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五礦建設有限公司*
MINMETALS LAND LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code: 230)

**DISCLOSEABLE TRANSACTION
AND CONNECTED TRANSACTION
FRAMEWORK AGREEMENT
INVOLVING
(I) ACQUISITION OF EQUITY INTERESTS OF PROJECT COMPANY
(II) REPAYMENT OF SHAREHOLDER'S LOAN AND INTERESTS
(III) REPAYMENT OF OUTSTANDING CONTRACT FEES
AND
(IV) DISPOSAL OF PROPERTIES**

The Board is pleased to announce that on 27 May 2016, Shengshi Guangye, being an indirect wholly-owned subsidiary of the Company and, among other parties, entered into the Framework Agreement with the JV Partner and the Project Company pursuant to which (i) the JV Partner conditionally agreed to sell its 20% equity interest in the Project Company to Shengshi Guangye at the Consideration of RMB89,430,348.19 (approximately HK\$107,316,417.83); (ii) the Project Company conditionally agreed to repay the Shareholder's Loan and Interests in an aggregate amount of RMB41,391,948.29 (approximately HK\$49,670,337.95) to the JV Partner, (iii) the Project Company conditionally agreed to repay the Outstanding Contract Fees in an aggregate amount of RMB105,267,033.88 (approximately HK\$126,320,440.66) to the JV Partner; and (iv) waive certain claims against each other.

The Outstanding Contract Fees shall be repaid partly as to RMB431,024.88 (approximately HK\$517,229.86) in cash and partly as to RMB104,836,009.00 (approximately HK\$125,803,210.80) by the transfer of the Properties to the JV Partner.

The Project Company is as at the date of this announcement indirectly owned as to 80% by the Company. Upon Completion, the Project Company will become an indirect wholly-owned subsidiary of the Company.

Other than the equity interest held by the JV Partner in the Project Company, the JV Partner is an independent third party of the Company and is therefore a connected person only at the subsidiary level of the Company under Rule 14A.101 of the Listing Rules. None of the

Directors have a material interest in the Framework Agreement. The Directors have approved the entering into of the Framework Agreement and the independent non-executive Directors have confirmed that the terms of the Framework Agreement are fair and reasonable, the Transactions are on normal commercial terms and in the interests of the Company and the Shareholders as a whole. Accordingly, the Framework Agreement and the Transactions constitute connected transactions for the Company and are subject to the reporting and announcement requirements but exempt from the circular, independent financial advice and shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

As one of the applicable percentage ratios of the Transactions exceed 5% but all of them are less than 25%, the entering into of the Framework Agreement also constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules and is subject to the reporting and announcement requirements as set out in the Listing Rules.

I. THE FRAMEWORK AGREEMENT

Date

27 May 2016

Parties

1. the JV Partner (as the vendor);
2. Shengshi Guangye (as the purchaser);
3. the Project Company;
4. Menson (as the other shareholder of the Project Company);
5. the Company (as a party to the Master Cooperation Agreement); and
6. Shui Che Keng (as a party to a tenancy agreement entered into with the Project Company pursuant to the Master Cooperation Agreement).

As at the date of this announcement, the Project Company is owned as to 20% by the JV Partner and 80% by Menson, an indirect wholly-owned subsidiary of the Company. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, other than the interest in the Project Company and the business relationship with the Project Company as disclosed in the section headed "Information on the Parties" below, the JV Partner and Shui Che Keng and their respective ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

The Transactions

A. The Acquisition

Pursuant to the Framework Agreement, the JV Partner conditionally agreed to sell its 20% equity interest in the Project Company to Shengshi Guangye at the Consideration of RMB89,430,348.19 (approximately HK\$107,316,417.83). The JV Partner, Shengshi Guangye and the Project Company shall enter into a share transfer agreement in the form agreed under the Framework Agreement within 7 days after the fulfilment of condition (a) set out in the paragraph headed "Conditions precedents" below.

Conditions precedents

Completion shall be conditional upon each of the following conditions having been satisfied within one month of the date of the Framework Agreement:

- (a) a valuation on the Project Company shall have been completed by a valuer recognized by the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會) and all the approval documents in relation to the acquisition of relevant state-owned assets contemplated by the Acquisition shall have been obtained;
- (b) Shengshi Guangye, the JV Partner and the Project Company shall have entered into an agreed form of share transfer agreement in relation to the transfer of the 20% equity interest in the Project Company; and
- (c) the local Bureau of Commerce shall have approved the Acquisition.

