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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 **ACQUISITION OF 90% EQUITY INTERESTS IN THE PROJECT COMPANY AND** **INTERESTS IN THE LAND**

Reference is made to the announcement of the Company dated 28 October 2020 in relation to, among other things, the formation of the JV Company for the acquisition of interests in a certain land parcel in Guangzhou City, the PRC.

The Board is pleased to announce that on 6 November 2020, the JV Company (an indirect non-wholly owned subsidiary of the Company) has received a written notice from Guangzhou Enterprises Mergers and Acquisitions Services (廣州產權交易所) (the “Notice”) confirming that the JV Company has succeeded in the bid for acquiring 90% of the equity interest in and the related shareholder’s loan to the Project Company (i.e. the Target Interests), which will be the sole owner of the land use rights of the Land, from the Seller at a total consideration of approximately RMB2,382.10 million (approximately HK\$2,647.47 million).

As one or more of the applicable percentage ratios in respect of the Acquisition exceeds 25% but all applicable percentage ratios are below 100%, the Acquisition 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 Acquisition. As such, the Acquisition 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 Acquisition. Accordingly, no general meeting will be convened by the Company to approve the Acquisition.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, further details of the Acquisition shall be despatched within 15 business days after publication of this announcement. As additional time is required for the Company to prepare and finalise certain information for inclusion in the circular, including the indebtedness statement, working capital sufficiency statement and valuation report of the Land, the Company has applied for, and the Stock Exchange has granted a waiver to the Company from strict compliance with Rule 14.41(a) of the Listing Rules on the condition that the Company will despatch the circular on or before 22 December 2020.

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THE ACQUISITION

Parties

- (1) the JV Company (an indirect non-wholly owned subsidiary of the Company); and
- (2) the Seller.

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, each of the Seller and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

Subject

The Target Interests in the Project Company, comprising 90% equity interest in the Project Company and 90% of the shareholder’s loan(s) owing by the Project Company to the Seller as at 30 April 2020, such shareholder’s loan(s) being unsecured, bearing interest at 4.65% per annum and in the aggregate amount of approximately RMB2,062.27 million (approximately HK\$2,292.01 million).

Upon completion of the Acquisition, the Project Company will be owned as to 90% and 10% by the JV Company and the Seller, respectively, and will be accounted for as a subsidiary of the Company on a consolidated basis.

Consideration and payment terms

The total consideration for the Acquisition is approximately RMB2,382.10 million (approximately HK\$2,647.47 million), which represents the bid price submitted by the JV Company through the Bidding, which was conducted in accordance with the relevant PRC laws and regulations. The JV Company has already paid an earnest money of RMB1,000 million (approximately HK\$1,111.40 million) for participating in the Bidding, which will form part of the consideration, and the remaining balance of approximately RMB1,382.10 million (approximately HK\$1,536.07 million) shall be paid in one lump sum within 5 working days of the Seller and the JV Company entering into the definitive agreement in respect of the transfer of the Target Interests from the Seller to the JV Company, such definitive agreement which shall be entered into within 10 working days of the Notice.

The consideration for the Acquisition was arrived at after taking into account the base price of the Bidding, the amount of shareholder’s loan(s) owing by the Project Company to the Seller as at 30 April 2020, current market conditions, the location of the Land, and land price in the surrounding area. The consideration for the Target Interests will be financed by the internal resources of the JV Company, which in turn will be funded by the Group in proportion to its shareholding in the JV Company utilising its internal resources or bank borrowings.

INFORMATION ON THE GROUP

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

The JV Company is an indirect non-wholly owned subsidiary of the Company established for the purpose of bidding for and holding the Target Interests in the Project Company.

INFORMATION ON THE SELLER AND THE PROJECT COMPANY

The Seller is a company established under the laws of the PRC with limited liability, which is principally engaged in the construction and management of railway operations in Guangzhou City and the development and management of auxiliary resources, and is directly wholly-owned by the Guangzhou Municipal People's Government of the PRC.

The Project Company is a company established under the laws of the PRC with limited liability, which will be the sole owner of the land use rights of the Land and solely engaged in developing the Land and the Development Project for sale, and is directly wholly-owned by the Seller as at the date of this announcement.

