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**五礦建設有限公司\***  
**MINMETALS LAND LIMITED**

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

**RENEWAL OF CONTINUING CONNECTED TRANSACTIONS  
IN RESPECT OF 2015 TO 2017**

Reference is made to the 2012 Circular in relation to, amongst other things, the 2012 Agreement and the 2012 Continuing Connected Transactions between the Project Company (a non-wholly owned subsidiary of the Company) and the JV Partner, whereby the JV Partner would, subject to successful tender, be appointed as construction contractor for the Project for the period ending 31 December 2014.

The 2012 Agreement will expire on 31 December 2014. As the Project Company intends to continue to invite the JV Partner to place tenders for and, subject to successful tender, to award construction contract(s) to the JV Partner as construction contractor in respect of the construction works relating to the Project, the Project Company has entered into the 2014 Agreement with the JV Partner on 30 December 2014.

The Annual Caps for the Renewed Continuing Connected Transactions for the three years from 1 January 2015 to 31 December 2015, 1 January 2016 to 31 December 2016 and 1 January 2017 to 31 December 2017 are RMB243,218,000 (approximately HK\$307,671,000), RMB271,527,000 (approximately HK\$343,482,000) and RMB396,290,000 (approximately HK\$501,307,000), respectively.

Since more than one of the applicable percentage ratios in respect of the respective Annual Caps under the 2014 Agreement exceed 5%, the entering into of the 2014 Agreement and the Renewed Continuing Connected Transactions constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules and are subject to the reporting, announcement, annual review, circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

However, as the JV Partner is a substantial shareholder of the Project Company and hence a connected person of the Company only at the subsidiary level, and (i) the Board has approved the Renewed Continuing Connected Transactions and (ii) the independent non-executive Directors have confirmed that the terms of the Renewed Continuing Connected Transactions are fair and reasonable, on normal commercial terms and in the interest of the Company and Shareholders as a whole, the Renewed Continuing Connected Transactions are subject only to reporting, announcement and

annual review requirements but exempt from circular (including independent financial advice) and shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

## **BACKGROUND**

Reference is made to the 2012 Circular in relation to, amongst other things, the 2012 Agreement and the 2012 Continuing Connected Transactions between the Project Company (a non-wholly owned subsidiary of the Company) and the JV Partner, whereby the JV Partner would, subject to successful tender, be appointed as construction contractor for the Project for the period ending 31 December 2014.

The 2012 Agreement will expire on 31 December 2014. As the Project Company intends to continue to invite the JV Partner to place tenders for and, subject to successful tender, to award construction contract(s) to the JV Partner as construction contractor in respect of the construction works relating to the Project, the Project Company has entered into the 2014 Agreement with the JV Partner on 30 December 2014. Principal terms of the 2014 Agreement are summarised as follows.

## **THE 2014 AGREEMENT**

### **Date**

30 December 2014

### **Parties**

- (i) the Project Company
- (ii) the JV Partner

The JV Partner is a substantial shareholder of the Project Company and hence a connected person of the Company at the subsidiary level.

### **Term**

From 1 January 2015 to 31 December 2017

### **Subject matter**

Pursuant to the 2014 Agreement, the Project Company may, from time to time, during the term of the 2014 Agreement and at its sole discretion, invite the JV Partner to tender for construction contract(s) for the Project in accordance with the Group's tender procedure and general conditions offered to independent bidders (including general provisions for adjusting construction amounts due to, for example, variations to the Project). Subject to successful tender, the Project Company shall engage the JV Partner as construction contractor in respect of the construction works relating to the Project. The construction contract(s) so awarded will be subject to the terms of the relevant tender which shall be the same as those offered to independent third party contractors and on normal commercial terms. The total contract sums of the

construction contract(s) to be awarded by the Project Company to the JV Partner during each of the three years from 1 January 2015 to 31 December 2017 shall not exceed the respective Annual Caps.

