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

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

**CONTINUING CONNECTED TRANSACTIONS**  
**PROVISION OF SPECIALISED CONSTRUCTION SERVICES**  
**AND**  
**REVISION OF ANNUAL CAPS**  
**IN RESPECT OF THE 2017 CONSTRUCTION AGREEMENT**

**The Specialised Construction Framework Agreement**

The Board announces that on 20 April 2018, the Company entered into the Specialised Construction Framework Agreement with China Minmetals, the ultimate controlling shareholder of the Company, pursuant to which the Group may seek appointment by the China Minmetals Group as specialised construction contractor(s) for the China Minmetals Group's real estate development projects and construction projects in the PRC and Hong Kong, subject to successful tender, for a term of three years commencing from 20 April 2018.

June Glory (the immediate controlling shareholder of the Company) is an indirect non-wholly owned subsidiary of China Minmetals and accordingly, China Minmetals is a connected person of the Company under the Listing Rules.

Since the Proposed Specialised Construction Services Annual Caps exceed HK\$10,000,000 and certain relevant percentage ratios are, on an annual basis, more than 5%, the Continuing Specialised Construction Services provided under the Specialised Construction Framework Agreement constitute non-exempt continuing connected transactions for the Company under Rule 14A.31 of the Listing Rules and are subject to reporting, announcement and independent shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

**Revision of Annual Caps for the 2017 Construction Agreement**

Reference is made to the announcement and circular of the Company dated 19 April 2017 and 12 May 2017 respectively in relation to the 2017 Construction Agreement (collectively the "2017 Disclosure") on the Group's invitation to member(s) of the China Minmetals Group to place tender for the possible appointment of member(s) of the China Minmetals Group as

construction contractor(s) of the Group's real estate development projects in the PRC and Hong Kong for a term of three years from 19 April 2017 to 18 April 2020 with a maximum contract sum set under the 2017-2020 Annual Caps.

The Board wishes to announce that as the Group may wish to consider possible tenders that may be made by member(s) of the China Minmetals Group for its construction works, including the Yau Tong Project, and given the size of the Yau Tong Project, the likely total contract sum that may be awarded to the China Minmetals Group from 1 January 2018 to 18 April 2020, including any works tendered for the Yau Tong Project, if successful, may exceed the 2017-2020 Annual Caps. Accordingly, the Board wishes to revise the annual caps to cater for the transactions contemplated under the 2017 Construction Agreement in this respect.

Since the Proposed New 2018-2020 Annual Caps exceed HK\$10,000,000 and all of the relevant percentage ratios are, on an annual basis, more than 5%, the construction services in respect of the 2017 Construction Agreement under the new caps constitute non-exempt continuing connected transactions for the Company under Rule 14A.31 of the Listing Rules and are subject to reporting, announcement and independent shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

A circular containing, among others, details of the Specialised Construction Framework Agreement and the Proposed New 2018-2020 Annual Caps, a letter from the Independent Board Committee to the Independent Shareholders in respect of the Specialised Construction Framework Agreement and the Proposed New 2018-2020 Annual Caps, a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Specialised Construction Framework Agreement and the Proposed New 2018-2020 Annual Caps, and a notice convening the SGM, will be despatched to the Shareholders on or before 14 May 2018.

## **THE SPECIALISED CONSTRUCTION FRAMEWORK AGREEMENT**

### **Background**

The Board announces that on 20 April 2018, the Company entered into the Specialised Construction Framework Agreement with China Minmetals, the ultimate controlling shareholder of the Company, pursuant to which the Group may seek appointment by the China Minmetals Group as specialised construction contractor(s) for the China Minmetals Group's real estate development projects and construction projects in the PRC and Hong Kong, subject to successful tender, for a term of three years commencing from 20 April 2018.

### **Major terms of the Specialised Construction Framework Agreement**

|                |   |   |
|----------------|---|---|
| Date           | : | 20 April 2018   |
| Parties        | : | (i) the Company<br>(ii) China Minmetals   |
| Term           | : | Three years commencing from 20 April 2018 to 19 April 2021  |
| Subject matter | : | The China Minmetals Group may from time to time invite member(s) of the Group to tender for specialised construction contract(s) in |

accordance with the China Minmetals Group's tender procedure and general conditions offered to independent bidders (including general provisions for adjusting construction amounts due to, for example, changes to projects). Subject to successful tender, the China Minmetals Group shall engage member(s) of the Group as specialised construction contractor(s) in respect of existing and future real estate development projects and construction projects of the China Minmetals Group, provided that the total contract sums of the specialised construction contract(s) to be awarded by the China Minmetals Group to member(s) of the Group during each of the three years from 20 April 2018 to 19 April 2021 shall not exceed the Proposed Specialised Construction Services Annual Caps.