As the Project Company was newly established in April 2020, no financial information or past performance of the Project Company is available for disclosure in this announcement. Based on the information provided by the Seller, the unaudited net assets value of the Project Company as at 31 August 2020 was RMB9.98 million (approximately HK\$11.09 million).

INFORMATION ON THE LAND AND THE DEVELOPMENT PROJECT

The Land is a parcel of land numbered 2020KJ01110001 and situated at Subway Line 13, Phase II Chatou Station, Baiyun District, Guangzhou City, the PRC. The site area of the Land is approximately 76,821 square meters, with a plot ratio of not more than 3.6. The Land is permitted for residential development for a term of grant of 70 years, commercial use for a term of grant of 40 years and commercial services for a term of grant of 50 years.

In April 2020, the Seller succeeded in its bid for the land use rights of the Land through public auction at a consideration of approximately RMB4,317.11 million (approximately HK\$4,798.04 million), and entered into a land use rights grant contract (國有建設用地使用權出讓合同) with the seller of the land use rights of the Land. The Seller, the Project Company and the seller of the land use rights of the Land subsequently entered into a land use rights grant contract amendment agreement (國有建設用地使用權出讓合同變更協議) in May 2020 to novate the rights and obligations of the Seller under the land use rights grant contract (國有建設用地使用權出讓合同) to the Project Company. The Land was delivered to the Project Company in August 2020 and the land use rights certificate for the Land will be obtained after full settlement of the consideration for the Land. As at the date of this announcement, approximately RMB2,158.56 million (approximately HK\$2,399.02 million) of the consideration of the land use rights of the Land has been settled by the Seller and the Project Company and the remaining balance is expected to be fully settled by 10 December 2020.

The Land will be developed in three phases comprising high-rise apartments, and office and commercial complex. It is expected that pre-sale will be launched in the fourth quarter of 2021. The construction of the Development Project will commence in the fourth quarter of 2020 and is expected to be completed and delivered to buyers in the fourth quarter of 2024. The Project Company will make necessary adjustments to the actual arrangements of the construction and development of the Land based on practical market conditions.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in real estate development, specialised construction, property investment and securities investment. It is believed that the participation (through the JV Company) in the Development Project would enable the Group to enlarge its presence in the Guangdong-Hong Kong-Macao Greater Bay Area and promote its branding over the area. It is also expected that the Development Project will generate stable and satisfactory revenue and profit to the Group. The Directors consider that the Acquisition is in line with the business development strategy and planning of the Group and will enable to replenish its land bank for development.

The Directors (including independent non-executive Directors) consider that the terms of the Acquisition are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Acquisition exceeds 25% but all applicable percentage ratios are below 100%, the Acquisition 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 Acquisition. As such, the Acquisition 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 Acquisition. Accordingly, no general meeting will be convened by the Company to approve the Acquisition.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, further details of the Acquisition shall be despatched within 15 business days after publication of this announcement. As additional time is required for the Company to prepare and finalise certain information for inclusion in the circular, including the indebtedness statement, working capital sufficiency statement and valuation report of the Land, the Company has applied for, and the Stock Exchange has granted a waiver to the Company from strict compliance with Rule 14.41(a) of the Listing Rules on the condition that the Company will despatch the circular on or before 22 December 2020.

DEFINITIONS

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

“Acquisition”	the tender for and the acquisition of the Target Interests;
“Bidding”	the bidding process held by Guangzhou Enterprises Mergers and Acquisitions Services (廣州產權交易所) at which the Target Interests were offered for sale by the Seller;
“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;

“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;
“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.*), a company established under the laws of the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company;
“Land”	the land parcel numbered 2020KJ01110001 and situated at Subway Line 13, Phase II Chatou Station, Baiyun District, 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);
“Project Company”	廣州市品誠房地產開發有限公司 (Guangzhou Pincheng Real Estate Development Co., Ltd.*), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of the Seller as at the date of this announcement;
“RMB”	Renminbi, the lawful currency of the PRC;
“Seller”	廣州地鐵集團有限公司 (Guangzhou Metro Group Co., Ltd.*), a company established under the laws of the PRC with limited liability and is directly wholly-owned by the Guangzhou Municipal People’s Government 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);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and

“Target Interests” collectively, 90% of the equity interest in the Project Company and 90% of the shareholder’s loan(s) owing by the Project Company to the Seller as at 30 April 2020; 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, 6 November 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.