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

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 230)**

**(1) DISCLOSEABLE AND CONNECTED TRANSACTION  
DISPOSAL OF A SUBSIDIARY  
AND  
(2) CONTINUING CONNECTED TRANSACTIONS  
PURSUANT TO RULE 14A.60(1) OF THE LISTING RULES**

**THE DISPOSAL**

On 14 December 2020, 23rd Metallurgical (an indirect non-wholly owned subsidiary of China Minmetals), Minmetals Land C&E (an indirect wholly-owned subsidiary of the Company), Condo Shanghai (an indirect non-owned subsidiary of the Company) and the Company entered into the Equity Transfer Agreement pursuant to which Minmetals Land C&E agreed to sell, and 23rd Metallurgical agreed to purchase, the entire equity interest in Condo Shanghai at the consideration of RMB4,288,500 (equivalent to approximately HK\$4,945,069).

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

23rd Metallurgical is an indirect non-wholly owned subsidiary of China Minmetals. China Minmetals is the ultimate controlling shareholder of the Company and is indirectly interested in approximately 61.88% of the issued share capital of the Company as at the date of this announcement. Accordingly, 23rd Metallurgical is an associate of China Minmetals and hence a connected person of the Company under the Listing Rules. The Disposal therefore constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As one of the applicable percentage ratios in respect of the Disposal exceeds 5% but all applicable percentage ratios are less than 25%, pursuant to Rule 14A.76(2) of the Listing Rules, the Disposal is subject only to reporting and announcement requirements but exempt from circular (including independent financial advice) and independent shareholders' approval requirements.

## **CONNECTED TRANSACTIONS FOLLOWING THE COMPLETION OF THE DISPOSAL**

### **Construction works**

The Group has from time to time awarded Condo Shanghai construction works in relation to its real estate development projects by tender. As at the date of this announcement, the contract sum of the six outstanding construction works awarded to Condo Shanghai is estimated to be approximately RMB83.52 million (equivalent to approximately HK\$96.31 million). As Condo Shanghai will, following the completion of the Disposal, cease to be a subsidiary of the Group to become wholly owned by 23rd Metallurgical, these outstanding works will become connected transactions of the Group. Condo Shanghai will continue to carry out the outstanding works under the framework agreement entered into between the Company and China Minmetals on 17 April 2020 under the annual caps as approved by the independent Shareholders. Details of the said framework agreement are set out in the announcement and circular of the Company dated 17 April 2020 and 12 May 2020 respectively.

### **The corporate guarantee**

The Company has provided a corporate guarantee in favour of the Lender in relation to the Facility for up to RMB60 million (equivalent to approximately HK\$69.19 million) granted to Condo Shanghai (as borrower) under the Revolving Loan Agreement dated 16 January 2020. Each advance made under the Facility bears an interest rate of 6% per annum. As at the date of this announcement, the total outstanding advance made to Condo Shanghai amounted to approximately RMB53.51 million (equivalent to approximately HK\$61.70 million) and shall all be repaid by Condo Shanghai by 28 October 2021. As Condo Shanghai will, following the completion of the Disposal, cease to be a subsidiary of the Group to become wholly owned by 23rd Metallurgical, the corporate guarantee provided pursuant to the Revolving Loan Agreement will constitute a continuing connected transaction for the Company under the Listing Rules.

23rd Metallurgical has undertaken to the Company to guarantee, or to procure Condo Shanghai, to repay the outstanding amount due by Condo Shanghai on or before the repayment date. In the event that Condo Shanghai defaults in repaying the advances made under the Revolving Loan Agreement, 23rd Metallurgical shall indemnify the Company for the amount equivalent to such default payment within three business days upon demand. The Company shall cease to be the guarantor subsequent to the repayment of all the outstanding amount due by Condo Shanghai to the Lender which is expected to be on or about 28 October 2021.

Pursuant to Rule 14A.60(1) of the Listing Rules, the Company is required to comply with all applicable annual review and disclosure requirements but exempt from independent Shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the guarantee.