If the above conditions have not been fulfilled within 60 days following the date of the Framework Agreement, any of the JV Partner, Shengshi Guangye, the Project Company and the Company may by notice to the others to terminate the Framework Agreement.

Consideration and payment terms

The Consideration for the Acquisition, which amounts to RMB89,430,348.19 (approximately HK\$107,316,417.83), shall be satisfied in the following manner:

- (a) RMB45,000,000.00 (approximately HK\$54,000,000.00) shall be paid by Shengshi Guangye in cash to the JV Partner within 3 days after the fulfilment of all the conditions set out in the paragraph headed “Conditions precedents” above;
- (b) RMB14,430,348.19 (approximately HK\$17,316,417.83) shall be paid by Shengshi Guangye in cash to the JV Partner within 3 days after the completion of all registration and filing procedures of the local Administration for Industry and Commerce in relation to the transfer of 20% equity interest in the Project Company from the JV Partner to Shengshi Guangye; and
- (c) the remaining RMB30,000,000.00 (approximately HK\$36,000,000.00) shall be paid by Shengshi Guangye in cash to the JV Partner within 3 days after the issuance of a written notice by the JV Partner to Shengshi Guangye confirming the completion of relocation of the substation and the high voltage cables stretching across the Land.

The relocation of the substation and the high voltage cables stretching across the Land, which shall be completed by the JV Partner within 2 years after the receipt of first instalment of Consideration by the JV Partner, relates to an obligation to be performed by the JV Partner under the Master Cooperation Agreement. In the event that the relocation is not completed within the said 2-year period, Shengshi Guangye shall have the right to deduct 25% of the remaining Consideration for each 6-month delay of completion of the relocation.

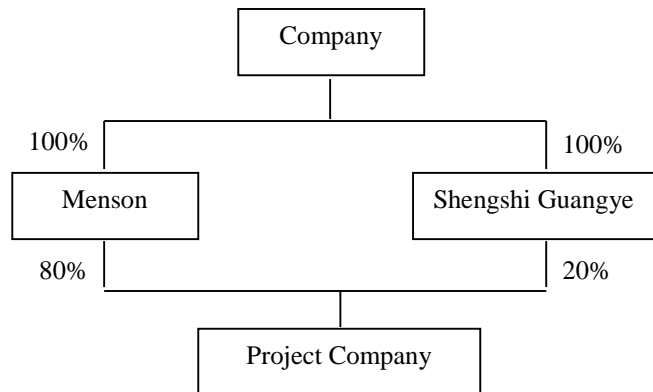
The Consideration will be funded by internal resources. The Consideration was determined after arm’s length negotiations between the parties to the Framework Agreement with reference

to the appraised value of 20% of the equity interest in the Project Company as at 30 June 2015 at RMB89,430,348.19 (approximately HK\$107,316,417.83) by an independent qualified valuer. The Directors consider that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole. The total investment covering total equities and shareholder's loan contributions of the JV Partner in relation to its 20% equity interest in the Project Company to the JV partner is RMB195,772,671.64 (approximately HK\$234,927,205.97).

Completion

As at the date of this announcement, the Project Company is owned as to 20% by the JV Partner and 80% by Menson, a wholly-owned subsidiary of the Company. Upon Completion, the Project Company will become an indirect wholly-owned subsidiary of the Company.

Immediately after the Completion, the shareholding structure of the Project Company will be as follows:



B. Repayment of Shareholder's Loan and Interests and Outstanding Contract Fees and Disposal of the Properties

Pursuant to the Framework Agreement, the Project Company conditionally agreed to repay (i) the Shareholder's Loan and Interests of an aggregate amount of RMB41,391,948.29 (approximately HK\$49,670,337.95) owed to the JV Partner; and (ii) the Outstanding Contract Fees of an aggregate amount of RMB105,267,033.88 (approximately HK\$126,320,440.66) to the JV Partner partly in cash and partly by way of transferring the Properties to the JV Partner.

