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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 AND DISCLOSEABLE TRANSACTION

DEEMED DISPOSAL OF EQUITY INTEREST

IN A JOINT VENTURE

CAPITAL INCREASE AGREEMENT

On 14 December 2017, Hengfu Properties (an indirect wholly-owned subsidiary of the Company), Gemdale, Poly Jiangsu and Jiaxing Jinguang Investment entered into the Capital Increase Agreement pursuant to which each of Hengfu Properties, Gemdale, Poly Jiangsu and Jiaxing Jinguang Investment agreed to make cash contributions of RMB0.144 million, RMB8.400 million, RMB19.400 million and RMB0.056 million respectively (approximately HK\$0.165 million, HK\$9.609 million, HK\$22.191 million and HK\$0.064 million respectively) into the registered capital of the JV Company, in which the Group currently owns as to 50.8% of its registered capital. Upon completion of the Capital Increase, Hengfu Properties' interest in the registered capital of the JV Company will reduce from 50.8% to 39.8% and Poly Jiangsu's interest in the registered capital of the JV Company will increase from 19% to 30%.

The Capital Increase constitutes a deemed disposal for the Company pursuant to Rule 14.29 of the Listing Rules. Poly Jiangsu currently holds 19% interest in the JV Company, constituting a substantial shareholder of the JV Company and a connected person of the Company at the subsidiary level of the Company. As one of the applicable percentage ratios of the Capital Increase exceeds 5% but all other applicable percentage ratios are less than 25%, the Capital Increase constitutes a connected and discloseable transaction for the Company under the Listing Rules, which is subject to the reporting and announcement requirements but exempt from circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

CAPITAL INCREASE AGREEMENT

Date : 14 December 2017

Parties : (1) Hengfu Properties

(2) Gemdale

(3) Poly Jiangsu

(4) Jiaxing Jinguang Investment

Hengfu Properties is an indirect wholly-owned subsidiary of the Company and is principally engaged in real estate development. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiry, Gemdale, Poly Jiangsu and Jiaxing Jinguang Investment and their respective ultimate beneficial owners are, save for their respective interest in the JV Company, third parties, independent of and not connected with the Company and its connected persons.

Subject

Pursuant to the Capital Increase Agreement, each of Hengfu Properties, Gemdale, Poly Jiangsu and Jiaxing Jinguang Investment agreed to make cash contributions of RMB0.144 million, RMB8.400 million, RMB19.400 million and RMB0.056 million respectively (approximately HK\$0.165 million, HK\$9.609 million, HK\$22.191 million and HK\$0.064 million respectively) into the registered capital of the JV Company, in which the Group currently owns as to 50.8% of its registered capital. Upon completion of the Capital Increase, Hengfu Properties' interest in the registered capital of the JV Company will reduce from 50.8% to 39.8% and Poly Jiangsu's interest in the registered capital of the JV Company will increase from 19% to 30%.

APPLICATION OF THE INCREASED CAPITAL

The total additional capital of RMB28 million (approximately HK\$32.029 million) to be made by Hengfu Properties, Gemdale, Poly Jiangsu and Jiaxing Jinguang Investment will be applied by the JV Company as general working capital.

Hengfu Properties will finance its share of the Capital Increase from its internal resources.

INFORMATION ON THE JV COMPANY

The JV Company was duly established on 20 July 2017 with a registered capital of RMB100 million (approximately HK\$114.390 million) and is currently held as to 50.8% by Hengfu Properties, 30% by Gemdale, 19% by Poly Jiangsu and 0.2% by Jiaxing Jinguang Investment respectively. The JV Company was established solely to hold the Land and to

carry out the Development Project for residential development with gross floor area of approximately 208,000 square meters.

Based on the unaudited management accounts of the JV Company for the period from its establishment to 30 November 2017, the unaudited loss before taxation and unaudited loss after taxation of the JV Company for the four months period to 30 November 2017 was approximately RMB2.066 million (approximately HK\$2.363 million). The total net asset value of the JV Company as at 30 November 2017 was approximately RMB97.934 million (approximately HK\$112.027 million).

FINANCIAL IMPACT ON THE GROUP

Following completion of the Capital Increase, Hengfu Properties' interest in the JV Company will be diluted from 50.8% to 39.8% and the JV Company will no longer be a subsidiary (as defined under the Listing Rules) of the Company. The JV Company is currently accounted for as a jointly controlled entity and will remain as a jointly controlled entity in the financial statements of the Group following completion of the Capital Increase.

REASONS FOR AND BENEFIT OF THE CAPITAL INCREASE

The Group is principally engaged in real estate development, specialised construction, property investment and securities investment. The Capital Increase will strengthen the JV Company's financial condition and facilitate future financing.

