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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 AND CONNECTED TRANSACTION IN RELATION TO
THE COOPERATION AGREEMENT ON THE
FORMATION OF JV COMPANY
AND
POSSIBLE MAJOR TRANSACTION
IN RELATION TO
ACQUISITION OF INTERESTS IN THE LAND**

The Board is pleased to announce that on 28 October 2020, Shengshi Guangye (an indirect wholly-owned subsidiary of the Company) and the JV Partner entered into the Cooperation Agreement in relation to, among other things, the formation of the JV Company on a 51:49 basis for the acquisition of interests in a certain land parcel in Guangzhou City, the PRC (i.e. the Acquisition).

The total commitments of Shengshi Guangye and the JV Partner in the JV Company will be an aggregate of approximately RMB4,547.00 million (approximately HK\$5,053.54 million), of which Shengshi Guangye shall contribute RMB2,318.97 million (approximately HK\$2,577.30 million) and the JV Partner shall contribute RMB2,228.03 million (approximately HK\$2,476.23 million), respectively.

Upon its formation, the JV Company will be owned as to 51% and 49% by Shengshi Guangye and the JV Partner, respectively, and will be accounted for as a subsidiary of the Company on a consolidated basis.

As one or more of the applicable percentage ratios in respect of the Cooperation Agreement exceeds 25% but all applicable percentage ratios are below 100%, the entering into of the Cooperation Agreement and the transactions contemplated thereunder constitutes a major transaction for the Company subject to reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, China Merchants Land Limited holds 49% equity interest in Guangzhou Kuangrong, an indirect non-wholly owned subsidiary of the Company. Accordingly, China Merchants Land Limited is a substantial shareholder of Guangzhou Kuangrong and the JV Partner, as an indirect wholly-owned subsidiary of China Merchants Land Limited, is a connected person of the Company at the subsidiary level pursuant to Chapter 14A of the Listing Rules. As such, the entering into of the Cooperation Agreement and the transactions contemplated thereunder also constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules and is subject to the reporting and announcement requirements but exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 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 Cooperation Agreement. As such, the Cooperation Agreement may be approved by written Shareholders' approval in accordance with Rule 14.44 of the Listing Rules. June Glory, being a controlling shareholder 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 in respect of the Cooperation Agreement. Accordingly, no general meeting will be convened by the Company to approve the Cooperation Agreement.

The terms of the possible Acquisition are subject to finalisation and the possible Acquisition may or may not be successful. The Acquisition, if materialises, will constitute a major transaction and further announcement will be made when the results of the possible Acquisition are known, which is expected to be during the second week of November 2020. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, further details of the Cooperation Agreement shall be despatched within 15 business days after publication of this announcement. The Company will apply for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules from the Stock Exchange so that the despatch date of the circular can be postponed to a date on or before 22 December 2020 such that the results of the possible Acquisition can be included in the circular, and if the possible Acquisition is successful, to allow the Company to have sufficient time to prepare and finalise the necessary information of the Acquisition for inclusion in the circular.

The Board is pleased to announce that on 28 October 2020, Shengshi Guangye (an indirect wholly-owned subsidiary of the Company) and the JV Partner entered into the Cooperation Agreement in relation to, among other things, the formation of the JV Company on a 51:49 basis for the acquisition of interests in a certain land parcel in Guangzhou City, the PRC (i.e. the Acquisition).

COOPERATION AGREEMENT

Date

28 October 2020

Parties

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

The JV Partner is a company established under the laws of the PRC with limited liability and is indirectly wholly-owned by China Merchants Land Limited (stock code: 978). The JV Partner is principally engaged in investment holding and China Merchants Land Limited, together with its subsidiaries, are principally engaged in development, sale, lease, investment and management of properties and assets management.

Subject

The JV Company is established for the purpose of the Acquisition. In the event the Acquisition does not materialise, the Cooperation Agreement shall terminate.