### **Annual Caps**

As disclosed in the 2012 Circular, the historical annual caps in respect of the 2012 Continuing Connected Transactions for the period from 7 September 2012 to 31 December 2012, 1 January 2013 to 31 December 2013 and 1 January 2014 to 31 December 2014 were RMB585,889,000 (approximately HK\$741,150,000), RMB433,818,000 (approximately HK\$548,780,000) and RMB484,570,000 (approximately HK\$612,981,000), respectively.

For the period from 7 September 2012 to 31 December 2012, 1 January 2013 to 31 December 2013 and 1 January 2014 to the date of this announcement, the construction contracts awarded by the Project Company to the JV Partner amounted to approximately RMB9,096,000 (approximately HK\$11,506,000), RMB433,748,000 (approximately HK\$548,691,000) and RMB115,579,000 (approximately HK\$146,207,000), respectively. The historical annual caps were determined with reference to the then planned schedule of the Project's development plan. However, the actual progress of the Project was subject to change over time (due to various situations, including but not limited to, market and economic conditions as well as government policies from time to time). Accordingly, there was under-utilisation of the annual caps during the period from 7 September 2012 to the date of this announcement.

Pursuant to the 2014 Agreement, the total contract sums of all construction contract(s) which may be awarded to the JV Partner for the three years from 1 January 2015 to 31 December 2015, 1 January 2016 to 31 December 2016 and 1 January 2017 to 31 December 2017 shall not exceed RMB243,218,000 (approximately HK\$307,671,000), RMB271,527,000 (approximately HK\$343,482,000) and RMB396,290,000 (approximately HK\$501,307,000), respectively, and such amounts have accordingly been set as the Annual Caps for the Renewed Continuing Connected Transactions.

The Annual Caps have been determined mainly with reference to (i) the expected contract values of future construction works relating to the Project; and (ii) the expected tender award schedule for construction works relating to the Project for the three years from 1 January 2015 to 31 December 2017.

The Annual Caps represent the best estimates based on the information currently available (including types of property to be constructed and the development schedule of the Project and prevailing market conditions) and in particular, the estimated amount of construction contracts for the Project. The Project Company may or may not invite the JV Partner to tender for future construction works relating to the Project, or if the JV Partner is so invited, to award any such construction works to the JV Partner. Accordingly, the Annual Caps should not be construed as the actual amount of construction contracts that will be awarded to the JV Partner during each of the three years from 1 January 2015 to 31 December 2017.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE 2014 AGREEMENT**

On 7 September 2012, the Project Company and the JV Partner entered into the 2012 Agreement in connection with the engagement of the JV Partner as construction contractor (subject to successful tender) for the Project for the period from 7 September 2012 to 31 December 2014, details of which are set out in the 2012 Circular. The 2012 Agreement will expire on 31 December 2014. Based on the working relationship with the JV Partner, the Project Company is satisfied with the performance of the JV Partner as construction contractor for the Project. The main purpose of the 2014 Agreement and the Renewed Continuing Connected Transactions is to avoid undue delay in the construction progress of the Project which will otherwise have to comply with the reporting and announcement requirements under the Listing Rules for each specific instance.

The appointment of the JV Partner as construction contractor for the Project is subject to a successful tender in a competitive tendering process governed by the relevant rules and regulations in the PRC.

The Directors (including independent non-executive Directors) consider that the terms of the 2014 Agreement are fair and reasonable, on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

Since more than one of the applicable percentage ratios in respect of the respective Annual Caps under the 2014 Agreement exceed 5%, the entering into of the 2014 Agreement and the Renewed Continuing Connected Transactions constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules and are subject to the reporting, announcement, annual review, circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

However, as the JV Partner is a substantial shareholder of the Project Company and hence a connected person of the Company only at the subsidiary level, and (i) the Board has approved the Renewed Continuing Connected Transactions and (ii) the independent non-executive Directors have confirmed that the terms of the Renewed Continuing Connected Transactions are fair and reasonable, on normal commercial terms and in the interest of the Company and Shareholders as a whole, the Renewed Continuing Connected Transactions are subject only to reporting, announcement and annual review requirements but exempt from circular (including independent financial advice) and shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

As none of the Directors have a material interest in the 2014 Agreement and the Renewed Continuing Connected Transactions, none of the Directors are required to abstain from voting on the Board resolution approving the transaction.

