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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 IN RELATION TO LOAN AGREEMENT

The Board announces that on 11 January 2021, Guangzhou Kuangmao (an indirect non-wholly owned subsidiary of the Company) entered into a loan agreement with each of Minmetals Land Beijing (an indirect wholly-owned subsidiary of the Company and the designated fellow subsidiary of Shengshi Guangye, an indirect wholly-owned subsidiary of the Company holding 51% of the equity interest of Guangzhou Kuangmao), and Xiefeng (holder of the remaining 49% of the equity interest of Guangzhou Kuangmao) pursuant to which Guangzhou Kuangmao agreed to provide a loan to Minmetals Land Beijing for an amount of RMB127.5 million (approximately HK\$151.5 million) and a loan to Xiefeng for an amount of RMB122.5 million (approximately HK\$145.6 million) each for a term of 12 months commencing from the drawdown date of the respective loans based on the same terms and conditions on an unsecured interest free basis. The loans are provided in proportion to the respective shareholdings of Shengshi Guangye and Xiefeng in Guangzhou Kuangmao.

The Loan Agreement was entered into within 12 months after the signing of the June Loan Agreement in respect of the provision of the June Loan by Guangzhou Kuangmao to Xiefeng. As such, the transactions contemplated under the Loan Agreement and the June Loan Agreement shall be aggregated pursuant to Rule 14.22 of the Listing Rules.

All of the applicable percentage ratios in respect of the Loan are less than 5%. However, as one of the applicable percentage ratios in respect of the aggregate amount of the Loan and the June Loan exceeds 5% but all applicable percentage ratios are less than 25%, the transaction contemplated under the Loan Agreement constitutes a discloseable transaction for the Company and is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

Based on the financial statements of Guangzhou Kuangmao for the period from 12 December 2018 (date of incorporation) to 31 December 2018 and for the year ended 31 December 2019, the total assets, profits and revenue of Guangzhou Kuangmao as compared to that of the Group are all less than 10% and accordingly, Guangzhou Kuangmao is an insignificant subsidiary of the Company pursuant to Rule 14A.09(1) of the Listing Rules. Hence, Xiefeng is not regarded as a connected person of the Company pursuant to Rule 14A.09 of the Listing Rules and the entering into of the Loan

Agreement does not constitute a connected transaction for the Company under Chapter 14A of the Listing Rules.

INTRODUCTION

The Board announces that on 11 January 2021, Guangzhou Kuangmao (an indirect non-wholly owned subsidiary of the Company) entered into a loan agreement with each of Minmetals Land Beijing (an indirect wholly-owned subsidiary of the Company and the designated fellow subsidiary of Shengshi Guangye, an indirect wholly-owned subsidiary of the Company holding 51% of the equity interest of Guangzhou Kuangmao), and Xiefeng (holder of the remaining 49% of the equity interest of Guangzhou Kuangmao) pursuant to which Guangzhou Kuangmao agreed to provide a loan to Minmetals Land Beijing for an amount of RMB127.5 million (approximately HK\$151.5 million) and a loan to Xiefeng for an amount of RMB122.5 million (approximately HK\$145.6 million) each for a term of 12 months commencing from the drawdown date of the respective loans based on the same terms and conditions on an unsecured interest free basis. The loans are provided in proportion to the respective shareholdings of Shengshi Guangye and Xiefeng in Guangzhou Kuangmao.

THE LOAN AGREEMENT

Date

11 January 2021

Parties

Lender : Guangzhou Kuangmao, an indirect non-wholly owned subsidiary of the Company

Borrower : Xiefeng, holder of 49% of the equity interest of Guangzhou Kuangmao

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

Principal amount of the Loan

RMB122.5 million (approximately HK\$145.6 million)

The amount of the Loan provided is in proportion to Xiefeng's shareholding in Guangzhou Kuangmao.

Term of the Loan and early repayment

The Loan shall be of a term of 12 months commencing from the drawdown date of the Loan and shall be repaid in one lump sum upon maturity.

In the event that Xiefeng ceased to be a joint venture partner of Guangzhou Kuangmao (including but not limited to the occurrence of the following events), the Loan will be due for immediate repayment by Xiefeng:

- (i) termination of the Memorandum of Intent; or
- (ii) upon the exercise of its investor's exit right by Xiefeng pursuant to the Memorandum of Intent.

Guangzhou Kuangmao may, at any time by giving 30 working days advance written notice to Xiefeng, request for early repayment of all or part of the Loan.

REASONS FOR AND BENEFITS OF ENTERING INTO THE LOAN AGREEMENT

Guangzhou Kuangmao is engaged in the ownership and development of Parc One. The project has commenced pre-sale in the second quarter of 2020 and is generating satisfactorily steady funding from its operation to meet its development needs and has accumulated idle cash. The Directors consider that the provision of loans by Guangzhou Kuangmao to its shareholders, namely Shengshi Guangye (or its designated fellow subsidiary (i.e. Minmetals Land Beijing)) and Xiefeng, will allow it to release its idle cash, and will also enhance the working capital of the Group (through the provision of loan to Shengshi Guangye or its designated fellow subsidiary) and provide flexibility in the planning and management of the Group's liquidity position.

Since Guangzhou Kuangmao is an indirect non-wholly owned subsidiary of the Company, the Loan provided by Guangzhou Kuangmao to Xiefeng will be presented as loan 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 Loan as it is on an interest free basis.

