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五礦地產有限公司 **MINMETALS LAND LIMITED**

(Incorporated in Bermuda with limited liability)

(Stock Code: 230)

CONNECTED TRANSACTION SUCCESSFUL BID OF LAND USE RIGHT IN BEIJING, THE PRC THROUGH A JOINT VENTURE

The Board is pleased to announce that on 27 May 2021, the Joint Venture, which is formed by Shengshi Guangye (an indirect wholly-owned subsidiary of the Company), CMP Development (a connected person at the subsidiary level of the Company) and Beijing Urban Construction (an Independent Third Party) (collectively the “**JV Partners**”), has won the bid for acquiring the land use right of the Land in Wangsiyingxiang, Chaoyang District, Beijing, the PRC from Beijing Municipal Commission of Planning and Natural Resources through a listing for sale process at the consideration of RMB5,450 million (equivalent to approximately HK\$6,448 million).

The JV Partners will establish a Project Company to be held by Shengshi Guangye, CMP Development and Beijing Urban Construction as to 40%, 30% and 30%, respectively for the acquisition and development of the Land. Pursuant to the Joint Bidding Agreement, the JV Partners shall contribute to the tender commitments (i.e. the consideration of the Land Acquisition) in proportion to their respective shareholdings in the Project Company and the funding commitment of Shengshi Guangye (including its share of the bidding deposit) in this respect is RMB2,180 million (equivalent to approximately HK\$2,579 million).

The Project Company will be established for the sole purpose of acquiring and developing the Land and will be accounted for as an associate in the accounts of the Group. It is the intention of the JV Partners that the Land will be developed for sale.

LISTING RULES IMPLICATIONS

The Project Company will be the owner of the Land and formed as a single purpose vehicle to develop the Land for residential purpose for sale. The arrangement for the Joint Venture was made on an arm's length basis on normal commercial terms, and accordingly, the formation of the Project Company will be exempt from reporting, announcement and shareholders' approval requirements under Rule 14.04(1)(f) of the Listing Rules.

China Merchants Land holds 49% equity interest in each of Guangzhou Kuangrong and Guangzhou Kuangyu. Each of Guangzhou Kuangrong and Guangzhou Kuangyu is a non-wholly owned subsidiary of the Group formed to participate in single real estate development project. China Merchants Land and CMP Development are fellow subsidiaries indirectly non-wholly owned by China Merchants Group and accordingly, CMP Development is a qualified connected person within

the meaning of Chapter 14A of the Listing Rules. The Board has approved the Joint Venture and the Land Acquisition and the Directors (including the independent non-executive Directors) are of the view that the terms of the Joint Venture and the Land Acquisition are on normal commercial terms and fair and reasonable and in the interest of the Company and the Shareholders as a whole. Further, the Land Acquisition involves the acquisition of land from a PRC Governmental Body through a listing for sale under the PRC law. As such, the entering into of the Joint Bidding Agreement and the Land Acquisition constitute the formation of a joint venture for a qualified property acquisition and are exempt from the circular, independent financial advice and shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

The Board is pleased to announce that on 27 May 2021, the Joint Venture, which is formed by the JV Partners, has won the bid for acquiring the land use right of the Land in Wangsiyingxiang, Chaoyang District, Beijing, the PRC from Beijing Municipal Commission of Planning and Natural Resources through a listing for sale process at the consideration of RMB5,450 million (equivalent to approximately HK\$6,448 million).

THE TENDER AND THE LAND ACQUISITION

Parties

- (1) Beijing Municipal Commission of Planning and Natural Resources as vendor; and
- (2) the Joint Venture as the purchaser.

One of the JV Partners, CMP Development, is a connected person at the subsidiary level of the Company. Each of Beijing Urban Construction (the other JV Partner) and Beijing Municipal Commission of Planning and Natural Resources and their respective ultimate beneficial owners is an Independent Third Party.

Information on the Land

The Land is situated at Wangsiyingxiang, Chaoyang District, Beijing, the PRC.

Consideration and Payment Terms

The consideration for the Land Acquisition was determined by the successful bidding through a listing for sale process conducted in accordance with the relevant PRC laws and regulations. The consideration represents the bid price submitted by the Joint Venture through the bidding, which was conducted in accordance with the relevant PRC laws and regulations. The consideration for the Land Acquisition was arrived at after taking in account the base price of the bidding, current market conditions, the location of the Land and land price in the surrounding area.

