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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 AND CONTINUING CONNECTED TRANSACTIONS

### LOAN FRAMEWORK AGREEMENT

The Board hereby announces that on 13 July 2020, Guangzhou Kuangrong, a non wholly-owned subsidiary of the Company, entered into the Agreement with its shareholders, namely Shengshi Guangye, an indirect wholly-owned subsidiary of the Company holding 51% of the equity interest of Guangzhou Kuangrong, and Guangzhou Merchants, holder of the remaining 49% of the equity interest of Guangzhou Kuangrong, pursuant to which Guangzhou Kuangrong may during the term commencing from 13 July 2020 to 12 July 2023 provide loans by way of entrustment loans or directly to Shengshi Guangye (or its designated fellow subsidiaries in Mainland China) for an amount not exceeding RMB688.50 million (approximately HK\$756.11 million) and to Guangzhou Merchants for an amount not exceeding RMB661.50 million (approximately HK\$726.46 million) based on the same terms and conditions and in proportion to their respective shareholding in Guangzhou Kuangrong on an unsecured interest free basis.

As one of the applicable percentage ratios in respect of the cap amount of loans that may be provided by Guangzhou Kuangrong to Guangzhou Merchants at any time during the term of the Agreement is more than 5% but less than 25%, the Agreement constitutes a discloseable transaction for the Company and is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

Guangzhou Merchants is a substantial shareholder of Guangzhou Kuangrong and is therefore a connected person at the subsidiary level of the Company. Accordingly, the provision of loans by Guangzhou Kuangrong to Guangzhou Merchants under the Agreement also constitutes continuing connected transactions for the Company under Chapter 14A of the Listing Rules. As the independent non-executive Directors have confirmed that the terms of the Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole, the Agreement is only subject to the reporting and announcement requirements, but is exempt from the circular, independent financial advice and Shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

## **INTRODUCTION**

The Board hereby announces that on 13 July 2020, Guangzhou Kuangrong, a non wholly-owned subsidiary of the Company, entered into the Agreement with its shareholders, namely Shengshi Guangye, an indirect wholly-owned subsidiary of the Company holding 51% of the equity interest of Guangzhou Kuangrong, and Guangzhou Merchants, holder of the remaining 49% of the equity interest of Guangzhou Kuangrong, pursuant to which Guangzhou Kuangrong may during the term commencing from 13 July 2020 to 12 July 2023 provide loans by way of entrustment loans or directly to Shengshi Guangye (or its designated fellow subsidiaries in Mainland China) for an amount not exceeding RMB688.50 million (approximately HK\$756.11 million) and to Guangzhou Merchants for an amount not exceeding RMB661.50 million (approximately HK\$726.46 million) based on the same terms and conditions and in proportion to their respective shareholding in Guangzhou Kuangrong on an unsecured interest free basis.

## **THE AGREEMENT**

### **Date**

13 July 2020

### **Parties**

Lender : Guangzhou Kuangrong, a non wholly-owned subsidiary of the Company

Borrowers : Shengshi Guangye, an indirect wholly-owned subsidiary of the Company and holder of 51% of the equity interest of Guangzhou Kuangrong; and

Guangzhou Merchants, holder of 49% of the equity interest of Guangzhou Kuangrong.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiry, Guangzhou Merchants and its ultimate beneficial owner are, save for Guangzhou Merchants' interest in Guangzhou Kuangrong, third parties independent of and not connected with the Company and its connected persons.

### **Term of the Agreement**

Three years commencing from 13 July 2020 to 12 July 2023.

### **Provision of loans**

Guangzhou Kuangrong will, depending on the idle cash available to it, entrust PRC financial institutions which are qualified to engage in entrustment loan business, and as approved by Shengshi Guangye and Guangzhou Merchants, to provide entrustment loans to or directly provide loans to Shengshi Guangye (or its designated fellow subsidiaries in Mainland China) for an amount not exceeding RMB688.50 million (approximately HK\$756.11 million) and to Guangzhou Merchants for an amount not exceeding RMB661.50 million (approximately HK\$726.46 million) based on the same terms and

conditions and in proportion to their respective shareholding in Guangzhou Kuangrong on an unsecured interest free basis.

### **Term of the loans and early repayment**

The loans shall be of a term of not more than three years commencing no earlier than 13 July 2020 and ending no later than 12 July 2023. The loans shall be repaid in one lump sum upon maturity. Guangzhou Kuangrong may, at any time by giving 30 working days advance written notice to both Shengshi Guangye (or its designated fellow subsidiaries in Mainland China) and Guangzhou Merchants, request for early repayment of all or part of the loans made to each of Shengshi Guangye (or its designated fellow subsidiaries in Mainland China) and Guangzhou Merchants under the Agreement on a prorated basis.