### **Proposed Specialised Construction Services Annual Caps**

Having considered the relevant factors, including the estimated amount of specialised construction contracts for the China Minmetals Group's existing and potential real estate development projects of and construction projects undertaken or may be undertaken from time to time by the China Minmetals Group, the likelihood of member(s) of the Group to participate in the project tender, the estimated scope of specialised construction works in respect of the China Minmetals Group's real estate development projects, the estimated relevant specialised construction price on a per square metre basis and the expected progress of the specialised construction works, the Company estimates that the total contract sums of the China Minmetals Group's specialised construction contracts which may be awarded to member(s) of the Group under the Specialised Construction Framework Agreement for the three years commencing from 20 April 2018 to 19 April 2021 will not exceed the Proposed Specialised Construction Services Annual Caps below:

| <b>For the periods commencing from</b>                       |  |  |  |
|--|--|--|--|
| <b>20 April 2018 to<br/>31 December 2018</b>                 | <b>1 January 2019 to<br/>31 December 2019</b>              | <b>1 January 2020 to<br/>31 December 2020</b>                | <b>1 January 2021 to<br/>19 April 2021</b>                 |
| RMB935.23 million<br>(approximately<br>HK\$1,160.80 million) | RMB794.09 million<br>(approximately<br>HK\$985.62 million) | RMB846.77 million<br>(approximately<br>HK\$1,051.01 million) | RMB503.87 million<br>(approximately<br>HK\$625.40 million) |

Under typical specialised construction contracts obtained by the Group, the contract sum will be payable with respect to specific work stages or milestones achieved in various aspects of work. In general, an aggregate of 95% of the final contract sum will be paid according to a payment schedule and the remaining 5% will be payable after the expiry of the defect liability period.

### **Reasons for and benefits of the provision of the Continuing Specialised Construction Services**

In view of the portfolio of real estate development projects and the expanding construction business of the China Minmetals Group, it is anticipated that the China Minmetals Group will, in the coming few years, actively invite tenders for specialised construction works relating to its real estate development projects and construction projects.

The Proposed Specialised Construction Services Annual Caps represent the best estimates made by the Group based on the information currently available (including types of specialised construction to be constructed, development schedule and prevailing market conditions) and, in particular, the estimated amount of specialised construction contracts for the China Minmetals Group's existing real estate development projects and construction projects undertaken or may be undertaken from time to time by the China Minmetals Group. The Specialised Construction Services Annual Caps are set to allow the Group to capitalize on the maximum benefit from the best estimated opportunities that may be available to it and should not be construed as the actual amount of specialised construction contract(s) that the China Minmetals Group will award to member(s) of the Group.

The participation in the bidding process for specialised construction contract(s) of the China Minmetals Group will enable the Group to enlarge its market share, increase its operating revenue, enhance market competitiveness and boost brand building in the sector.

**Shareholders and potential investors should note that the China Minmetals Group may or may not appoint member(s) of the Group as specialised construction contractor(s) in relation to future tenders for the China Minmetals Group's real estate development projects and construction projects, or if appointed, to take up specialised construction works up to the level of the Proposed Specialised Construction Services Annual Caps. The Proposed Specialised Construction Services Annual Caps therefore have no direct relationship to, nor should be taken to have any direct bearing on, the Group's financial or potential financial performance.**

The entering into of the Specialised Construction Framework Agreement would avoid the lengthy approval process which would otherwise require the approval of Independent Shareholders in a special general meeting of the Company for each specific instance.

## **REVISION OF ANNUAL CAPS FOR THE 2017 CONSTRUCTION AGREEMENT**

### **Background**

Reference is made to the announcement and circular of the Company dated 19 April 2017 and 12 May 2017 respectively in relation to the 2017 Construction Agreement (collectively the "2017 Disclosure") on the Group's invitation to member(s) of the China Minmetals Group to place tender for the possible appointment of member(s) of the China Minmetals Group as construction contractor(s) of the Group's real estate development projects in the PRC and Hong Kong for a term of three years from 19 April 2017 to 18 April 2020 with a maximum contract sum set under the 2017-2020 Annual Caps.