Such consideration will be paid as follows:

- (1) a sum of RMB1,040 million (equivalent to approximately HK\$1,230 million) as bidding deposit has been paid by the Joint Venture on 7 May 2021, which was contributed by the JV Partners on pro-rata basis. Such bidding deposit will be used to satisfy part of the consideration of the Land Acquisition;
- (2) the remaining balance of the consideration of RMB4,410 million (equivalent to approximately HK\$5,218 million) is expected to be paid by the Project Company on or before 30 June 2021.

Under the terms of Joint Bidding Agreement, the JV Partners will establish a Project Company to be held by Shengshi Guangye, CMP Development and Beijing Urban Construction as to 40%, 30% and

30%, respectively for the acquisition and development of the Land. Pursuant to the Joint Bidding Agreement, the JV Partners shall contribute to the tender commitments (i.e. the consideration of the Land Acquisition) in proportion to their respective shareholdings in the Project Company, and the funding commitment of Shengshi Guangye (including its share of the bidding deposit) in this respect is RMB2,180 million (equivalent to approximately HK\$2,579 million).

Shengshi Guangye has funded its share of the bidding deposit with its internal resources. It is intended that the remaining funding commitment of Shengshi Guangye in the Project Company and the Land Acquisition will be financed by the Group's internal resources.

THE PROJECT COMPANY UNDER THE JOINT VENTURE

Parties to the Joint Venture

- (1) Shengshi Guangye (an indirect wholly-owned subsidiary of the Company);
- (2) CMP Development (a connected person at the subsidiary level of the Company); and
- (3) Beijing Urban Construction,

collectively, the JV Partners.

Forming of the Project Company

The JV Partners will establish the Project Company for the sole purpose of acquiring and developing the Land. The Project Company will be held by Shengshi Guangye, CMP Development and Beijing Urban Construction as to 40%, 30% and 30%, respectively. The Project Company will be accounted for as an associate in the accounts of the Group.

It is expected that the JV Partners will enter into a shareholders' agreement within 3 months from the date of the successful bid of the Land or at such other date to be mutually agreed by the JV Partners.

Funding commitment and project financing

The JV Partners shall initially contribute to the tender commitments (i.e. the consideration of the Land Acquisition) in proportion to their respective shareholdings in the Project Company, and the funding commitment of Shengshi Guangye in this respect shall be RMB2,180 million (equivalent to approximately HK\$2,579 million).

As mentioned above, the funding commitment of Shengshi Guangye in the Project Company and the Land Acquisition has in past been and will be financed by the Group's internal resources.

The amount of funding commitment of the JV Partners under the Joint Venture was determined after arm's length negotiation between the JV Partners with reference to the bid price submitted by the Joint Venture and the respective equity interest in the Project Company.

Funding for developing the Land shall be funded by way of a combination of shareholders' loans of the JV Partners to the Project Company and external financing in the manner to be set out in a shareholders' agreement to be entered into between the JV Partners, and any guarantee, indemnity or security to be provided by the JV Partners in favour of lenders of external financing shall be made on several basis in proportion to their equity interest in the Project Company.

Management of the Project Company

The board of directors of the Project Company shall consist of five directors. Three out of the five directors and the chairman of the board of the Project Company will be nominated by Shengshi Guangye.

Distribution policy

The JV Partners shall be entitled to share the profits of the Project Company in proportion to their respective equity interest.

INFORMATION ON THE GROUP

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

Shengshi Guangye is a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company principally engaged in investment holding.

INFORMATION ON THE JV PARTNERS AND OTHERS

CMP Development is a company established under the laws of the PRC with limited liability, which is principally engaged in real estate development business, and is an indirect non-wholly owned subsidiary of China Merchants Group.

Beijing Urban Construction is a company established under the laws of the PRC with limited liability, the shares of which are listed on the Shanghai Stock Exchange. It is principally engaged in real estate development business.

Beijing Municipal Commission of Planning and Natural Resources is a bureau established by the local government of Beijing Municipality and a PRC Governmental Body within the meaning of Rule 19A.04 of the Listing Rules.

FURTHER INFORMATION ON THE LAND AND THE DEVELOPMENT

The Land is situated at Wangsiyingxiang, Chaoyang District, Beijing, the PRC. It has a site area of approximately 48,808 square meters, with a plot ratio of not more than 2.5. 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.