## **GENERAL**

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

The Project Company is owned as to 80% by the Group and as to 20% by the JV Partner. It is established under the laws of the PRC mainly for the purpose of developing the Project.

The JV Partner is principally engaged in project design, project contracting, project construction, civic project construction and real estate development. It has obtained first grade contracting qualification in, among others, (i) construction and renovation works, (ii) public works, (iii) foundation and related works, (iv) electrical engineering works and (v) steel structure works. It has also qualified for ISO 9001: 2008 (quality management), ISO 14001 (environmental management) and GB/T28001 (occupational health and safety management) certifications.

## **DEFINITIONS**

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

“2012 Agreement”	the framework agreement dated 7 September 2012 entered into between the Project Company and the JV Partner in relation to the engagement of the JV Partner as a construction contractor (subject to successful tender) for the Project for the period from 7 September 2012 to 31 December 2014;
“2012 Circular”	the circular dated 28 September 2012 issued by the Company in respect of the 2012 Agreement and the 2012 Continuing Connected Transactions;
“2012 Continuing Connected Transactions”	the continuing connected transactions entered into between the Project Company and the JV Partner in connection with the engagement of the JV Partner as a construction contractor (subject to successful tender) for the Project for the period from 7 September 2012 to 31 December 2014;
“2014 Agreement”	the framework agreement dated 30 December 2014 entered into between the Project Company and the JV Partner in relation to the engagement of the JV Partner as a construction contractor (subject to successful tender) for the Project for the three years from 1 January 2015 to 31 December 2017;
“Annual Cap(s)”	the annual caps for the Renewed Continuing Connected Transactions for the three years from 1 January 2015 to 31 December 2017 as set out in the

	section headed “The 2014 Agreement – Annual Caps” in this announcement;
“Board”	the board of Directors (including executive Directors, non-executive Directors and independent non-executive Directors);
“Company”	Minmetals Land Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange;
“connected person”, “subsidiary” and “substantial shareholder”	each has the meaning as given to it under the Listing Rules;
“Director(s)”	director(s) (including independent non-executive Directors) of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“JV Partner”	深圳泛華工程集團有限公司 (Shenzhen Pan-China Engineering Co., Ltd.*), a company established under the laws of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“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);
“Project”	the residential development project known as “Hallstatt See” situated in Boluo County, Huizhou City, Guangdong Province, the PRC;
“Project Company”	博羅縣碧華房地產開發有限公司 (Boluo County Bihua Real Estate Development Company Limited*), a company established under the laws of the PRC and a non-wholly owned subsidiary of the Company;

“Renewed Continuing Connected Transactions”	the transactions contemplated under the 2014 Agreement, details of which are referred to under the section headed “The 2014 Agreement” in this announcement;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholder(s)”	holder(s) of ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	percentage.

*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\$1.265. 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, 30 December 2014

*As at the date of this announcement, the Board comprises nine Directors, namely Mr. Sun Xiaomin as the Chairman and a non-executive Director, Mr. He Jianbo as the Deputy Chairman, Managing Director and an executive Director, Mr. Yin Liang and Ms. He Xiaoli as executive Directors, Mr. Tian Jingqi and Mr. Liu Zeping as non-executive Directors, and Mr. Lam Chun, Daniel, Mr. Selwyn Mar and Ms. Tam Wai Chu, Maria as independent non-executive Directors.*

*\* For identification purpose only*