## THE EQUITY TRANSFER AGREEMENT

On 14 December 2020, 23rd Metallurgical (an indirect non-wholly owned subsidiary of China Minmetals), Minmetals Land C&E (an indirect wholly-owned subsidiary of the Company), Condo Shanghai (an indirect wholly-owned subsidiary of the Company) and the Company entered into the Equity Transfer Agreement pursuant to which Minmetals Land C&E agreed to sell, and 23rd Metallurgical agreed to purchase, the entire equity interest in Condo Shanghai at the consideration of RMB4,288,500 (equivalent to approximately HK\$4,945,069).

The principal terms of the Equity Transfer Agreement are as follows:

- Date : 14 December 2020
- Parties : Minmetals Land C&E, as vendor;  
23rd Metallurgical, as purchaser;  
Condo Shanghai, as target company; and  
the Company.
- Subject Matter: Minmetals Land C&E shall dispose of its entire equity interest in Condo Shanghai to 23rd Metallurgical. Under the terms of the Equity Transfer Agreement, Condo Shanghai will attend to the registration process in relation to the Disposal. The Board expects that such registration will be completed within 90 days after signing the Equity Transfer Agreement.
- Consideration : The consideration for the Disposal is RMB4,288,500 (equivalent to approximately HK\$4,945,069) and shall be paid by 23rd Metallurgical to Minmetals Land C&E in the following manner:
- (1) RMB3,500,000 (equivalent to approximately HK\$4,035,850) will be paid within 15 days after signing the Equity Transfer Agreement; and
  - (2) RMB788,500 (equivalent to approximately HK\$909,219), being the outstanding balance of the consideration, shall be paid within 15 days after the completion of registration process by Condo Shanghai in relation to the Disposal.

The consideration was determined between 23rd Metallurgical and Minmetals Land C&E after arm's length negotiations with reference to the net asset value as at 30 November 2020 of Condo Shanghai, being approximately RMB3.19 million (equivalent to approximately HK\$3.68 million).

Upon completion, Condo Shanghai will cease to be a subsidiary of the Company and the financial results of Condo Shanghai will no longer be consolidated into the financial statements of the Group.

## INFORMATION OF CONDO SHANGHAI

Condo Shanghai, a company established under the laws of the PRC with limited liability, is an indirect wholly-owned subsidiary of the Company as at the date of this announcement. It is principally engaged in the design, production and installation of curtain walls system and associated metal works in Mainland China.

Set out below is a summary of the unaudited consolidated net profit of Condo Shanghai for each of the two years ended 31 December 2019 and 2018:

|  | For the year ended 31 December                                    |   |
|--|---|---|
|  | 2019  | 2018  |
|  | <i>(unaudited)</i>  | <i>(unaudited)</i>  |
| Net profit (before taxation and extraordinary items) | RMB1.79 million<br>(equivalent to approximately HK\$2.06 million) | RMB2.15 million<br>(equivalent to approximately HK\$2.48 million) |
| Net profit (after taxation and extraordinary items)  | RMB1.79 million<br>(equivalent to approximately HK\$2.06 million) | RMB2.15 million<br>(equivalent to approximately HK\$2.48 million) |

The unaudited net asset value of Condo Shanghai as at 31 December 2019 and 31 December 2018 were approximately RMB3.78 million (equivalent to approximately HK\$4.36 million) and RMB4.26 million (equivalent to approximately HK\$4.91 million), respectively.

After taking into account the consideration of the Disposal, the net asset value of Condo Shanghai as at the date of the Equity Transfer Agreement and the related transaction costs, it is estimated that a gain of approximately RMB1.10 million (equivalent to approximately HK\$1.27 million) will be recorded in respect of the Disposal. The proceeds arising from the Disposal will be used as general working capital of the Group.