Registered capital

The registered capital of the JV Company is RMB2,500 million (approximately HK\$2,778.50 million), which shall be contributed on a 51:49 basis as to RMB1,275 million (approximately HK\$1,417.04 million) and RMB1,225 million (approximately HK\$1,361.46 million) by Shengshi Guangye and the JV Partner, respectively, to be paid up in cash within one year of obtaining the business licence of the JV Company.

Shareholders' loans

Shengshi Guangye and the JV Partner shall provide shareholders' loans in the aggregate amount of approximately RMB2,047.00 million (approximately HK\$2,275.04 million), of which Shengshi Guangye shall contribute approximately RMB1,043.97 million (approximately HK\$1,160.27 million) and the JV Partner shall contribute approximately RMB1,003.03 million (approximately HK\$1,114.77 million), respectively. Part of the shareholders' loans shall be provided with reference to the payment schedule(s) under the terms of the Acquisition, and the remaining shareholders' loans required for funding the operation of the JV Company and the development of the Development Project shall be provided from time to time with reference to the development progress of the Development Project.

The total equity and funding commitments of Shengshi Guangye and the JV Partner in the JV Company will accordingly be an aggregate of approximately RMB4,547.00 million (approximately HK\$5,053.54 million), of which Shengshi Guangye shall contribute approximately RMB2,318.97 million (approximately HK\$2,577.30 million) and the JV Partner shall contribute approximately RMB2,228.03 million (approximately HK\$2,476.23 million). The total commitments will be used to fund, among other things, the Acquisition, the operation of the JV Company and the development of the Development Project. The total commitments were determined after arm's length negotiations with reference to, among other things, the funding needs of the JV Company for the Acquisition and the construction cost of the Development Project. Shengshi Guangye will fund its commitment in the JV Company utilising internal resources of the Group or bank borrowings.

Upon its formation, the JV Company will be owned as to 51% and 49% by Shengshi Guangye and the JV Partner, respectively, and will be accounted for as a subsidiary of the Company on a consolidated basis.

Future funding

The JV Company will finance its operation as required by shareholders' loan from Shengshi Guangye and the JV Partner on a pro-rata basis at an interest rate to be determined by the shareholders.

Shareholders' arrangements

Incidental to signing of the Cooperation Agreement, Shengshi Guangye and the JV Partner shall enter into the constitutional document of the JV Company setting out the terms of the operations of the JV Company.

Management of the JV Company

Board composition

The board of directors of the JV Company shall comprise five directors, three of whom shall be nominated by Shengshi Guangye and two by the JV Partner. The chairman of the board of directors of the JV Company shall be a director nominated by Shengshi Guangye. The principal roles of the board of directors of the JV Company are determining the JV Company's investment strategies, operation plans and annual budget, formulating internal control policies and approving the development and business plans of the Development Project. All board resolutions of the JV Company shall be passed by a simple majority, save for resolutions related to certain reserved matters as set out in the

constitutional document of the JV Company which shall be unanimously approved by the board of directors.

The JV Company shall have two supervisors, one of whom shall be nominated by Shengshi Guangye and the other by the JV Partner. The supervisors shall be primarily responsible for monitoring the board of directors of the JV Company and the finances of the JV Company.

Profit distribution arrangement

The parties shall share the profits of the JV Company in proportion to their respective shareholdings in the JV Company.

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.

Exit Mechanism

In the event that the residential and commercial (excluding car parking spaces) gross floor area (expressed in square metres) sold in respect of the Development Project reaches 95% of the total saleable residential and commercial (excluding car parking spaces) gross floor area (expressed in square metres) offered by the Development Project and the completion check and acceptance filing in respect of the Development Project has been completed (subject to the receipt of completion approval for the final phase of the Development Project), either Shengshi Guangye or the JV Partner may elect to divest their interest in the JV Company subject to the exit mechanism to be unanimously agreed on by all the shareholders of the JV Company.

