JV COMPANY**

Reference is made to the Announcement, i.e. the announcement of the Company dated 28 March 2019 in relation to the Memorandum of Intent in respect of, among other things, (a) the payment of certain earnest money by the Investor to the JV Company, an indirect wholly-owned company of the Group held through Shengshi Guangye, and (b) the possible admission of the Investor as a 49% equity owner of the JV Company and constituting a deemed disposal of the Group's equity interest in and the formation of the JV Company (i.e. the "**Deemed Disposal**").

Pursuant to the terms of the Memorandum of Intent, the Investor shall, if identified as the successful tenderer to participate in the Deemed Disposal, be admitted to take up 49% equity capital in the JV Company for an amount of RMB19,215,686 (equivalent to approximately HK\$21,398,588) at the same time Shengshi Guangye pays up its 51% share of the equity capital in the JV Company in the amount of RMB20,000,000 (equivalent to approximately HK\$22,272,000).

The Deemed Disposal is conditional upon, among other things, the parties to the Memorandum of Intent entering into definitive agreement in relation thereto.

The Board is pleased to announce that on 8 January 2020, Shengshi Guangye, the JV Company and the Investor entered into the Capital Injection Agreement in relation to the Deemed Disposal and all other conditions to the Memorandum of Intent have also been fulfilled.

Upon completion of the Capital Injection Agreement, Shengshi Guangye's equity interest in the JV Company will be diluted from 100% to 51%, but the JV Company will remain as a subsidiary of the Company and in the books of the Group on a consolidated basis.

The joint venture arrangement in respect of the JV Company, being a single purpose vehicle to develop the Land for residential purpose for sale, was, among other things, made on an arm's length basis on normal commercial terms, and accordingly, the formation of joint venture will be exempt from reporting, announcement and shareholders' approval requirements under Rule 14.04(1)(f) of the Listing Rules.

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in relation to the admission of the Investor to contribute 49% of the registered capital of the JV Company exceeds 25% but all applicable percentage ratios are below 75%, the Deemed Disposal constitutes a major

transaction for the Company subject to reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Deemed Disposal. As such, the Deemed Disposal may be approved by written Shareholders' approval in accordance with Rule 14.44 of the Listing Rules. June Glory, which owns 2,071,095,506 Shares representing approximately 61.88% of the issued share capital of the Company as at the date of this announcement, has granted its written approval to the Company for the Deemed Disposal.

A circular containing, among other things, further particulars of the Deemed Disposal will be despatched to the Shareholders on or before 24 January 2020.

Reference is made to the Announcement, i.e. the announcement of the Company dated 28 March 2019 in relation to the Memorandum of Intent in respect of, among other things, (a) the payment of certain earnest money by the Investor to the JV Company, an indirect wholly-owned company of the Group held through Shengshi Guangye, and (b) the possible admission of the Investor as a 49% equity owner of the JV Company and constituting a deemed disposal of the Group's equity interest in and the formation of the JV Company (i.e. the Deemed Disposal).

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### **Capital Injection Agreement**

#### ***Date***

8 January 2020

#### ***Parties***

- (1) the JV Company;
- (2) Shengshi Guangye, an indirect wholly-owned subsidiary of the Company; and
- (3) the Investor.

The Investor is a company incorporated under the laws of the PRC with limited liability and is indirectly owned by Ping An Real Estate Co., Ltd. for financial investment purpose. The Investor is principally engaged in investment consultancy, sales agency and property management businesses. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of the Investor and its ultimate beneficial owner(s) is an Independent Third Party.

#### ***Subject Matter***

Shengshi Guangye and the Investor agreed that the registered capital of the JV Company shall be increased from RMB20,000,000 (equivalent to approximately HK\$22,272,000) to RMB2,400,000,000 (equivalent to approximately HK\$2,672,640,000).

Pursuant to the Capital Injection Agreement:

- (1) the registered capital of the JV Company will further be increased to RMB39,215,686 (equivalent to approximately HK\$43,670,588), which shall be contributed as to RMB20,000,000 (equivalent to approximately HK\$22,272,000) by Shengshi Guangye and as to RMB19,215,686 (equivalent to approximately HK\$21,398,588) by the Investor in cash. The Investor shall pay RMB19,215,686 (equivalent to approximately HK\$21,398,588) to the JV Company in stages, the final stage to be paid within 10 working days from the date of signing of the Capital Injection Agreement and at the same time, Shengshi Guangye shall pay to the JV Company in the amount of RMB20,000,000 (equivalent to approximately HK\$22,272,000);
- (2) the parties shall work together to complete the necessary registration with the State Administration for Market Regulation of the PRC in respect of the increase in registered capital of the JV Company within 5 working days of the date of signing of the Capital Injection Agreement; and
- (3) within 15 working days after the JV Company has obtained a new business licence reflecting the increase in its registered capital to RMB39,215,686 (equivalent to approximately HK\$43,670,588), each of Shengshi Guangye and the Investor shall make further payment to the JV Company on a pro-rated basis to increase its registered capital further to RMB2,400,000,000 (equivalent to approximately HK\$2,672,640,000), of which approximately RMB1,204,000,000 (equivalent to approximately HK\$1,340,774,400) shall be contributed by Shengshi Guangye and approximately RMB1,156,784,314 (equivalent to approximately HK\$1,288,195,012) shall be contributed by the Investor.

