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五礦地產有限公司
MINMETALS LAND LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 230)

DISCLOSEABLE 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 11 April 2019 in relation to the Agreement of Intent and the Earnest Money Agreement in respect of, among other things, (a) the payment of certain earnest money by the Investor to the JV Company, an indirect wholly-owned subsidiary 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 Agreement 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 RMB490,000,000 (equivalent to approximately HK\$545,664,000) and Shengshi Guangye shall pay up 51% equity capital in the JV Company for an amount of RMB510,000,000 (equivalent to approximately HK\$567,936,000).

The Deemed Disposal is conditional upon, among other things, the parties to the Agreement 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 Agreement 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 5% but all applicable percentage ratios are below 25%, the Deemed Disposal constitutes a discloseable

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

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Capital Injection Agreement

Date

8 January 2020

Parties

- (1) the JV Company;
- (2) Shengshi Guangye; and
- (3) the Investor.

The Investor is a company established under the laws of the PRC with limited liability and principally engaged in property development and sales of property in the PRC. It is an indirect wholly-owned subsidiary of China Merchants Land Limited (stock code: 978). 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 RMB2,000,000 (equivalent to approximately HK\$2,227,200) to RMB1,000,000,000 (equivalent to approximately HK\$1,113,600,000) in accordance with the following:

- (1) the registered capital of the JV Company shall first be increased to RMB3,921,568.60 (equivalent to approximately HK\$4,367,059) whereby the Investor shall pay RMB1,929,543.11 (equivalent to approximately HK\$2,148,739), for its 49% share of the registered capital in the JV Company in stages, the final stage to be paid within 5 working days from the date of signing of the Capital Injection Agreement and at the same time, Shengshi Guangye shall pay up the registered capital of the JV Company in the amount of RMB2,000,000 (equivalent to approximately HK\$2,227,200);
- (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 RMB3,921,568.60 (equivalent to approximately HK\$4,367,059), 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 RMB1,000,000,000 (equivalent to approximately HK\$1,113,600,000), of which approximately RMB508,000,000 (equivalent to approximately HK\$565,708,800) shall be contributed by Shengshi Guangye and approximately RMB488,078,431.40 (equivalent to approximately HK\$543,524,141) shall be contributed by the Investor, both by payment in cash.

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 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.

Under the terms of the Agreement of Intent, the Investor has paid the Earnest Money to the JV Company for subsequent conversion into equity if and when admitted as an equity owner of the JV Company. As the registered capital of the JV Company will be contributed by payment in cash from Shengshi Guangye and the Investor under the Capital Injection Agreement, such cash injected will be used for the partial repayment of the Existing Shareholder's Loan from Shengshi Guangye and such Earnest Money.

After such conversions and partial repayments, the remaining balance of the Existing Shareholder's Loans from Shengshi Guangye and the balance of the Investor's loan that will remain are expected to be RMB107,217,300 (equivalent to approximately HK\$119,397,185) and RMB103,012,700 (equivalent to approximately HK\$114,714,943) respectively, which shall continue to bear interest at their existing interest rate of 6% per annum.

Further information on the JV Company and financial impact on the Group

The JV Company was established in December 2018 by Shengshi Guangye as a single purpose vehicle for owning the Land and carrying out the Development Project. As at the date of this announcement, the registered capital of the JV Company amounted to RMB2,000,000 (equivalent to approximately HK\$2,227,200), 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, and the registered capital of the JV Company will amount to RMB1,000,000,000 (equivalent to approximately HK\$1,113,600,000). 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 RMB2,913,000 (equivalent to approximately HK\$3,244,000).

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 on the Land

The JV Company is the owner of the Land, a parcel of land situated at Maogang Road, Huangpu District, Guangzhou City, Guangdong Province, the PRC. The site area of the Land is approximately 13,802 square meters, with a plot ratio of 1.0 to 3.8. 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 RMB1,090,230,000 (equivalent to approximately HK\$1,214,080,128) in November 2018, which has been fully settled.

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

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

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, are 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 Deemed Disposal exceeds 5% but all applicable percentage ratios are below 25%, the Deemed Disposal constitutes a discloseable transaction for the Company subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

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:

“Agreement of Intent”	the agreement of intent dated 11 April 2019 entered into by Shengshi Guangye, the Investor and the JV Company in respect of, among other things, the Deemed Disposal
“Announcement”	an announcement of the Company dated 11 April 2019 in relation to the Agreement of Intent and the Earnest Money Agreement in respect of, among other things, the Deemed Disposal
“Board”	the board of Directors
“Capital Injection Agreement”	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
“Company”	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
“connected person” and “subsidiary”	each has the meaning ascribed to it under the Listing Rules
“Deemed Disposal”	the admission of the Investor to contribute 49% of the registered capital and shareholder’s loan of the JV Company under the Capital Injection Agreement for a total sum of approximately RMB593,020,675 (equivalent to approximately HK\$660,387,824)
“Development Project”	the residential development to be constructed on the Land
“Director(s)”	the director(s) of the Company
“Earnest Money”	an earnest money paid by the Investor to the JV Company in the amount of RMB548,912,700 (equivalent to approximately HK\$611,269,183) pursuant to the Earnest Money Agreement, details of which are set out in the Announcement
“Earnest Money Agreement”	the earnest money agreement dated 11 April 2019 entered into by the Company, the Investor and the JV Company in respect of, among other things, the payment of the Earnest Money

“Existing Investor’s Loan”	a loan of RMB44,100,000 (equivalent to approximately HK\$49,109,760) paid to the JV Company at an interest rate of 6% per annum as at the date of this announcement
“Existing Shareholder’s Loan”	the existing shareholder’s loans owing by the JV Company to Shengshi Guangye in the aggregate outstanding amount of RMB617,217,300 (equivalent to approximately HK\$687,333,185) as at the date of this announcement, which is interest bearing at a rate of 6% per annum
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	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
“Investor”	廣州招商房地產有限公司 (Guangzhou Merchants Property Development Limited*), a company established under the laws of the PRC with limited liability
“JV Company”	廣州礦業房地產開發有限公司 (Guangzhou Kuangrong 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 situated at Maogang Road, 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
“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.