The Board wishes to announce that as the Group may wish to consider possible tenders that may be made by member(s) of the China Minmetals Group for its construction works, including the Yau Tong Project, and given the size of the Yau Tong Project, the likely total contract sum that may be awarded to the China Minmetals Group from 1 January 2018 to 18 April 2020, including any works tendered for the Yau Tong Project, if successful, may exceed the 2017-2020 Annual Caps. Accordingly, the Board wishes to revise the annual caps to cater for the transactions contemplated under the 2017 Construction Agreement in this respect.

## Original Annual Caps

As disclosed in the 2017 Disclosure, the original annual caps under the 2017 Construction Agreement for each of the periods from 19 April 2017 to 31 December 2017, 1 January 2018 to 31 December 2018, 1 January 2019 to 31 December 2019 and 1 January 2020 to 18 April 2020 were expected to be not more than RMB2,000 million (approximately HK\$2,482 million), RMB1,850 million (approximately HK\$2,296 million), RMB1,850 million (approximately HK\$2,296 million) and RMB960 million (approximately HK\$1,192 million), respectively.

## Historical Amounts

For the period from 19 April 2017 to 31 December 2017, the actual amount of the Group's construction contracts awarded to members of the China Minmetals Group under the 2017 Construction Agreement amounted to approximately RMB1,074 million (approximately HK\$1,333 million).

As at the date of this announcement, the actual amount of the Group's construction contracts awarded to members of the China Minmetals Group under the 2017 Construction Agreement since 1 January 2018 amounted to approximately RMB908 million (approximately HK\$1,127 million), representing approximately 49% of the relevant original annual cap for such period.

Accordingly, as at the date of this announcement, the actual amount of construction contracts awarded under the 2017 Construction Agreement were still within the 2017-2020 Annual Caps.

## Proposed New 2018-2020 Annual Caps

Having considered the relevant factors, including the possible award of construction contracts in respect of the Yau Tong Project to member(s) of the China Minmetals Group, the Company estimates that the total contract sums of the construction contracts which can be awarded to member(s) of the China Minmetals Group are as follows:

| <b>For the periods commencing from</b>                         |  |  |
|--|--|--|
| <b>1 January 2018 to<br/>31 December 2018</b>                  | <b>1 January 2019 to<br/>31 December 2019</b>                  | <b>1 January 2020 to<br/>18 April 2020</b>                     |
| RMB6,085.49 million<br>(approximately<br>HK\$7,553.31 million) | RMB3,711.28 million<br>(approximately<br>HK\$4,606.44 million) | RMB2,798.02 million<br>(approximately<br>HK\$3,472.90 million) |

## Reasons for and benefits of revising the annual caps under the 2017 Construction Agreement

In view that the Group may wish to consider possible tenders that may be made by member(s) of the China Minmetals Group for its construction works, including the Yau Tong Project, and given the size of the Yau Tong Project, the likely total contract sum that may be awarded to the China Minmetals Group from 1 January 2018 to 18 April 2020, including any works tendered for the Yau Tong Project, if successful, may exceed the 2017-2020 Annual Caps.

Moreover, the Group has adopted a strategy to expand the real estate development business in Hong Kong. As disclosed in the 2017 Disclosure, there are members of the China Minmetals Group that possess class I qualifications in building construction and accordingly, the Company

intends to invite those China Minmetals Group members to place tenders for its construction contracts. As such, it is likely that the opportunities of inviting member(s) of the China Minmetals Group to place tender for construction contract(s) of the Group's new real estate development projects in Hong Kong from 1 January 2018 to 18 April 2020 will be increased.

Accordingly, the Board wishes to revise the annual caps to cater for the transactions contemplated under the 2017 Construction Agreement for the period from 1 January 2018 to 18 April 2020.

The Proposed New 2018-2020 Annual Caps represent the best estimates made by the Group based on the information currently available (including types of property to be constructed, development schedule and prevailing market conditions) and, in particular, the estimated amount of construction contracts for the Group's existing and future real estate development projects in the PRC and Hong Kong. The Proposed New 2018-2020 Annual Caps are set to allow the Group to capitalize on the maximum contract sum that can be awarded to member(s) of the China Minmetals Group and should not be construed as the actual amount of construction contracts that the Group may award to member(s) of the China Minmetals Group.