Under the terms of the Memorandum of Intent, the Investor has paid the Earnest Money to the JV Company. Shengshi Guangye will contribute its share of the increased registered capital (namely RMB1,204,000,000 (equivalent to approximately HK\$1,340,774,400)) by converting part of the Existing Shareholder's Loan owed to Shengshi Guangye into equity. The Investor will contribute RMB1,156,784,314 (equivalent to approximately HK\$1,288,195,012) by converting the Earnest Money and part of the Existing Investor's Loan into equity.

The amounts to be contributed by Shengshi Guangye and the Investor were determined after arm's length negotiation among the parties to the Capital Injection Agreement with reference to the funding needs of the JV Company for the acquisition and development of the Land and the amount to be contributed by Shengshi Guangye shall be funded by internal financial resources of the Group. The Directors are of the view that the Capital Injection Agreement is on normal commercial terms which are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

All capital injected by both Shengshi Guangye and the Investor into the JV Company will be used to fund the acquisition of the Land, the operation of the JV Company and the construction of the Development Project.

#### **Further information on the JV Company and the financial impact of the Group**

The JV Company was established in December 2018 by Shengshi Guangye as a single purpose vehicle to acquire and hold the Land and to carry out the Development Project. As at the date of this announcement, the registered capital of the JV Company amounted to RMB20,000,000 (equivalent to approximately HK\$22,272,000), which has not been paid up.

Upon completion of the Deemed Disposal, the equity interest in the JV Company will be owned as to 51% and 49% by Shengshi Guangye and the Investor respectively but the JV Company will remain a subsidiary of the Company and will continue to be accounted for on a consolidated basis in the accounts of the Company. It is expected that no material gain or loss will accrue to the Group as a result of the Deemed Disposal.

Based on the management accounts of the JV Company prepared in accordance with generally accepted accounting principles in the PRC, the unaudited net liability of the JV Company as at 31 December 2019 was approximately RMB11,346,711 (equivalent to approximately HK\$12,635,697).

After the conversions of the Earnest Money and loans from the Investor and Shengshi Guangye into equity as mentioned above, and pro-rated partial repayment of the Existing Shareholder's Loan, the remaining balance of the Existing Shareholder's Loans from Shengshi Guangye and the balance of the Investor's loan are expected to be approximately RMB50,488,771 (equivalent to approximately HK\$56,224,295) and approximately RMB19,685,289 (equivalent to approximately HK\$21,921,538) respectively, which shall bear interest at their existing interest rate of 6% per annum.

Any additional funding required by the JV Company beyond its total registered capital as increased above will be sourced by way of bank loan on a non-recourse basis. The Company has no intention nor expectation to provide additional funding beyond its above-mentioned commitment to the registered capital of the JV Company.

### ***Management of the JV Company***

#### *Board composition*

The board of directors of the JV Company shall comprise three directors, two of whom shall be nominated by Shengshi Guangye and one by the Investor.

The JV Company shall have two supervisors, one of whom shall be nominated by Shengshi Guangye and the other by the Investor.

#### *Restriction on transfer of equity interest*

Each party shall have a right of first offer to acquire the interests in the JV Company to be sold by the other party in accordance with the articles of association of the JV Company.

### **Information of the Land**

The JV Company is the owner of the Land, a parcel of land numbered CPPQ-A-3 located in Changlingju, Huangpu District, Guangzhou City, Guangdong Province, the PRC. The site area of the Land is approximately 72,000 square meters, with a plot ratio of 1.0 to 2.5. The Land is permitted for residential development and the term of grant is 70 years.

The Land was acquired through public auction at a purchase price of RMB2,247,010,000 (equivalent to approximately HK\$2,502,270,336) in December 2018, which has been fully settled.

### **Reasons for and benefits of entering into of the Capital Injection Agreement**

The Group is principally engaged in real estate development, specialised construction, property investment and securities investment. It is believed that the Deemed Disposal will bring in investor and hence improve the JV Company's capital efficiency and strengthen its financial position.

The Directors (including the independent non-executive Directors) considered that the Capital Injection Agreement, which has been entered into after arm's length negotiation between the parties, is on normal commercial terms, and the terms thereof are fair and reasonable and in the interests of the Company and the Shareholders as a whole. None of the Directors has a material interest in the transactions contemplated under the Capital Injection Agreement and none of them is required to abstain, or has abstained, from voting on the relevant board resolutions approving the transactions contemplated under the Capital Injection Agreement.