## CONNECTED TRANSACTIONS FOLLOWING COMPLETION OF THE DISPOSAL

### Construction works

The Group has from time to time awarded Condo Shanghai construction works in relation to its real estate development projects by tender. As at the date of this announcement, the contract sum of the six outstanding construction works awarded to Condo Shanghai is estimated to be approximately RMB83.52 million (equivalent to approximately HK\$96.31 million). As Condo Shanghai will, following the completion of the Disposal, cease to be a subsidiary of the Group to become wholly owned by 23rd Metallurgical, these outstanding works will become connected transactions of the

Group. Condo Shanghai will continue to carry out the outstanding works under the framework agreement entered into between the Company and China Minmetals on 17 April 2020 under the annual caps as approved by the independent Shareholders. Details of the said framework agreement are set out in the announcement and circular of the Company dated 17 April 2020 and 12 May 2020 respectively.

### **The corporate guarantee**

The Company has provided a corporate guarantee in favour of the Lender in relation to the Facility for up to RMB60 million (equivalent to approximately HK\$69.19 million) granted to Condo Shanghai (as borrower) under the Revolving Loan Agreement dated 16 January 2020. Each advance made under the Facility bears an interest rate of 6% per annum.

As at the date of this announcement, the total outstanding advance made to Condo Shanghai amounted to approximately RMB53.51 million (equivalent to approximately HK\$61.70 million) and shall be repaid by Condo Shanghai by 28 October 2021. As Condo Shanghai will, following the completion of the Disposal, cease to be a subsidiary of the Group to become wholly owned by 23rd Metallurgical, the corporate guarantee provided pursuant to the Revolving Loan Agreement will constitute a continuing connected transaction for the Company under the Listing Rules.

23rd Metallurgical has undertaken to the Company to guarantee, or to procure Condo Shanghai, to repay the outstanding amount due by Condo Shanghai on or before the repayment date. In the event that Condo Shanghai defaults in repaying the advances made under the Revolving Loan Agreement, 23rd Metallurgical shall indemnify the Company for the amount equivalent to such default payment within three business days upon demand. The Company shall cease to be the guarantor subsequent to the repayment of all the outstanding amount due by Condo Shanghai to the Lender which is expected to be on or about 28 October 2021.

The guarantee amount was determined based on the capital needs for normal operation of Condo Shanghai and after considering the financing amount of Condo Shanghai applied from the Lender in 2018 and 2019 (amounting to RMB60 million (equivalent to approximately HK\$69.19 million) and RMB60 million (equivalent to approximately HK\$69.19 million) respectively).

Pursuant to Rule 14A.60(1) of the Listing Rules, the Company is required to comply with all applicable annual review and disclosure requirements but exempt from independent Shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the guarantee.

### **INFORMATION OF 23RD METALLURGICAL**

23rd Metallurgical is an indirect non-wholly owned subsidiary of China Minmetals principally engaged in the business of mining development and operation, construction engineering and real estate development. China Minmetals is the ultimate controlling shareholder of the Company and is indirectly interested in approximately 61.88% of the

issued share capital of the Company as at the date of this announcement. China Minmetals, together with its subsidiaries, are principally engaged in exploration, mining, smelting, processing and trading for metals and minerals, finance, real estate, and mining and metallurgic technology.

## **INFORMATION OF THE GROUP**

Minmetals Land C&E is an indirect wholly-owned subsidiary of the Company principally engaged in investment holding. The Group is principally engaged in the businesses of real estate development, specialised construction, property investment and securities investment.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

In consideration of intensified industry competition in Mainland China and deterioration in gross profit margin due to the rising direct and indirect costs, the Company decides to deploy resources and attention on its core business of real estate development. The Disposal enables the Group to consolidate and expand its real estate development business and facilitates the integration and further development of the main construction business of 23rd Metallurgical and the curtain wall business of Condo Shanghai as a whole and hence, allowing a better allocation of resources amongst the parties.

The Directors (including independent non-executive Directors) consider that the terms of the Equity Transfer Agreement and the corporate guarantee for the Revolving Loan Agreement are fair and reasonable, on normal commercial terms and in the interest of the Company and the Shareholders as a whole. No Director has a material interest in the Equity Transfer Agreement nor is required to abstain from voting on the Board resolution approving the Equity Transfer Agreement.

