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五礦建設有限公司*
MINMETALS LAND LIMITED

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

CONTINUING CONNECTED TRANSACTIONS

PROVISION OF ENTRUSTED MANAGEMENT SERVICES

The Board wishes to announce that on 18 March 2016, CMC and CMCL entered into the Agreement with the Company pursuant to which CMC and CMCL agreed to entrust the management of the Entrusted Assets with the Company and the Company agreed to provide management services to CMC and CMCL in relation to the Entrusted Assets, for a term of two years ending on 17 March 2018 for an annual fixed fee of RMB30,000,000 (equivalent to approximately HK\$36,000,000).

CMC, the ultimate controlling shareholder of the Company indirectly holds approximately 61.93% of the issued share capital of the Company as at the date of this announcement. CMCL is owned as to approximately 88.4% by CMC and is the intermediate controlling shareholder of the Company as at the date of this announcement. Accordingly, both CMC and CMCL are connected persons of the Company and the transactions contemplated under the Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As all the applicable percentage ratios in respect of the annual fee receivable by the Company under the Agreement are more than 0.1% but less than 5%, the Agreement is subject to the annual review, reporting and announcement requirements, but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

The Board wishes to announce that on 18 March 2016, CMC and CMCL entered into the Agreement with the Company pursuant to which CMC and CMCL agreed to entrust the management of the Entrusted Assets with the Company and the Company agreed to provide management services to CMC and CMCL in relation to the Entrusted Assets, for a term of two years ending on 17 March 2018 for an annual fixed fee of RMB30,000,000 (equivalent to approximately HK\$36,000,000).

THE AGREEMENT

Date

18 March 2016

Parties

1. The Company
2. CMC
3. CMCL

Term of the Agreement

For the period commencing from the date of the Agreement to 17 March 2018.

Scope of Services

Pursuant to the Agreement, the Company agreed to provide management services to CMC and CMCL in relation to the Entrusted Assets, including the following matters for a term of two years ending on 17 March 2018:

1. daily management services, including staff management, and using the existing intellectual properties (including but not limited to the registered trade marks) owned by CMC and CMCL;
2. development strategic planning, annual operational plan and annual financial budget;
3. cost control and supervision, including allocation and management of operational and development expenses;
4. income and expenditure supervision, management and control;
5. appointment, removal or allocation of personnel of the existing management teams;
6. borrowing of material loans, provision of material guarantees and resolving material litigation matters, provided that any of these matters shall be submitted to each of CMC and CMCL's board of directors for approval if required; and
7. other relevant services in relation to the above management matters as requested by CMC and CMCL.

Management Fees

The annual management fees payable by CMC and CMCL under the Agreement (the "Entrusted Management Fees") shall be RMB30,000,000 (equivalent to approximately HK\$36,000,000) for each of the two years ending on 17 March 2018 payable on 31 December each year (and on a pro-rata basis if less than one year), whereby each of CMC and CMCL will be responsible for RMB3,000,000 (equivalent to approximately HK\$3,600,000) and RMB27,000,000 (equivalent to approximately HK\$32,400,000), respectively.

The Entrusted Management Fees are determined after arm's length negotiation among CMC, CMCL and the Company based on the 25 real estate development and management projects which CMC and CMCL have interests in. In particular, each real estate development and management project is charged at RMB1,000,000 (equivalent to approximately HK\$1,200,000) per annum while the remaining balance of RMB5,000,000 (equivalent to approximately HK\$6,000,000) per annum covers the construction business and other miscellaneous services.

The Entrusted Management Fees are subject to adjustment if provision of management services for any particular aspects of the Entrusted Assets ceases during the term of the Agreement (see the section headed "Termination" below).

Termination

As mentioned in the section headed "Reasons for and Benefits of Entering into the Agreement" below, the Company will continue to evaluate all possible opportunities with CMC in building the Company as its sole listed real estate development flagship. If any aspects of the Entrusted Assets is sold to the Group or dissolved, or if the parties agree that the provision of management services for any aspects of the Entrusted Assets is no longer required, the provision of management services for those particular aspects of the Entrusted Assets will terminate and the Entrusted Management Fees will be adjusted by mutual agreement by the parties. As mentioned in the section headed "Reasons for and Benefits of Entering into the Agreement" below, no definite plans have been formulated with CMC or CMCL in respect of any injection of any of the Entrusted Assets into the Group.