**Shareholders and potential investors should note that the Group may or may not appoint member(s) of the China Minmetals Group as construction contractor(s) in relation to future tenders for the Group's real estate development projects in the PRC and Hong Kong, or if appointed, to award construction works up to the level of the Proposed New 2018-2020 Annual Caps. The Proposed New 2018-2020 Annual Caps therefore have no direct relationship to, nor should be taken to have any direct bearing on, the Group's financial or potential financial performance.**

The purpose of revising the annual caps under the 2017 Construction Agreement is to avoid undue delay in the construction progress of the relevant projects which will otherwise have to seek approval of Independent Shareholders in a special general meeting of the Company for each specific instance.

### **Information about the Company and China Minmetals**

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

China Minmetals is a state-owned enterprise in the PRC principally engaged in the business of exploration, mining, smelting, processing and trading for metals and minerals, finance, real estate development, and mining and metallurgic technology.

### **LISTING RULES IMPLICATIONS**

#### **Listing Rules implications in relation to the Specialised Construction Framework Agreement**

June Glory (the immediate controlling shareholder of the Company) is an indirect non-wholly owned subsidiary of China Minmetals and accordingly, China Minmetals is a connected person of the Company under the Listing Rules.

Since the Proposed Specialised Construction Services Annual Caps exceed HK\$10,000,000 and certain relevant percentage ratios are, on an annual basis, more than 5%, the Continuing

Specialised Construction Services provided under the Specialised Construction Framework Agreement constitute non-exempt continuing connected transactions for the Company under Rule 14A.31 of the Listing Rules and are subject to reporting, announcement and independent shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

The Directors (other than the independent non-executive Directors whose view will be formed after considering the advice from the Independent Financial Adviser) consider that the terms and conditions of the Specialised Construction Framework Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Company will comply with the provisions of Chapter 14A of the Listing Rules in relation to the Continuing Specialised Construction Services for the three years from 20 April 2018 to 19 April 2021, including disclosing in the circular further information thereof, seeking Independent Shareholders' approval for the Continuing Specialised Construction Services and the Proposed Specialised Construction Services Annual Caps.

If there is a material change to the terms of the Specialised Construction Framework Agreement, or if any of the Proposed Specialised Construction Services Annual Caps is exceeded, the Company will re-comply with Rule 14A.54 of the Listing Rules.

#### **Listing Rules implications in relation to the revision of the annual caps under the 2017 Construction Agreement**

June Glory (the immediate controlling shareholder of the Company) is an indirect non-wholly owned subsidiary of China Minmetals and accordingly, China Minmetals is a connected person of the Company under the Listing Rules.

Since the Proposed New 2018-2020 Annual Caps exceed HK\$10,000,000 and all of the relevant percentage ratios are, on an annual basis, more than 5%, the construction services in respect of the 2017 Construction Agreement under the new caps constitute non-exempt continuing connected transactions for the Company under Rule 14A.31 of the Listing Rules and are subject to reporting, announcement and independent shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

The Directors (other than the independent non-executive Directors whose view will be formed after considering the advice from the Independent Financial Adviser) consider that the Proposed New 2018-2020 Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Company will comply with the provisions of Chapter 14A of the Listing Rules in relation to the Proposed New 2018-2020 Annual Caps for the period from 1 January 2018 to 18 April 2020, including disclosing in the circular further information thereof, seeking Independent Shareholders' approval for the Proposed New 2018-2020 Annual Caps.

If there is a material change to the terms of the 2017 Construction Agreement, or if any of the Proposed New 2018-2020 Annual Caps is exceeded, the Company will re-comply with Rule 14A.54 of the Listing Rules.

## **SGM**

An Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders in respect of the Specialised Construction Framework Agreement and the Proposed New 2018-2020 Annual Caps. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders regarding the Specialised Construction Framework Agreement and the Proposed New 2018-2020 Annual Caps.

A circular containing, among others, details of the Specialised Construction Framework Agreement and the Proposed New 2018-2020 Annual Caps, a letter from the Independent Board Committee to the Independent Shareholders in respect of the Specialised Construction Framework Agreement and the Proposed New 2018-2020 Annual Caps, a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Specialised Construction Framework Agreement and the Proposed New 2018-2020 Annual Caps, and a notice convening the SGM, will be despatched to the Shareholders on or before 14 May 2018.

## **GENERAL**

As at the date of this announcement, the Board comprises eight 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, and Mr. Selwyn Mar, Mr. Lam Chung Lun, Billy and Ms. Law Fan Chiu Fun, Fanny as independent non-executive Directors.

