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五礦地產有限公司 **MINMETALS LAND LIMITED**

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

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS IN RESPECT OF 2017 TO 2020

Reference is made to the 2013 Circular in relation to the 2014 to 2016 Construction Agreement entered into between the Company and 23rd Metallurgical, pursuant to which, the Group may appoint member(s) of the 23rd Metallurgical Group as construction contractor(s) for the Group's real estate development projects in the PRC, subject to successful tender.

The 2014 to 2016 Construction Agreement expired on 31 December 2016. As the Company intends to continue to invite member(s) of the 23rd Metallurgical Group and further extend its offer to other member(s) of the China Minmetals Group to place tenders for its construction contract(s) in the PRC and Hong Kong and subject to successful tender, to appoint them as construction contractor(s) for the Group's real estate development projects in the PRC and Hong Kong, on 19 April 2017, the Company entered into the 2017 Construction Agreement with China Minmetals which is conditional upon the approval of the Independent Shareholders at the SGM in respect of the 2017 Construction Agreement and the Continuing Connected Transactions (including the Proposed Annual Caps).

The Proposed Annual Caps for the Continuing Connected Transactions for 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 are RMB2,000.00 million (approximately HK\$2,253.80 million), RMB1,850.00 million (approximately HK\$2,084.77 million), RMB1,850.00 million (approximately HK\$2,084.77 million) and RMB960.00 million (approximately HK\$1,081.82 million), respectively.

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 Annual Caps exceed HK\$10,000,000 and all of the relevant percentage ratios are, on an annual basis, more than 5%, the Continuing Connected Transactions constitute non-exempt continuing connected transactions for the Company under Rule 14A.31 of the Listing Rules and are subject to (i) the independent shareholders' approval requirement under Rules 14A.36 to 14A.45 of the Listing Rules; (ii) the reporting and

announcement requirements under Rules 14A.35 and 14A.68 of the Listing Rules; (iii) the circular requirement under Rules 14A.46 to 14A.48, 14A.69 and 14A.70 of the Listing Rules; and (iv) the annual review requirement under Rules 14A.55 to 14A.59 of the Listing Rules.

The Independent Board Committee has been formed to advise the Independent Shareholders in connection with the 2017 Construction Agreement and the Continuing Connected Transactions (including the Proposed Annual Caps). The Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders on the 2017 Construction Agreement and the Continuing Connected Transactions (including the Proposed Annual Caps).

The Company will convene the SGM to seek the Independent Shareholders' approval for the 2017 Construction Agreement and the Continuing Connected Transactions (including the Proposed Annual Caps).

A circular containing, among others, (i) details of the 2017 Construction Agreement, the Continuing Connected Transactions and the Proposed Annual Caps; (ii) a letter from the Independent Board Committee to the Independent Shareholders in respect of the 2017 Construction Agreement and the Continuing Connected Transactions; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the 2017 Construction Agreement and the Continuing Connected Transactions; and (iv) a notice convening the SGM, will be despatched to the Shareholders on or before 12 May 2017.

Background of the Continuing Connected Transactions

Reference is made to the 2013 Circular in relation to the 2014 to 2016 Construction Agreement entered into between the Company and 23rd Metallurgical, pursuant to which, the Group may appoint member(s) of the 23rd Metallurgical Group as construction contractor(s) for the Group's real estate development projects in the PRC, subject to successful tender.

The 2014 to 2016 Construction Agreement expired on 31 December 2016. As the Company intends to continue to invite member(s) of the 23rd Metallurgical Group and to further extend its offer to other member(s) of the China Minmetals Group to place tenders for its construction contract(s) in the PRC and Hong Kong and subject to successful tender, to appoint them as construction contractor(s) for the Group's real estate development projects in the PRC and Hong Kong, on 19 April 2017, the Company entered into the 2017 Construction Agreement with China Minmetals which is conditional upon the approval of the Independent Shareholders at the SGM in respect of the 2017 Construction Agreement and the Continuing Connected Transactions (including the Proposed Annual Caps).