### **Cap amount of loans**

Shengshi Guangye : not exceeding RMB688.50 million (approximately HK\$756.11 million)

Guangzhou Merchants : not exceeding RMB661.50 million (approximately HK\$726.46 million)

The Directors have considered the following key factors in determining such cap:-

- the cash balance that Guangzhou Kuangrong may have available for use and the development progress of Regent Heights and its planned sales scale during the term of the Agreement; and
- the development and financial requirements of Guangzhou Kuangrong during the term of the Agreement.

### **REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT**

Guangzhou Kuangrong is engaged in the ownership and development of Regent Heights and will be generating satisfactorily steady funding from its operation to meet its development needs. Based on the planned development schedule, sales programme and costing of Regent Heights, Guangzhou Kuangrong may accumulate idle cash in the next three years. The Directors consider that the provision of loans by Guangzhou Kuangrong to its shareholders will allow it to release its idle cash, and will also enhance the working capital of the Group and provide flexibility in the planning and management of the Group's liquidity position during the term of the Agreement.

Since Guangzhou Kuangrong is a non wholly-owned subsidiary of the Company, the loans provided by Guangzhou Kuangrong to Guangzhou Merchants will be presented as loans to a non-controlling shareholder of a subsidiary under current assets in the consolidated statement of financial position of the Group.

It is expected that no material gain or loss will accrue to the Group as a result of the loans as it is on an interest free basis.

The Directors (including the independent non-executive Directors) consider that the Agreement was entered into in the ordinary course of business of the Group and the terms of the Agreement, including the cap amount of loans, 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 is regarded as having a material interest in the Agreement, and hence none of the Directors has abstained from voting on the resolution to approve the Agreement.

## **LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios in respect of the cap amount of loans that may be provided by Guangzhou Kuangrong to Guangzhou Merchants at any time during the term of the Agreement is more than 5% but less than 25%, the Agreement constitutes a discloseable transaction for the Company and is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

Guangzhou Merchants is a substantial shareholder of Guangzhou Kuangrong and is therefore a connected person at the subsidiary level of the Company. Accordingly, the provision of loans by Guangzhou Kuangrong to Guangzhou Merchants under the Agreement also constitutes continuing connected transactions for the Company under Chapter 14A of the Listing Rules. As the independent non-executive Directors have confirmed that the terms of the Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole, the Agreement is only subject to the reporting and announcement requirements, but is exempt from the circular, independent financial advice and Shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

## **GENERAL**

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

Guangzhou Kuangrong is a non wholly-owned subsidiary of the Company held as to 51% by Shengshi Guangye and 49% by Guangzhou Merchants and is principally engaged in the development of Regent Heights, a residential development project situated at Maogang Road, Huangpu District, Guangzhou, Guangdong Province, the PRC.

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

Guangzhou Merchants is principally engaged in property development and sales of property in the PRC and is a wholly-owned subsidiary of China Merchants Land Limited (stock code: 978), which in turn is principally engaged in development, sale, lease, investment and management of properties, asset management and investment holding.

## **DEFINITIONS**

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

“Agreement”	the loan framework agreement dated 13 July 2020 entered into among Guangzhou Kuangrong, Shengshi Guangye and Guangzhou Merchants;
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“Board”	the board of Directors;
“Company”	Minmetals Land Limited, a company incorporated in Bermuda with limited liability, whose Shares are listed on the Main Board of the Stock Exchange;
“connected person at the subsidiary level”, “percentage ratio”, “subsidiary” and “substantial shareholder”	each shall have the meaning ascribed to it under the Listing Rules;
“Director(s)”	directors (including independent non-executive directors) of the Company;
“Group”	the Company and its subsidiaries;
“Guangzhou Kuangrong”	廣州礦榮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 a non wholly-owned subsidiary of the Company;
“Guangzhou Merchants”	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;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time;
“Mainland China” or “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);
“Regent Heights”	a residential development project situated at Maogang Road, Huangpu District, Guangzhou, Guangzhou Province, the PRC;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shengshi Guangye”	五礦盛世廣業（北京）有限公司 (Minmetals Shengshi Guangye (Beijing) Co., Ltd.*), a company established under the laws of the PRC with limited

	liability and an indirect wholly-owned subsidiary of the Company;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company;
“Shareholder(s)”	holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

*For the purpose of illustration only and unless otherwise stated, conversions of Renminbi into Hong Kong dollars in this announcement is calculated at the exchange rate of RMB1.00 to HK\$1.0982. 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, 13 July 2020

*\* For identification purpose only*

*As at the date of this announcement, the Board comprises eight 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 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.*