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五礦地產有限公司
MINMETALS LAND LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 230)

**MAJOR AND CONNECTED TRANSACTION
IN RELATION TO
ACQUISITION OF EQUITY INTERESTS IN
THE PROJECT COMPANY**

THE ACQUISITION

The Board is pleased to announce that on 6 December 2016, the Purchaser (being an indirect wholly-owned subsidiary of the Company) entered into the Equity Transfer Agreement with the Vendor pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Sale Interests which represents approximately 33.33% of the equity interest of the Project Company at a consideration of RMB2,238,158,520 (approximately HK\$2,565,824,927).

The Project Company is as at the date of this announcement directly owned as to approximately 66.67% by Ample Leading and as to approximately 33.33% by the Vendor. Upon the completion of the Acquisition, the Project Company will become an indirect wholly-owned subsidiary of the Company.

THE LISTING RULES IMPLICATIONS

The Vendor, being the holder of approximately 33.33% of the equity interest of the Project Company, is a substantial shareholder of a subsidiary of the Company (i.e. the Project Company) and therefore a connected person of the Company. Accordingly, the Acquisition constitutes a connected transaction for the Company. As the Vendor is, save for its interest in the Project Company, a third party independent of the Company and its connected persons, it is a connected person only at the subsidiary level of the Company. The independent non-executive Directors have confirmed that the terms of the Equity Transfer Agreement are fair and reasonable, and the transaction contemplated

thereunder is on normal commercial terms in the interest of the Company and Shareholders as a whole. Accordingly, it is subject to reporting and announcement requirements but exempt from circular (including independent financial advice) and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

However, as one of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules is more than 25% but less than 100%, the entering into of the Equity Transfer Agreement also constitutes a major transaction for the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules. Written approval for the Equity Transfer Agreement has been obtained from June Glory, the controlling shareholder holding approximately 61.93% of the issued share capital of the Company as at the date of this announcement. Therefore, no general meeting will be convened to consider and approve the Equity Transfer Agreement pursuant to Rule 14.44 of the Listing Rules. To the best of the knowledge, information and belief of the Directors, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Equity Transfer Agreement.

A circular containing, among other things, (i) further particulars of the Acquisition and (ii) the valuation report on the Project will be despatched to Shareholders on or before 29 December 2016.

THE ACQUISITION

On 6 December 2016, the Purchaser (being an indirect wholly-owned subsidiary of the Company) entered into the Equity Transfer Agreement with the Vendor pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Sale Interests which represents approximately 33.33% of the equity interest of the Project Company at the consideration of RMB2,238,158,520 (approximately HK\$2,565,824,927).

EQUITY TRANSFER AGREEMENT

Date

6 December 2016

Parties

- Purchaser : 五礦建設投資管理(北京)有限公司 (Minmetals Land Investment Management (Beijing) Co., Ltd.*) (an indirect wholly-owned subsidiary of the Company)
- Vendor : China Resources Szitic Trust Co., Ltd. (華潤深國投信托有限公司)

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, apart from its interest in the Project Company, the Vendor and its ultimate beneficial owners are third parties independent of and are not connected persons of the Company.

Assets to be acquired

The Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire the Sale Interests, which represents approximately 33.33% of the equity interest of the Project Company.

Consideration

The total consideration for the Sale Interests is RMB2,238,158,520 (approximately HK\$2,565,824,927), which is determined based on arm's length negotiations between the Purchaser and the Vendor with reference to, among other things, the audited financial statements of the Project Company for the year ended 31 December 2015, and the valuation report on the Project. The consideration shall be satisfied by financial resources of the Group and payable to the Vendor before 13 December 2016 after the condition precedent referred to in the section headed "Condition Precedent" below has been fulfilled.

Condition precedent

Payment of the consideration for the Sale Interests is subject to and conditional upon the Sale Interests being free from any pledge, custody, transfer, seizure, restrictions or preservation, compulsory enforcement of restrictive measures and disputes or potential disputes.

The Vendor will work with the Purchaser with its best endeavours to complete the registration of the change in the ownership of the Sale Interests with the

Nanjing Administration for Industry and Commerce within 10 business days after the consideration is paid in full.

Upon full payment of the consideration, the rights and obligations under the Sale Interests will be transferred to the Purchaser, and the Project Company will become an indirect wholly-owned subsidiary of the Company. The Project Company is currently accounted for as a subsidiary of the Company on a consolidated basis in the financial statements of the Group and will continue to be accounted for as a subsidiary of the Company on a consolidated basis in the financial statements of the Group following the completion of the Acquisition.

INFORMATION ON THE PARTIES

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

The Project Company was established under the laws of the PRC with limited liability in April 2013 mainly for the purpose of developing the Project, a residential development project located at Tian He Road, southern part of Hexi, Jianye District, Nanjing, Jiangsu Province, the PRC. Construction of the Project is expected to be completed by the end of 2018. As at 30 September 2016, approximately 85% of the Project, representing approximately 299,000 square metres, have been contracted for sale. As at the date of this announcement, the Project Company is directly owned as to approximately 66.67% by Ample Leading and as to approximately 33.33% by the Vendor.