Repayment terms

The repayment of Shareholder's Loan and Interests and Outstanding Contract Fees shall be satisfied in the following manner:

- (a) RMB431,024.88 (approximately HK\$517,229.86), in partial settlement of the Outstanding Contract Fees, shall be repaid by the Project Company to the JV Partner within 3 days after the fulfilment of all the conditions set out in the paragraph headed "Conditions precedents" above in cash;
- (b) RMB41,391,948.29 (approximately HK\$49,670,337.95), being the Shareholder's Loan and Interests shall be repaid by the Project Company in cash to the JV Partner within 3 days after the completion of all registration and filing procedures of the local

Administration for Industry and Commerce in relation to the transfer of 20% equity interest in the Project Company from the JV Partner to Shengshi Guangye; and

- (c) the remaining Outstanding Contract Fees in an amount of RMB104,836,009.00 (approximately HK\$125,803,210.80) shall be settled by the transfer of the Properties.

The portion of the repayment sum to be settled in cash will be funded by internal resources.

Disposal of the Properties in partial settlement of the Outstanding Contract Fees

The JV Partner and the Project Company shall enter into an agreed form of agreement in respect of the transfer of the Properties as settlement of the remaining Outstanding Contract Fees in the amount of RMB104,836,009.00 (approximately HK\$125,803,210.80) after the completion of all registration and filing procedures of the local Administration for Industry and Commerce in relation to the transfer of 20% equity interest in the Project Company from the JV Partner to Shengshi Guangye. If the transfer of the Properties cannot be completed within 7 months' time, the remaining Outstanding Contract Fees in an amount of RMB104,836,009.00 (approximately HK\$125,803,210.80) shall be deemed to be waived by the JV Partner.

The Properties comprise 63 units of residential properties (with a total gross floor areas of 11,505 square metres) of the Project, a real estate development project of the Project Company consists of 2,132 units of residential properties which are currently held for sale to the public. The Properties were selected and determined based on arm's length negotiations between the JV Partner and the Project Company and the value of the Properties of RMB104,836,009.00 (approximately HK\$125,803,210.80) was determined at Third Party Offer Price, i.e. the offer price of the Project that is available to independent third parties for purchase of the Properties.

As at the date of this announcement, the total cost of the Properties is RMB108,703,436.67 (approximately HK\$130,444,124.00) to the Project Company.

Reasons and Benefits

The Project has been put on sale in different phases, with the first phase commencing since April 2012; and the latest phase commencing since January 2014. Amidst the current market conditions, the Company believes that it is a good opportunity to offload the Properties at the Third Party Offer Price using it to settle the remaining Outstanding Contract Fees.

By comparing the value at which the Properties will be being transferred, i.e. the Third Party Offer Price, and the carrying value of the Properties as at 31 December 2015, no significant gain or loss is expected to arise from the disposal of the Properties except for an estimated tax expenses of approximately RMB5,531,960.86 (approximately HK\$6,638,353.03).

The actual gain or loss to be recognized by the Group is subject to the final audit of the Group for the year ending 31 December 2016.

Given that the disposal will be made at the Third Party Offer Price, the Directors (including the independent non-executive Directors), believe that the terms for disposal of the Properties to settle the remaining Outstanding Contract Fees are fair and reasonable, and the disposal of the Properties are on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

C. Waiver of Claims

Pursuant to the terms of the Framework Agreement, the Project Company and Shengshi Guangye have also agreed with the JV Partner and Shui Che Keng to waive certain claims they have against the JV Partner for an aggregate amount of RMB24,911,429.48 (approximately HK\$29,893,715.38) in relation to among other things, loss incurred by the Project Company since 1 July 2015, being the date immediately following the date on which the Project Company was valued to form the basis for determining the Consideration for the Acquisition, and the JV Partner and Shui Che Keng agreed to waive the claims against the Company, Menson, the Project Company and Shengshi Guangye for an aggregate amount of RMB25,243,708.28 (approximately HK\$30,292,449.94) for among other things, interest payable on the Outstanding Contract Fees.

II. INFORMATION ON THE PARTIES

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

The JV Partner was incorporated in 1993 in the PRC as a limited company. The JV Partner is principally engaged in project design, project contracting, project construction, civic project construction and real estate development. The JV Partner is amongst the first batch of enterprises in Shenzhen which were recognized as attaining first grade general contracting qualification. Being the key contractor of the Shenzhen Municipal Government, the JV Partner has participated in more than 350 construction projects.