## **Listing Rules Implications**

The joint venture arrangement in respect of the JV Company, being a single purpose vehicle to develop the Land for residential purpose for sale, was, among other things, made on an arm's length basis on normal commercial terms, and accordingly, the formation of joint venture will be exempt from reporting, announcement and shareholders' approval requirements under Rule 14.04(1)(f) of the Listing Rules.

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in relation to the admission of the Investor to contribute 49% of the registered capital of the JV Company exceeds 25% but all applicable percentage ratios are below 75%, the Deemed Disposal constitutes a major transaction for the Company subject to reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Deemed Disposal. As such, the Deemed Disposal may be approved by written Shareholders' approval in accordance with Rule 14.44 of the Listing Rules. June Glory, which owns 2,071,095,506 Shares representing approximately 61.88% of the issued share capital of the Company as at the date of this announcement, has granted its written approval to the Company for the Deemed Disposal.

A circular containing, among other things, further particulars of the Deemed Disposal will be despatched to the Shareholders on or before 24 January 2020.

## **INFORMATION ON THE GROUP AND SHENGSHI GUANGYE**

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

Shengshi Guangye is an indirect wholly-owned subsidiary of the Company and is principally engaged in investment holding.

## **DEFINITIONS**

In this announcement, the following expressions shall have the respective meanings set opposite thereto:

<b>“Announcement”</b>	an announcement of the Company dated 28 March 2019 in relation to the Memorandum of Intent in respect of, among other things, the Deemed Disposal
<b>“Board”</b>	the board of Directors
<b>“Capital Injection Agreement”</b>	the capital injection agreement dated 8 January 2020 entered into among Shengshi Guangye, the JV Company and the Investor in relation to the Deemed Disposal
<b>“Company”</b>	Minmetals Land Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
<b>“connected person” and “subsidiary”</b>	each has the meaning ascribed to it under the Listing Rules

<b>“Deemed Disposal”</b>	the admission of the Investor to contribute 49% of the registered capital and shareholder’s loan of the JV Company under the Memorandum of Intent and the Capital Injection Agreement for a total sum of approximately RMB1,195,685,289 (equivalent to approximately HK\$1,331,515,138)
<b>“Development Project”</b>	the residential development to be constructed on the Land
<b>“Director(s)”</b>	the director(s) of the Company
<b>“Earnest Money”</b>	an earnest money paid by the Investor to the JV Company in the amount of RMB1,152,344,664 (equivalent to approximately HK\$1,283,251,018) pursuant to the Memorandum of Intent, details of which are set out in the Announcement
<b>“Existing Investor’s Loan”</b>	a loan of RMB24,124,939 (equivalent to approximately HK\$26,865,532) provided to the JV Company at an interest rate of 6% per annum as at the date of this announcement
<b>“Existing Shareholder’s Loan”</b>	the existing shareholder’s loans owing by the JV Company to Shengshi Guangye in the aggregate outstanding amount of RMB1,254,488,771 (equivalent to approximately HK\$1,396,998,695) as at the date of this announcement, which is interest bearing at a rate of 6% per annum
<b>“Group”</b>	the Company and its subsidiaries
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the PRC
<b>“Independent Third Party”</b>	a party who is not connected person (as defined in the Listing Rules) of the Company and who together with its ultimate beneficial owner(s) are independent of the Company and the connected persons (as defined in the Listing Rules) of the Company
<b>“Investor”</b>	寧波市鄞州協豐房產投資諮詢有限公司, a company established under the laws of the PRC with limited liability
<b>“June Glory”</b>	June Glory International Limited, a company incorporated in the British Virgin Islands with limited liability, and the Company’s immediate controlling shareholder holding approximately 61.88% of the Shares as at the date of this announcement
<b>“JV Company”</b>	廣州市礦茂房地產開發有限公司(Guangzhou Kuangmao Property Development Co., Ltd.*), a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company as at the date of this announcement

“Land”	the land parcel numbered CPPQ-A-3 situated in Changlingju, Huangpu District, Guangzhou City, Guangdong Province, the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“Memorandum of Intent”	the memorandum of intent dated 28 March 2019 entered into by Shengshi Guangye, the Investor and the JV Company in respect of, among other things, the Deemed Disposal
“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)
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
“Shareholder(s)”	holders of Share(s)
“Shengshi Guangye”	五礦盛世廣業(北京)有限公司 (Minmetals Shengshi Guangye (Beijing) Co., Ltd.*) (formerly known as 北京盛世廣業投資管理有限公司 (Beijing Shengshi Guangye Investment Management Co., Ltd.*), a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

*For the purpose of illustration only and unless otherwise stated, conversion of RMB into Hong Kong dollars in this announcement is based on the exchange rate of RMB1.00 to HK\$1.1136. 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.*

*\* For identification purpose only*

By order of the Board  
**He Jianbo**  
*Chairman*

Hong Kong, 8 January 2020

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