In view that the provision of loans by Guangzhou Kuangmao to its shareholders are on the same terms and conditions and in proportion to their respective shareholding in Guangzhou Kuangmao, the Directors (including the independent non-executive Directors) consider that the provision of loans by Guangzhou Kuangmao to its shareholders and the terms of the Loan Agreement 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 Loan Agreement, and hence none of the Directors has abstained from voting on the resolution to approve the Loan Agreement.

LISTING RULES IMPLICATIONS

The Loan Agreement was entered into within 12 months after the signing of the June Loan Agreement in respect of the provision of the June Loan by Guangzhou Kuangmao to Xiefeng. As such, the transactions contemplated under the Loan Agreement and the June Loan Agreement shall be aggregated pursuant to Rule 14.22 of the Listing Rules.

All of the applicable percentage ratios in respect of the Loan are less than 5%. However, as one of the applicable percentage ratios in respect of the aggregate amount of the Loan and the June Loan exceeds 5% but all applicable percentage ratios are less than 25%, the transaction contemplated under the Loan Agreement constitutes a discloseable transaction for the Company and is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

Based on the financial statements of Guangzhou Kuangmao for the period from 12 December 2018 (date of incorporation) to 31 December 2018 and for the year ended 31 December 2019, the total assets, profits and revenue of Guangzhou Kuangmao as compared to that of the Group are all less than 10% and accordingly, Guangzhou Kuangmao is an insignificant subsidiary of the Company pursuant to Rule 14A.09(1) of the Listing Rules. Hence, Xiefeng is not regarded as a connected person of the Company pursuant to Rule 14A.09 of the Listing Rules and the entering into of the Loan Agreement does not constitute a connected transaction for the Company under Chapter 14A 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 Kuangmao is an indirect non-wholly owned subsidiary of the Company held as to 51% by Shengshi Guangye and 49% by Xiefeng and is principally engaged in the development of Parc One, a residential development project situated in Changling Road, Huangpu District, Guangzhou, Guangdong Province, the PRC.

Minmetals Land Beijing and Shengshi Guangye are indirect wholly-owned subsidiaries of the Company principally engaged in investment holding.

Xiefeng is principally engaged in real estate investment consultancy, real estate sales agency and property management businesses and is indirectly owned by Ping An Real Estate for financial investment purpose. Ping An Real Estate is a subsidiary of Ping An and is principally engaged in investment management, investment consultancy, investment holding, entrusted management of equity investment fund and entrusted fund management businesses. Ping An is a company established under the laws of the PRC with limited liability, the A shares (stock code: 601318) and H shares (stock code: 2318) of which are listed on the Shanghai Stock Exchange and the Stock Exchange, respectively. Ping An, together with its subsidiaries, is an insurance and financial service group in the PRC, which can provide a variety of insurance and financial services and products to corporate and retail customers.

DEFINITIONS

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

“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;
“controlling shareholder”, “connected person”, “insignificant subsidiary”, “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 Kuangmao”	廣州市礦茂房地產開發有限公司 (Guangzhou Kuangmao 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 Loan”	a loan provided by Guangzhou Kuangmao to Xiefeng for an amount of RMB122.5 million (approximately HK\$145.6 million) under the June Loan Agreement;
“June Loan Agreement”	the loan agreement dated 30 June 2020 entered into between Guangzhou Kuangmao and Xiefeng in respect of the provision of the June Loan (as supplemented);
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time;
“Loan”	a loan to be provided by Guangzhou Kuangmao to Xiefeng for an amount of RMB122.5 million (approximately HK\$145.6 million for a term of 12 months commencing from the drawdown date of the Loan on an unsecured interest free basis;
“Loan Agreement”	the loan agreement dated 11 January 2021 entered into between Guangzhou Kuangmao and Xiefeng in respect of the provision of the Loan;
“Memorandum of Intent”	the memorandum of intent dated 28 March 2019 entered into by Shengshi Guangye, Xiefeng and Guangzhou Kuangmao in respect of, among other things, the possible admission of Xiefeng to contribute 49% of the registered capital and shareholder’s loan of Guangzhou Kuangmao;
“Minmetals Land Beijing”	五礦建設投資管理（北京）有限公司 (Minmetals Land Investment Management (Beijing) Co., Ltd.*), a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company;

“Parc One”	a residential development project situated at Changling Road, Huangpu District, Guangzhou City, Guangdong Province, the PRC;
“Ping An”	Ping An Insurance (Group) Company of China, Ltd. (中國平安保險(集團)股份有限公司), a company established under the laws of the PRC with limited liability, the A shares (stock code: 601318) and H shares (stock code: 2318) of which are listed on the Shanghai Stock Exchange and the Stock Exchange, respectively;
“Ping An Real Estate”	Ping An Real Estate Co., Ltd. (平安不動產有限公司), a company established under the laws of the PRC with limited liability and a subsidiary of Ping An;
“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 the Shares;
“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;
“Xiefeng”	寧波市鄞州協豐企業管理有限公司 (Ningbo Yinzhou Xiefeng Corporate Management Co., Ltd.*) (formerly known as 寧波市鄞州協豐房產投資諮詢有限公司 (Ningbo Yinzhou Xiefeng Real Estate Investment Consultancy Co., Ltd.*)), a company established under the laws of the PRC with limited liability; 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\$1.1882. 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, 11 January 2021

** 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.