Shui Che Keng was incorporated in 2010 in the PRC as a limited company. It is principally engaged in aquaculture and forestry business. Shui Che Keng is a subsidiary of the JV Partner.

The Project Company was incorporated in 2010 in the PRC as a limited company mainly for the purpose of developing the Project. As at the date of this announcement, the Project Company is owned as to 20% by the JV Partner and 80% by Menson, an indirect wholly-owned subsidiary of the Company. The following table sets out the financial information of the Project Company as extracted from its audited financial statements for the years ended 31 December 2014 and 2015 respectively:

	Year ended 31 December 2014	Year ended 31 December 2015
Net loss before taxation and extraordinary items	RMB170,662,093.00 (approximately HK\$204,794,511.60)	RMB90,831,649.00 (approximately HK108,997,978.80)
Net loss after taxation and extraordinary items	RMB173,890,454.00 (approximately HK\$208,668,544.80)	RMB89,375,808.00 (approximately HK\$107,250,969.60)

The net assets of the Project Company as at 31 December 2015 according to its audited financial statements was approximately RMB457,911,614.00 (approximately HK\$549,493,936.80).

The JV Partner and the Project Company entered into the CCT Agreements on 7 September 2012 and 30 December 2014 respectively, pursuant to which the Project Company may, from time to time, during a term of not more than three financial years from 7 September 2012 to 31 December 2014 and from 1 January 2015 to 31 December 2017 respectively, at its sole discretion, invite the JV Partner to tender, and subject to successful tender, award construction contract(s) to the JV Partner and to engage the JV Partner as a construction contractor in respect of the construction works relating to the Project. Since then, the JV Partner has been awarded 15 construction work contracts pursuant to the CCT Agreements. For more details, please refer to the announcements of the Company dated 7 September 2012 and 30 December 2014.

Both Shengshi Guangye and Menson are indirect wholly-owned subsidiaries of the Company and are both principally engaged in investment holding.

III. REASONS FOR AND BENEFITS OF THE ACQUISITION

The Project is a large-scale real estate development project that requires relatively longer development lead time and accordingly, the performance of the Project Company largely depends on the cooperation and commitment of Menson and the JV Partner.

In view of the JV Partner's intention to withdraw its investment from the Project, the acquisition of the JV Partner's 20% equity interest in the Project Company by Shengshi Guangye serves as an appropriate mean to settle the matter. Upon the completion of the Acquisition, the Project Company will become an indirect wholly-owned subsidiary of the Company owned as to 80% by Menson and 20% by Shengshi Guangye. It is believed that the efficiency of the Project Company and the sustainability of the development of the Project would then be enhanced through the cooperation of these two wholly-owned subsidiaries of the Company.

The Directors are of the view that the terms of the Framework Agreement are on normal commercial terms and such terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IV. LISTING RULES IMPLICATION

Other than the equity interest held by the JV Partner in the Project Company, the JV Partner is an independent third party of the Company and is therefore a connected person only at the subsidiary level of the Company under Rule 14A.101 of the Listing Rules. None of the Directors have a material interest in the Framework Agreement. The Directors have approved the entering into of the Framework Agreement and the independent non-executive Directors have confirmed that the terms of the Framework Agreement are fair and reasonable, the Transactions are on normal commercial terms and in the interests of the Company and the Shareholders as a whole. Accordingly, the Framework Agreement and the Transactions constitute connected transactions for the Company and are subject to the reporting and announcement requirements but exempt from the circular, independent financial advice and shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

As one of the applicable percentage ratios of the Transactions exceed 5% but all of them are less than 25%, the entering into of the Framework Agreement also constitutes a discloseable

transaction for the Company under Rule 14.06 of the Listing Rules and is subject to the reporting and announcement requirements as set out in the Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of the 20% equity interest of the JV Partner in the Project Company by Shengshi Guangye
“Board”	the board of Directors
“CCT Agreements”	the framework agreements entered into between the JV Partner and the Project Company on 7 September 2012 and 30 December 2014 respectively, pursuant to which the JV Partner, subject to successful tender, will be appointed as construction contractor for the Project from time to time during the periods from 7 September 2012 to 31 December 2014 and from 1 January 2015 to 31 December 2017
“Company”	Minmetals Land Limited (五礦建設有限公司*), a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Acquisition
“Consideration”	an aggregate amount of RMB89,430,348.19 (approximately HK\$107,316,417.83), being the consideration of the Acquisition
“Director(s)”	the director(s) of the Company
“Framework Agreement”	the framework agreement dated 27 May 2016 entered into among the JV Partner, Shengshi Guangye, the Project Company, Menson, the Company and Shui Che Keng
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