The Agreement shall terminate upon the termination of the management services for all the Entrusted Assets or by either party giving one month's written notice to the other relevant party.

INFORMATION ABOUT THE ENTRUSTED ASSETS

The Entrusted Assets comprise of two wholly-owned subsidiaries and one non wholly-owned subsidiary of CMC and two wholly-owned subsidiaries of CMCL established in the PRC which principally engage in real estate development and investment, construction, property management and other related services, including 25 real estate development and management projects which those subsidiaries have interests in. These projects are located in Beijing, Tianjin, Shenyang, Liaoning, Shandong, Qinghai, Jiangsu, Hunan and Guangdong.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT

As disclosed previously, CMC has intended to turn the Company into its sole listed real estate development flagship, and eventually develop the Company to become a leading and competitive PRC real estate development corporation. The Agreement will be beneficial to the parties in consolidating the management of all the real estate development businesses of the CMC group of companies, allowing for full synchronization of CMC's real estate development business. Although no definite plans have been formulated with CMC or CMCL in respect of any injection of any of the Entrusted Assets, pursuant to the Agreement, the Company may carry out such rationalisation and disposal of the Entrusted Assets as is necessary. The Company will therefore continue to evaluate all possible opportunities with CMC in enlarging and enriching the assets and business of the Group via asset injection. The entering into of the Agreement will enable the Group to better evaluate the compatibility of the Entrusted Assets with the Company's existing business and suitability for future integration.

The Directors (including the independent non-executive Directors) consider that the terms of the Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole. None of the Directors is regarded as having a material interest in the

Agreement, and hence none of the Directors has abstained from voting on the resolution to approve the Agreement.

LISTING RULES IMPLICATIONS

CMC, the ultimate controlling shareholder of the Company, indirectly holds approximately 61.93% of the issued share capital of the Company as at the date of this announcement. CMCL is owned as to approximately 88.4% by CMC and is the intermediate controlling shareholder of the Company as at the date of this announcement. Accordingly, both CMC and CMCL are connected persons of the Company and the transactions contemplated under the Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As all the applicable percentage ratios in respect of the annual fee receivable by the Company under the Agreement are more than 0.1% but less than 5%, the Agreement is subject to the annual review, reporting and announcement requirements, but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

GENERAL

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

CMC is the ultimate controlling shareholder of the Company. It is one of the largest state-owned conglomerates with core business in exploration, mining, smelting, processing and trading for metals and minerals, finance, real estate development, and mining and metallurgic technology.

CMCL is an intermediate controlling shareholder of the Company which is owned as to approximately 88.4% by CMC. It undertakes all the core business of CMC.

DEFINITIONS

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

“Agreement”	the entrusted management service agreement dated 18 March 2016 entered into among the Company, CMC and CMCL in respect of the provision of the entrusted management services for the Entrusted Assets by the Company;
“Board”	the board of Directors;
“CMC”	China Minmetals Corporation, a state-owned enterprise established under the laws of the PRC which owns approximately 88.4% equity interest in CMCL, is the ultimate controlling shareholder of the Company interested in approximately 61.93% of the issued share capital of the Company as at the date of this announcement;

“CMCL”	China Minmetals Corporation Limited, a limited liability company incorporated under the laws of the PRC which is owned as to approximately 88.4% by CMC, is the intermediate controlling shareholder of the Company interested in approximately 61.93% of the issued share capital of the Company as at the date of this announcement;
“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”, “controlling shareholder” and “subsidiary”	each shall have the meaning ascribed to it under the Listing Rules;
“Directors”	the directors (including independent non-executive directors) of the Company;
“Entrusted Assets”	the two wholly-owned subsidiaries and one non wholly-owned subsidiary of CMC and two wholly-owned subsidiaries of CMCL established in the PRC which principally engage in real estate development and investment, construction, property management and other related service, including the 25 real estate development and management projects in the PRC which those subsidiaries have interests in ;
“Entrusted Management Fees”	the fee payable by CMC and CMCL to the Company under the Agreement and more particularly described in the section headed “Management Fees” of this announcement;
“Group”	the Company and its subsidiaries from time to time;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“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);
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholder(s)”	holder(s) of shares of par value of HK\$0.10 each in the issued share capital 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, conversion of RMB into Hong Kong dollars in this announcement is based on the exchange rate of RMB1.00 = HK\$1.20. 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, 18 March 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*