The terms of the Capital Increase Agreement and the capital contribution amount were arrived at after arm's length negotiation among the parties to the Capital Increase Agreement, and with reference to the needs of the JV Company as agreed by the parties.

The Directors (including all the independent non-executive Directors) consider that the terms of the Capital Increase Agreement are fair and reasonable, and the Capital Increase is on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and its shareholders as a whole. None of the Directors has a material interest in the transactions contemplated under the Capital Increase Agreement nor is required to abstain from voting from the Board resolutions for considering and approving the same pursuant to the bye-laws of the Company.

LISTING RULES IMPLICATIONS

As Hengfu Properties' interest in the JV Company will be diluted from 50.8% to 39.8% immediately upon completion of the Capital Increase, the Capital Increase constitutes a deemed disposal for the Company pursuant to Rule 14.29 of the Listing Rules.

Poly Jiangsu currently holds 19% interest in the JV Company, constituting a substantial shareholder of the JV Company and a connected person of the Company at the subsidiary level of the Company. As one of the applicable percentage ratios of the Capital Increase exceeds 5% but all other applicable percentage ratios are less than 25%, the Capital Increase constitutes a

connected and discloseable transaction for the Company under the Listing Rules, which is subject to the reporting and announcement requirements but exempt from circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

GENERAL

Gemdale

Gemdale is a company established under the laws of the PRC with limited liability and is principally engaged in the development, sales and decoration of properties.

Poly Jiangsu

Poly Jiangsu is a company established under the laws of the PRC with limited liability and is principally engaged in the development, sales and decoration of properties.

Jiaxing Jinguang Investment

Jiaxing Jinguang Investment is a partnership established under the laws of the PRC and is principally engaged in investment and consulting services.

DEFINITIONS

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

“Board”	the board of Directors of the Company
“Capital Increase”	the increase of the registered capital of the JV Company from RMB100 million (approximately HK\$114.390 million) to RMB128 million (approximately HK\$146.419 million) by way of Hengfu Properties, Gemdale, Poly Jiangsu and Jiaxing Jinguang Investment making a total cash contribution of RMB28 million (approximately HK\$32.029 million) into the registered capital of JV Company, pursuant to the Capital Increase Agreement
“Capital Increase Agreement”	the capital increase agreement dated 14 December 2017 entered into between Hengfu Properties, Gemdale, Poly Jiangsu and Jiaxing Jinguang Investment in relation to the Capital Increase

“Company”	Minmetals Land Limited, a company duly incorporated in Bermuda with limited liability, whose shares are listed and traded on the Stock Exchange
“connected person”, “subsidiary” and “substantial shareholder”	each has the meaning given to it under the Listing Rules
“Development Project”	the real estate development project in respect of residential development to be constructed on the Land
“Director(s)”	the director(s) of the Company
“Gemdale”	Gemdale Corporation Nanjing Properties Development Limited* (金地集團南京置業發展有限公司), a company established under the laws of the PRC with limited liability
“Group”	the Company and its subsidiaries
“Hengfu Properties”	Minmetals Land (Yingkou) Hengfu Properties Co., Ltd.* (五礦建設(營口)恒富置業有限公司), a company established under the laws of the PRC with limited liability and a 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
“Jiaxing Jinguang Investment”	Jiaxing Jinguang Investment Partnership (L.P.)* (嘉興金廣投資合夥企業(有限合夥)), a partnership established under the laws of the PRC
“JV Company”	Nanjing Kuanglijin Property Development Co., Ltd.* (南京礦利金房地產開發有限公司), a company established under the laws of the PRC with limited liability and is currently held as to 50.8% by Hengfu Properties, 30% by Gemdale, 19% by Poly Jiangsu and 0.2% by Jiaxing Jinguang Investment respectively
“Land”	the land parcel (lot no. G25) situated in Nanjing City, Jiangsu Province, the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time

“Poly Jiangsu”	Poly Jiangsu Real Estate Development Co., Limited* (保利江蘇房地產發展有限公司), a company established under the laws of the PRC with limited liability
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, Taiwan and the Macao Special Administrative Region of the PRC)
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	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\$1.1439. 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
He Jianbo
Deputy Chairman and Managing Director

Hong Kong, 14 December 2017

As at the date of this announcement, the Board comprises nine Directors, namely Mr. Li Fuli as the Chairman and a non-executive Director, Mr. He Jianbo as the Deputy Chairman, Managing Director and an executive Director, Ms. He Xiaoli, Mr. Liu Zeping and Mr. Yang Shangping as executive Directors, Mr. Cui Hushan as a non-executive Director, and Mr. Selwyn Mar, Ms. Tam Wai Chu, Maria and Mr. Lam Chung Lun, Billy as independent non-executive Directors.

** for identification purpose only*