REASONS FOR AND BENEFITS OF ENTERING INTO OF THE COOPERATION AGREEMENT

The Group is principally engaged in real estate development, specialised construction, property investment and securities investment. The Group, through Shengshi Guangye, and the JV Partner will be jointly responsible for the day-to-day operation and management of the JV Company and the development of the Development Project, with the Group being primarily responsible for design, sales and marketing, and costs management in relation to the Development Project, and the JV Partner being primarily responsible for construction and purchasing in relation to the Development Project. The Board is satisfied with the working relationship with a group member of China Merchants Land Limited, the latter being a renowned PRC state-owned enterprise and the sole owner of the JV Partner, in a real estate development project in Guangzhou earlier this year and wishes to seek for further cooperation with China Merchants Land Limited, with the formation of the joint venture with the JV Partner presenting a good opportunity for the Group to develop such working relationship with China Merchants Land Limited. It is expected that the joint venture formed with the JV Partner under the Cooperation Agreement will bring in capital efficiency and strengthen the financial position of the JV Company.

The Directors (including the independent non-executive Directors) considered that the Cooperation Agreement, which has been entered into after arm's length negotiation between the parties in the ordinary and usual course of business of the Group, 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 Cooperation Agreement and the transactions contemplated thereunder and therefore none of them is required to abstain from voting on the board resolutions in relation thereto.

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.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Cooperation Agreement exceeds 25% but all applicable percentage ratios are below 100%, the entering into of the Cooperation Agreement and the transactions contemplated thereunder constitutes a major transaction for the Company subject to reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, China Merchants Land Limited holds 49% equity interest in Guangzhou Kuangrong, an indirect non-wholly owned subsidiary of the Company. Accordingly, China Merchants Land Limited is a substantial shareholder of Guangzhou Kuangrong and the JV Partner, as an indirect wholly-owned subsidiary of China Merchants Land Limited, is a connected person of the Company at the subsidiary level pursuant to Chapter 14A of the Listing Rules. As such, the entering into of the Cooperation Agreement and the transactions contemplated thereunder also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting and announcement requirements but exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 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 Cooperation Agreement. As such, the Cooperation Agreement may be approved by written Shareholders' approval in accordance with Rule 14.44 of the Listing Rules. June Glory, being a controlling shareholder 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 in respect of the Cooperation Agreement. Accordingly, no general meeting will be convened by the Company to approve the Cooperation Agreement.

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DEFINITIONS

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

“Acquisition” the acquisition of interests in the Land;

“Board”	the board of Directors;
“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;
“Cooperation Agreement”	the cooperation agreement dated 28 October 2020 entered into between Shengshi Guangye and the JV Partner in relation to, among other things, the formation of the JV Company on a 51:49 basis for the Acquisition;
“connected person(s)”, “percentage ratio(s)” and “subsidiary(ies)”	each has the meaning ascribed to it under the Listing Rules;
“Development Project”	the residential development to be constructed on the Land;
“Director(s)”	the director(s) 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 an indirect non-wholly owned subsidiary of the Company;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“June Glory”	June Glory International Limited, a company incorporated in the British Virgin Islands with limited liability and the immediate controlling shareholder of the Company holding approximately 61.88% of the issued share capital of the Company as at the date of this announcement;
“JV Company”	廣州市礦譽投資有限公司 (Guangzhou Kuangyu Investment Co., Ltd.*), the company to be established under the laws of the PRC with limited liability by Shengshi Guangye and the JV Partner pursuant to the Cooperation Agreement;
“JV Partner”	招商局置地（深圳）有限公司 (China Merchants Land (Shenzhen) Limited*), a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of China Merchants Land Limited (stock code: 978);
“Land”	a certain land parcel in Guangzhou City, 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)”	holder(s) of Share(s);
“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;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	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\$1.1114. 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, 28 October 2020

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.