The Land will be developed into low-rise apartments for sale. It is expected that pre-sale will be launched in the fourth quarter of 2021. The construction will commence in the fourth quarter of 2021 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 LAND 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 Joint Venture and the Project Company) in the Land Acquisition and the development of the Land would enable the Group to enlarge its presence and promote its branding in Beijing. It is also expected that the development of the Land will generate satisfactory revenue and profit to the Group. The Directors consider that the Land Acquisition is in line with the business development strategy and planning of

the Group and will enable it to replenish its land bank for development.

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

LISTING RULES IMPLICATIONS

The Project Company will be the owner of the Land and formed as a single purpose vehicle to develop the Land for residential purpose for sale. The arrangement for the Joint Venture was made on an arm's length basis on normal commercial terms, and accordingly, the formation of the Project Company will be exempt from reporting, announcement and shareholders' approval requirements under Rule 14.04(1)(f) of the Listing Rules.

China Merchants Land holds 49% equity interest in each of Guangzhou Kuangrong and Guangzhou Kuangyu. Each of Guangzhou Kuangrong and Guangzhou Kuangyu is a non-wholly owned subsidiary of the Group formed to participate in single real estate development project. China Merchants Land and CMP Development are fellow subsidiaries indirectly non-wholly owned by China Merchants Group and accordingly, CMP Development is a qualified connected person within the meaning of Chapter 14A of the Listing Rules. The Board has approved the Joint Venture and the Land Acquisition and the Directors (including the independent non-executive Directors) are of the view that the terms of the Joint Venture and the Land Acquisition are on normal commercial terms and fair and reasonable and in the interest of the Company and the Shareholders as a whole. Further, the Land Acquisition involves the acquisition of land from a PRC Governmental Body through a listing for sale under the PRC law. As such, the entering into of the Joint Bidding Agreement and the Land Acquisition constitute the formation of a joint venture for a qualified property acquisition and are exempt from the circular, independent financial advice and shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

DEFINITIONS

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

“Beijing Urban Construction”	北京城建投資發展股份有限公司 Beijing Urban Construction Investment & Development Co., Ltd.*, a joint stock company established in the PRC with limited liability, the shares of which are listed on the Shanghai Stock Exchange (stock code: 600266);
“Board”	the board of Directors;
“China Merchants Group”	招商局集團有限公司 China Merchants Group Ltd.*, a company established under the laws of the PRC with limited liability;
“China Merchants Land”	招商局置地有限公司 China Merchants Land Limited*, a company incorporated in the Cayman Islands with limited liability;
“CMP Development”	招商局地產(北京)有限公司 China Merchants Property Development (Beijing) Co., Ltd.*, a company established under the laws of the PRC with limited liability;
“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(s)”, “connected person at the subsidiary level”, “qualified connected person” and “subsidiary(ies)”	each has the meaning ascribed to it under the Listing Rules;
“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;
“Guangzhou Kuangyu”	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;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party”	a party who or which is, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, a third party independent of the Company and its connected persons;
“Joint Bidding Agreement”	the joint bidding agreement dated 6 May 2021 entered into by the JV Partners setting out the key terms of their bidding for and the development of the Land;
“Joint Venture”	the joint venture arrangement under the Joint Bidding Agreement;
“JV Partners”	the three joint venture partners, namely Shengshi Guangye, CMP Development and Beijing Urban Construction;
“Land”	a piece of land situated in Wangsiyingxiang, Chaoyang District, Beijing, the PRC;
“Land Acquisition”	the acquisition of the land use rights of the Land by the Joint Venture;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macao Special Administrative Region of the PRC and Taiwan;
“PRC Governmental Body”	has the meaning ascribed to it under Rule 19A.04 of the Listing Rules;

“Project Company”	a company to be established under the laws of the PRC with limited liability for the sole purpose of acquiring and developing the Land pursuant to the terms of the Joint Bidding Agreement;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shares”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company;
“Shareholders”	the shareholders of the Company;
“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, conversions of Renminbi to Hong Kong dollars in this announcement is calculated at the exchange rate of RMB1 to HK\$1.1832. 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.

By order of the Board
He Jianbo
Chairman

Hong Kong, 27 May 2021

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.

* For identification purposes only.