The 2017 Construction Agreement

Date: 19 April 2017

Parties: (i) the Company

(ii) China Minmetals

- Term: Three years commencing from 19 April 2017 to 18 April 2020
- Subject matter: The Group may from time to time invite member(s) of the China Minmetals Group to tender for construction contract(s) in the PRC and Hong Kong 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, changes to projects). Subject to successful tender, the Group shall engage the member(s) of the China Minmetals Group as construction contractor(s) in respect of existing and future real estate development projects (excluding the portions of the existing projects that had been tendered) of the Group in the PRC and Hong Kong, provided that the total contract sums of the construction contract(s) to be awarded by the Group to member(s) of the China Minmetals Group during each of the three years from 19 April 2017 to 18 April 2020 shall not exceed the Proposed Annual Caps.
- Construction contract sum: The construction contract sum payable to member(s) of the China Minmetals Group as construction contractor(s) for the Group's real estate development projects in the PRC and Hong Kong shall be determined through procedures of tenders in accordance with (i) the applicable rules and regulations of the locations where the construction projects are situated; and (ii) the nature of each construction project.
- Termination: The 2017 Construction Agreement shall expire on 18 April 2020 unless it is early terminated under any of the following circumstances:
- (i) mutual agreement among the parties;
 - (ii) if a party to the 2017 Construction Agreement has breached or failed to comply with the 2017 Construction Agreement or any construction contract in connection therewith and fails to rectify such breach or non-compliance within the prescribed period, the non-defaulting party may terminate the 2017 Construction Agreement by written notice; or
 - (iii) if a party to the 2017 Construction Agreement has committed a material breach of the 2017 Construction Agreement or any construction contract in connection therewith, the non-defaulting party may terminate the 2017 Construction Agreement.
- Undertakings by China Minmetals: Pursuant to the 2017 Construction Agreement, China Minmetals undertook in favour of the Company that it shall allow the Company's auditors to access the financial records of any member(s) of the China Minmetals Group with construction

contracts awarded by the Group and assist the Company to comply with the relevant requirements under Chapter 14A of the Listing Rules.

The existing annual caps and historical transaction amounts

As disclosed in the 2013 Circular, the historical annual caps of the transactions contemplated under the 2014 to 2016 Construction Agreement for the three years ended 31 December 2016 are set out in the table below:

For the year ended 31 December		
2014	2015	2016
RMB946.00 million (approximately HK\$1,066.05 million)	RMB998.00 million (approximately HK\$1,124.65 million)	RMB743.00 million (approximately HK\$837.29 million)

For the three years ended 31 December 2016, the amounts of the Group's construction contracts awarded to 23rd Metallurgical are set out in the table below:

For the year ended 31 December		
2014	2015	2016
RMB442.75 million (approximately HK\$498.93 million)	RMB501.17 million (approximately HK\$564.77 million)	Nil

Proposed Annual Caps

Having considered the relevant factors, including the estimated amount of construction contracts for the Group's existing and potential real estate development projects in the PRC and Hong Kong, the likelihood of member(s) of the China Minmetals Group to participate in the project tender, the estimated scope of construction works in respect of the Group's real estate development projects, the estimated relevant construction price on a per square metre basis and the expected progress of the construction works, the Company estimates that the total contract sums of the Group's construction contracts which may be awarded to member(s) of the China Minmetals Group under the Continuing Connected Transactions for 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 will not exceed the proposed annual caps below:

For the period from			
19 April 2017 to 31 December 2017	1 January 2018 to 31 December 2018	1 January 2019 to 31 December 2019	1 January 2020 to 18 April 2020
RMB2,000.00 million (approximately HK\$2,253.80 million)	RMB1,850.00 million (approximately HK\$2,084.77 million)	RMB1,850.00 million (approximately HK\$2,084.77 million)	RMB960.00 million ^(Note) (approximately HK\$1,081.82 million)

Note:

The proposed annual cap for the period from 1 January 2020 to 18 April 2020 is determined based on, among other factors, the estimated amount of construction contracts for (i) the Group's existing real estate development projects in the PRC and Hong Kong amounting to RMB373.56 million (approximately HK\$420.96 million), and (ii) the potential new real estate development projects in the PRC and Hong Kong that the Group may acquire amounting to RMB2,010.59 million (approximately HK\$2,265.73 million) pro-rated for a 3.5-month period.

Shareholders should note that the Proposed Annual Caps represent the best estimates by the Group based on the information currently available (including types of the property to be constructed, development schedule and prevailing market conditions) and, in particular, the estimated amount of construction contracts for the Group's existing real estate development projects in the PRC and Hong Kong 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 during the three years from 19 April 2017 to 18 April 2020. The Proposed Annual Caps have no direct relationship to, nor should be taken to have any direct bearing on, the Group's financial or potential financial performance. 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 take up construction works up to the level of the Proposed Annual Caps.

Under typical construction contracts awarded by the Group to its construction contractors, the construction contract sum will be payable with respect to specific work stages or milestones achieved in various aspects of work. In general, an aggregate of 85% of the total construction contract sum will be paid up by the time of completion of works, and the remaining 15% of the total construction contract sum will be payable according to a payment schedule and will be fully paid up in one month after the expiry of the defect liability period.

Reasons for and benefits of the Continuing Connected Transactions

Since July 2007, 23rd Metallurgical has been appointed, based on successful tender, as construction contractor for the Group's real estate development projects in the PRC. Based on the working relationship with 23rd Metallurgical, the Group is satisfied with the competence of 23rd Metallurgical as construction contractor for the Group's real estate development projects. Accordingly, the Company intends to continue to invite member(s) of the 23rd Metallurgical Group to place tenders for its construction contracts.