“Interests”	an amount of RMB1,221,906.65 (approximately HK\$1,466,287.98), being the accrued interest on the Shareholder’s Loan as at 31 March 2016 and the parties agreed to waive the interests accrued thereafter
“JV Partner”	深圳泛華工程集團有限公司 (Shenzhen Pan-China Engineering Co., Ltd.*), a company incorporated in the PRC with limited liability
“Land”	the piece of land situated at Mai Tian Ling, Boluo County, Huizhou City, Guangdong Province, the PRC, with a total area of approximately 1,875 mu
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Master Cooperation Agreement”	the master cooperation agreement dated 30 September 2010 entered into among the JV Partner, the Company and the Project Company, details of which are set out in the announcement of the Company dated 30 September 2010
“Menson”	Menson Development Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Outstanding Contract Fees”	the outstanding construction fees of RMB105,267,033.88 (approximately HK\$126,320,440.66) due and payable by the Project Company to the JV Partner as at 31 December 2015 pursuant to three completed construction contracts awarded to the JV Partner under the CCT Agreements
“PRC”	the People’s Republic of China, for the purpose of this announcement, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“Project”	the real estate development project situated at Mai Tian Ling, Boluo County, Huizhou City, Guangdong Province, the PRC for residential development of low-rise and high-rise units, which includes seven phases. Phase I, Phase

	II and Phase III have a total of 2,132 units of residential properties. The remaining four phases are currently under planning.
“Project Company”	博羅縣碧華房地產開發有限公司 (Boluo County Bihua Property Development Company Limited*), a company incorporated in the PRC with limited liability and is owned as to 20% by the JV Partner and 80% by Menson as at the date of this announcement
“Properties”	63 units of residential properties of the Project namely, 6 units (out of 472 units) of Phase I, 15 units (out of 1,117 units) of Phase II and 42 units (out of 543 units) of Phase III, with a total gross floor area of 11,505 square metres
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary shares(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholder’s Loan”	unsecured interest-bearing loan at the rate of 110% of the benchmark interest rate for a one to three year loan quoted by the People’s Bank of China per annum advanced by the JV Partner to the Project Company in the amount of RMB40,170,041.64 (approximately HK\$48,204,049.97)
“Shengshi Guangye”	北京盛世廣業投資管理有限公司 (Beijing Shengshi Guangye Investment Management Co., Ltd.*), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Shui Che Keng”	博羅縣水車坑水產養殖有限公司 (Boluo County Shui Che Keng Aquaculture Company Limited*), a company incorporated in the PRC with limited liability and a subsidiary of the JV Partner
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Transactions”	the Acquisition, repayment of the Shareholder’s Loan and Interests and repayment of the Outstanding Contract Fees (including the disposal of the Properties in partial settlement of the Outstanding Contract Fees) contemplated under the Framework Agreement
“Third Party Offer Price”	the offer price of the Project that is available to independent third parties for purchase of the Properties
“%”	per cent

For the purpose of illustration only, conversion of RMB into Hong Kong, dollars in this announcement is based on the exchange rate of RMB1.00 to HK\$1.20. Such conversion should not be construed as a representation that any amounts have been, could have been, or may be exchanged at this or any other rate.

By order of the Board
He Jianbo
*Deputy Chairman and Managing
Director*

Hong Kong, 27 May 2016

As at the date of this announcement, the Board comprises eight Directors, namely Mr. Zhang Yuanrong as the Chairman and a non-executive Director, Mr. He Jianbo as the Deputy Chairman, Managing Director and an executive Director, Mr. Yin Liang, Ms. He Xiaoli and Mr. Liu Zeping as executive Directors, and Mr. Selwyn Mar, Ms. Tam Wai Chu, Maria and Mr. Lam Chung Lun, Billy as independent non-executive Directors.

** For identification purpose only*