## **LISTING RULES IMPLICATIONS**

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

23rd Metallurgical is an indirect non-wholly owned subsidiary of China Minmetals. China Minmetals is the ultimate controlling shareholder of the Company and is indirectly interested in approximately 61.88% of the issued share capital of the Company as at the date of this announcement. Accordingly, 23rd Metallurgical is an associate of China Minmetals and hence a connected person of the Company under the Listing Rules. The Disposal therefore constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As one of the applicable percentage ratios in respect of the Disposal exceeds 5% but all applicable percentage ratios are less than 25%, pursuant to Rule 14A.76(2) of the Listing Rules, the Disposal is subject only to reporting and announcement requirements

but exempt from circular (including independent financial advice) and independent shareholders' approval requirements.

## DEFINITIONS

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

|   |   |
|---|---|
| “23rd Metallurgical”  | 五礦二十三冶建設集團有限公司 (The 23rd Metallurgical Construction Group Co., Ltd. of Minmetals*), a company established under the laws of the PRC and an indirect non-wholly owned subsidiary of China Minmetals;   |
| “associate”,<br>“connected person”,<br>“connected transaction(s)”,<br>“continuing connected transaction”, “controlling shareholder”, “percentage ratios” and “subsidiary” | each has the same meaning as ascribed to it under the Listing Rules;  |
| “Board”   | the board of Directors;   |
| “China Minmetals”   | China Minmetals Corporation, a state-owned enterprise established under the laws of the PRC and the ultimate controlling shareholder of the Company indirectly interested in approximately 61.88% of the issued share capital of the Company as at the date of this announcement; |
| “Company”   | Minmetals Land Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange;   |
| “Condo Shanghai”  | 五礦瑞和（上海）建設有限公司 (Minmetals Condo (Shanghai) Construction Co., Ltd.*), a company established under the laws of the PRC and is an indirect wholly-owned subsidiary of the Company as at the date of this announcement;   |
| “Directors”   | the directors (including independent non-executive directors) of the Company;   |
| “Disposal”  | the disposal of the entire equity interest in Condo Shanghai by Minmetals Land C&E to 23rd Metallurgical;   |

|                             |   |
|-----------------------------|---|
| “Equity Transfer Agreement” | the equity transfer agreement dated 14 December 2020 entered into between 23rd Metallurgical, Minmetals Land C&E, Condo Shanghai and the Company in relation to the Disposal;   |
| “Facility”                  | the revolving loan facility in the principal amount of up to RMB60 million (equivalent to approximately HK\$69.19 million) granted to Condo Shanghai under the Revolving Loan Agreement;  |
| “Group”                     | the Company and its subsidiaries;   |
| “HK\$”                      | Hong Kong dollars, the lawful currency of Hong Kong;  |
| “Hong Kong”                 | Hong Kong Special Administrative Region of the PRC;   |
| “Lender”                    | Hang Seng Bank (China) Limited, Shanghai Branch (恒生銀行(中國)有限公司上海分行), which is principally engaged in banking activities, and also a subsidiary of Hang Seng Bank Limited, a company listed on the Stock Exchange (stock code: 0011), which is an independent third party of the Company; |
| “Listing Rules”             | the Rules Governing the Listing of Securities on the Stock Exchange;  |
| “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);  |
| “Minmetals Land C&E”        | 五礦建設工程有限公司 (Minmetals Land Construction & Engineering Limited), a company established in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company;   |
| “Revolving Loan Agreement”  | the loan agreement dated 16 January 2020 entered into among the Company, Condo Shanghai and the Lender in relation to the grant of the Facility;  |
| “RMB”                       | Renminbi, the lawful currency of the PRC;   |



|                  |   |
|------------------|---|
| “Shareholder(s)” | holder(s) of ordinary share(s) of HK\$0.10 each in the issued share capital of the Company; |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; and  |
| %                | percentage.   |

*For the purpose of illustration only and unless otherwise stated, conversion of RMB to Hong Kong dollars in this announcement is calculated at the exchange rate of RMB1.00 to HK\$1.1531. Such conversion rate 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, 14 December 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.*