## **DEFINITIONS**

In this announcement, the following expressions shall have the respective meanings set opposite thereto:

|                               |  |
|-------------------------------|--|
| “2017 Construction Agreement” | the agreement dated 19 April 2017 entered into between the Company and China Minmetals in relation to the engagement of member(s) of the China Minmetals Group as construction contractor(s) (subject to successful tender) in respect of the existing and future real estate development projects of the Group in the PRC and Hong Kong for the three years from 19 April 2017 to 18 April 2020 |
| “2017 Disclosure”             | the announcement and circular of the Company dated 19 April 2017 and 12 May 2017 respectively in relation to the 2017 Construction Agreement   |
| “2017-2020 Annual Caps”       | the original annual caps for the construction contracts under the 2017 Construction Agreement for the three years from 19 April 2017 to 18 April 2020  |



|  |   |
|--|---|
| “associate(s)”, “connected person”, “controlling shareholder” and “subsidiary” | each shall have the meaning ascribed to it under the Listing Rules  |
| “Board”  | the board of Directors of the Company   |
| “China Minmetals”  | China Minmetals Corporation, a state-owned enterprise established under the laws of the PRC and the ultimate controlling shareholder holding approximately 61.91% of the Shares as at the date of this announcement   |
| “China Minmetals Group”  | China Minmetals and (i) its subsidiaries; and (ii) entities whose financial statements have been accounted for in the financial statements of China Minmetals on a consolidated basis   |
| “Company”  | Minmetals Land Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange   |
| “Continuing Specialised Construction Services”                                 | the continuing connected transactions that may be entered into between the Group and the China Minmetals Group pursuant to the terms of the Specialised Construction Framework Agreement, details of which are referred to under the section headed “The Specialised Construction Framework Agreement” in this announcement |
| “Director(s)”  | the director(s) of the Company  |
| “Group”  | the Company and its subsidiaries  |
| “HK\$”   | Hong Kong dollars, the lawful currency of Hong Kong   |
| “Hong Kong”  | the Hong Kong Special Administrative Region of the PRC  |
| “Independent Board Committee”  | an independent committee of the Board comprising all the independent non-executive Directors, which has been formed by the Board to advise the Independent Shareholders in respect of the Specialised Construction Framework Agreement and the Proposed New 2018-2020 Annual Caps   |
| “Independent Financial Adviser”  | Red Sun Capital Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter   |

571 of the Laws of Hong Kong) and the independent financial adviser that has been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Specialised Construction Framework Agreement and the Proposed New 2018-2020 Annual Caps

|  |  |
|--|--|
| “Independent Shareholder(s)”                             | Shareholder(s) other than June Glory and its associates, and any Shareholder who has a material interest in the Specialised Construction Framework Agreement and the 2017 Construction Agreement   |
| “June Glory”   | June Glory International Limited, a company incorporated in the British Virgin Islands with limited liability, and the immediate controlling shareholder holding approximately 61.91% of the Shares as at the date of this announcement                  |
| “Listing Rules”  | the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time   |
| “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)  |
| “Proposed Specialised Construction Services Annual Caps” | the proposed annual caps for the Continuing Specialised Construction Services for the three years from 20 April 2018 to 19 April 2021 as set out in the section headed “The Specialised Construction Framework Agreement” in this announcement           |
| “Proposed New 2018-2020 Annual Caps”                     | the proposed and revised annual caps for the construction contracts under the 2017 Construction Agreement for the period from 1 January 2018 to 18 April 2020 as set out in the section headed “Proposed New 2018-2020 Annual Caps” in this announcement |
| “RMB”  | Renminbi, the lawful currency of the PRC   |
| “SGM”  | a special general meeting of the Company to be convened to consider and approve the Specialised Construction Framework Agreement and the Proposed New 2018-2020 Annual Caps  |
| “Share(s)”   | ordinary share(s) of HK\$0.10 each in the issued share capital of the Company  |
| “Shareholder(s)”   | holders of Share(s)  |

“Specialised Construction Framework Agreement”

the agreement dated 20 April 2018 entered into between the Company and China Minmetals in relation to the engagement of member(s) of the Group as specialised construction contractor(s) (subject to successful tender) in respect of the real estate development projects and construction projects of the China Minmetals Group for the three years from 20 April 2018 to 19 April 2021

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“Yau Tong Project”

the Group’s real estate development project in Yau Tong, Hong Kong

“%”

per cent

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

Hong Kong, 20 April 2018

*For the purpose of illustration only and unless otherwise stated, conversion of RMB into Hong Kong dollars in this announcement is calculated at the exchange rate of RMB1.00 to HK\$1.2412. 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.*