Set out below are the financial information of the Project Company based on the audited financial statements of the Project Company for the two years ended 31 December 2014 and 2015:

	For the year ended 31 December	
	2014	2015
Net(loss)/profit before tax	RMB(54,623,482) (approximately HK\$(62,620,360))	RMB340,790,587 (approximately HK\$390,682,329)
Net (loss)/profit after tax	RMB(41,190,142) (approximately HK\$(47,220,379))	RMB255,575,675 (approximately HK\$292,991,954)

The audited net assets value of the Project Company as at 31 December 2015 was approximately RMB5,587,475,524 (approximately HK\$6,405,481,941).

Both Ample Leading and the Purchaser are indirect wholly-owned subsidiaries of the Company.

REASONS FOR AND BENEFITS OF THE ACQUISITION

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

The Project is a residential development project which consists of four phases. With the completion of the first three phases in the years 2015 and 2016, the pre-sale of the last phase of the Project is expected to launch at the end of 2016. Construction of the Project is expected to be completed by the end of 2018.

The capital contribution made by the Vendor at the early stage of the development of the Project has enhanced the financial position as well as successful development of the Project. In view of the Vendor's intention to withdraw its investment from the Project at this later stage of the development lead time, the acquisition of the Sale Interests by the Purchaser 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 66.67% by Ample Leading and as to 33.33% by the Purchaser. It is believed that the efficiency of the development of the Project would be enhanced due to centralized management and decision making subsequent to the Acquisition.

The Directors (including all the independent non-executive Directors) believe that the terms of the Equity Transfer Agreement are fair and reasonable, and the transaction contemplated thereunder is on normal commercial terms and in the interest of the Company and Shareholders as a whole.

THE LISTING RULES IMPLICATIONS

The Vendor, being the holder of approximately 33.33% of the equity interest of the Project Company, is a substantial shareholder of a subsidiary of the Company (i.e. the Project Company) and therefore a connected person of the Company. Accordingly, the Acquisition constitutes a connected transaction for the Company. As the Vendor is, save for its interest in the Project Company, a third party independent of the Company and its connected persons, it is a connected person only at the subsidiary level of the Company. The independent non-executive Directors have confirmed that the terms of the Equity Transfer Agreement are fair and reasonable, and the transaction contemplated thereunder is on normal commercial terms in the interest of the Company and Shareholders as a whole. Accordingly, the Acquisition is subject to reporting and

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

However, as one of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules is more than 25% but less than 100%, the entering into of the Equity Transfer Agreement also constitutes a major transaction for the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of Listing Rules. Written approval for the Equity Transfer Agreement has been obtained from June Glory, the controlling shareholder holding approximately 61.93% of the issued share capital of the Company as at the date of this announcement. Therefore, no general meeting will be convened to consider and approve the Equity Transfer Agreement pursuant to Rule 14.44 of the Listing Rules. To the best of the knowledge, information and belief of the Directors, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Equity Transfer Agreement.

A circular containing, among other things, (i) further particulars of the Acquisition and (ii) the valuation report on the Project will be despatched to Shareholders on or before 29 December 2016.

GENERAL

As at the date of this announcement, the Board comprises nine 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, 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.

DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Interests by the Purchaser pursuant to the Equity Transfer Agreement;
“Ample Leading”	Ample Leading Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company;

“Board”	the board of Directors;
“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”, “subsidiary” and “substantial shareholder”	each shall have the meaning ascribed to it under the Listing Rules;
“Director(s)”	the directors (including independent non-executive directors) of the Company;
“Equity Transfer Agreement”	the conditional equity transfer agreement dated 6 December 2016 and entered into by the Purchaser and the Vendor for the Acquisition;
“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;
“June Glory”	June Glory International Limited, a company incorporated in the British Virgin Islands with limited liability, and is the controlling shareholder of the Company holding approximately 61.93% of the issued share capital of the Company as at the date of this announcement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Project”	the real estate development project of the Group located at Tian He Road, southern part of Hexi, Jianye District, Nanjing City, Jiangsu Province, the PRC;

“Project Company”	礦濟地產(南京)有限公司 (Kuangji Properties (Nanjing) Co., Ltd.*), a company incorporated in the PRC with limited liability and is directly owned as to approximately 66.67% by Ample Leading and approximately 33.33% by the Vendor as at the date of this announcement;
“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);
“Purchaser”	五礦建設投資管理(北京)有限公司 (Minmetals Land Investment Management (Beijing) Co., Ltd.*), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company;
“RMB”	Renminbi, the lawful currency of the PRC;
“Sale Interests”	approximately 33.33% of the equity interest of the Project Company;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company;
“Shareholder(s)”	holder(s) of Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Vendor”	China Resources Szitic Trust Co., Ltd. (華潤深國投信托有限公司), a company incorporated in the PRC with limited liability and holder of approximately 33.33% of the equity interest of the Project Company as at the date of this announcement; and
“%”	per cent.

For the purpose of illustration only and unless otherwise stated, conversions of Renminbi into Hong Kong dollars in this announcement is calculated at the exchange rate of RMB1.00 to HK\$1.1464. 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, 6 December 2016

* *For identification purpose only*