As the Group's real estate development business continues to grow in the PRC and Hong Kong, it is anticipated that the Group will, in the coming few years, actively invite tenders for construction works relating to its real estate development projects. In view that there are other members of the China Minmetals Group that also possess class I qualifications in building construction, the Company intends to extend its offer to other member(s) of the China Minmetals Group to place tenders for its construction contracts.

The main purpose of the 2017 Construction Agreement and the Continuing Connected Transactions is to avoid undue delay in the construction progress of the relevant projects which will otherwise have to seek the approval of Independent Shareholders in a special general meeting for each specific instance. Further, the appointment of member(s) of the China Minmetals Group as construction contractor(s) for the Group's real estate development projects is subject to successful tender(s) in competitive tendering process(es) governed by the relevant rules and regulations in the PRC and Hong Kong.

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

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 Annual Caps exceed HK\$10,000,000 and all of the relevant percentage ratios are, on an annual basis, more than 5%, the Continuing Connected Transactions constitute non-exempt continuing connected transactions for the Company under Rule 14A.31 of the Listing Rules and are subject to (i) the independent shareholders' approval requirement under Rules 14A.36 to 14A.45 of the Listing Rules; (ii) the reporting and announcement requirements under Rules 14A.35 and 14A.68 of the Listing Rules; (iii) the circular requirement under Rules 14A.46 to 14A.48, 14A.69 and 14A.70 of the Listing Rules and (iv) the annual review requirement under Rules 14A.55 to 14A.59 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 2017 Construction Agreement and the Continuing Connected Transactions (including the Proposed 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 Continuing Connected Transactions for the three years from 19 April 2017 to 18 April 2020, including disclosing in the circular further information thereof, seeking Independent Shareholders' approval for the Continuing Connected Transactions and the Proposed Annual Caps.

If there is a material change to the terms of the 2017 Construction Agreement, or if any of the Proposed 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 consider the terms of the 2017 Construction Agreement, the Continuing Connected Transactions and the Proposed Annual Caps. The Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders, inter alia, whether Independent Shareholders should vote in favour of the resolution regarding the 2017 Construction Agreement and the Continuing Connected Transactions (including the Proposed Annual Caps).

A circular containing, among others, (i) details of the 2017 Construction Agreement, the Continuing Connected Transactions and the Proposed Annual Caps, (ii) a letter from the Independent Board Committee to the Independent Shareholders in respect of the 2017 Construction Agreement and the Continuing Connected Transactions, (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the 2017 Construction Agreement and the Continuing Connected Transactions and (iv) a notice convening the SGM, will be despatched to the Shareholders on or before 12 May 2017.

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

“2013 Circular”	the circular dated 25 November 2013 issued by the Company in respect of the 2014 to 2016 Construction Agreement
“2014 to 2016 Construction Agreement”	the agreement dated 4 November 2013 entered into between the Company and 23rd Metallurgical in relation to the engagement of member(s) of the 23rd Metallurgical 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 for the three years ended 31 December 2016
“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
“23rd Metallurgical”	五礦二十三冶建設集團有限公司 The 23rd Metallurgical Construction Group Co., Ltd. of Minmetals*, a company established under the laws of

	the PRC with limited liability and a non wholly-owned subsidiary of China Minmetals
“23rd Metallurgical Group”	23rd Metallurgical and its subsidiaries
“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
“China Minmetals”	China Minmetals Corporation, a state-owned enterprise established under the laws of the PRC and the ultimate controlling shareholder of the Company 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, which in both cases are engaged in the business of construction projects
“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 Connected Transactions”	the continuing connected transactions that may be entered into between the Company and China Minmetals pursuant to the terms of the 2017 Construction Agreement, details of which are referred to under the section headed “The 2017 Construction 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 2017 Construction Agreement and the Continuing

	Connected Transactions (including the Proposed Annual Caps)
“Independent Financial Adviser”	the independent financial adviser to be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the 2017 Construction Agreement and the Continuing Connected Transactions (including the Proposed Annual Caps)
“Independent Shareholder(s)”	Shareholder(s) other than June Glory and its associates, and any Shareholder who has a material interest in the Continuing Connected Transactions
“June Glory”	June Glory International Limited, a company incorporated in the British Virgin Islands with limited liability, and the immediate controlling shareholder of the Company holding approximately 61.93% 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 Annual Cap(s)”	the proposed annual caps for the Continuing Connected Transactions for the three years from 19 April 2017 to 18 April 2020 as set out in the section headed “The 2017 Construction Agreement” 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 2017 Construction Agreement and the Continuing Connected Transactions (including the Proposed 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)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“%”

per cent

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

Hong Kong, 19 April 2017

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\$1.1269. 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.

** For identification purpose only*