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五礦地產有限公司

MINMETALS LAND LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 230)

CONNECTED TRANSACTION

PROJECT DEVELOPMENT MANAGEMENT SERVICE AGREEMENT IN RELATION TO A PROJECT IN HEBEI PROVINCE, THE PRC

The Board announces that on 29 November 2017, Kuangshi Jiye, a non-wholly owned subsidiary of the Company, entered into the Service Agreement with Beijing Vanke in relation to the provision of the Services by Beijing Vanke for the Project at an aggregate service fee, being 3% of the total contracted sales for property units of the Project, which shall not exceed RMB75,000,000 (approximately HK\$86,040,000).

Beijing Vanke is a substantial shareholder of Kuangshi Jiye and a non-wholly owned subsidiary of the Company and hence is a connected person of the Company at the subsidiary level of the Company. Accordingly, the entering into of the Service Agreement and the transactions contemplated thereunder constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. Since one of the applicable percentage ratios in respect of the aggregate service fee payable by Kuangshi Jiye under the Service Agreement exceeds 1% but all of the applicable percentage ratios are less than 5%, the entering into of the Service Agreement is subject to reporting and announcement requirements but exempt from circular (including independent financial advice) and shareholders' approval requirements pursuant to Rule 14A.76(2) of the Listing Rules.

On 29 November 2017, Kuangshi Jiye, a non-wholly owned subsidiary of the Company, entered into the Service Agreement with Beijing Vanke in relation to the provision of the Services by Beijing Vanke for the Project during the year. Principal terms of the Service Agreement are summarised as follows.

SERVICE AGREEMENT

Date

29 November 2017

Parties

- (1) Kuangshi Jiye; and
- (2) Beijing Vanke.

Beijing Vanke is a connected person of the Company at the subsidiary level of the Company by virtue of its being a substantial shareholder of Kuangshi Jiye and a non-wholly owned subsidiary of the Company.

Subject matter

The provision of the Services by Beijing Vanke for the Project during the year.

Term

From the date of the Service Agreement and expiring on 31 December 2017.

Scope of Work

The project development management services (the “**Services**”) for the Project, including, among other things:

1. pre-construction planning, such as the design of ancillary facilities, supervision of tenders for construction works, management of contractors, construction management and delivery upon completion of works;
2. the provision of construction guidance in various aspects including progress management, quality control, technical know-how, risk management, safety measures and such other related construction guidance and measures;
3. procurement of raw materials, such as monitoring the tender process, conducting market research and selection of suppliers; and
4. supervision of the Project and cost control.

Service fee and terms of payment

Pursuant to the Service Agreement, Kuangshi Jiye shall pay service fee being an amount equivalent to 3% of the total contracted sales for property units of the Project. The aggregate service fee payable under the Service Agreement shall not exceed RMB75,000,000 (approximately HK\$86,040,000).

The cap amount for the service fee payable under the Service Agreement was determined on the basis that all property units of the Project have been sold with reference to the estimated selling price of such property units.

The service fee shall be payable on or before 31 December 2017. The Group expects to fund the service fee by proceeds of sales of property units of the Project and its internal financial resources.

Other costs and expenses

Beijing Vanke shall bear all the costs and expenses incurred in connection with the provision of the Services, including but not limited to the engagement of external professional parties for the provision of the Services.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SERVICE AGREEMENT

Beijing Vanke is a joint venture partner of the Group in the Project. It is a wholly-owned subsidiary of China Vanke, a leading reputable real estate developer engaged in real estate business across more than 65 cities in the PRC.

In view of the competence and reputation of Beijing Vanke, it is believed that the expertise in project management of Beijing Vanke would be beneficial to the development of the Project in terms of construction progress and cost management.

The terms of the Service Agreement are on normal commercial terms and are determined after arm's length negotiation.

In light of the above, the Directors (including independent non-executive Directors) consider that the terms of the Service 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

Beijing Vanke is a substantial shareholder of Kuangshi Jiye and a non-wholly owned subsidiary of the Company and hence is a connected person of the Company at the subsidiary level of the Company. Accordingly, the entering into of the Service Agreement and the transactions contemplated thereunder constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. Since one of the applicable percentage ratios in respect of the aggregate service fee payable by Kuangshi Jiye under the Service Agreement exceeds 1% but all of the applicable percentage ratios are less than 5%, the entering into of the Service Agreement is subject to reporting and announcement requirements but exempt from circular (including independent financial advice) and shareholders' approval requirements pursuant to Rule 14A.76(2) of the Listing Rules.

As none of the Directors have a material interest in the Service Agreement and the transactions contemplated thereunder, none of the Directors are required to abstain from voting on the board resolution approving the transaction.

INFORMATION ON THE PARTIES

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

Beijing Vanke is a substantial shareholder of Kuangshi Jiye and a non-wholly owned subsidiary of the Company. It is engaged in real estate business and is a wholly-owned subsidiary of China Vanke whose shares are listed on the Shenzhen Stock Exchange and the Stock Exchange.

GENERAL

As at the date of this announcement, the Board comprises nine 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, 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 have the following meanings unless the context requires otherwise:

“Beijing Vanke”	北京萬科企業有限公司 (Beijing Vanke Enterprise Co., Ltd.*), a company established under the laws of the PRC;
“Board”	the board of Directors (including executive Directors, non-executive Directors and independent non-executive Directors);
“China Vanke”	萬科企業股份有限公司 (China Vanke Co., Ltd.*), a company established under the laws of the PRC, the shares of which are listed on the Shenzhen Stock Exchange and the Stock Exchange;
“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”, “subsidiary” and “substantial shareholder”	each has the meaning given to it under the Listing Rules;
“Director(s)”	directors (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”	the Hong Kong Special Administrative Region of the PRC;
“Kuangshi Jiye”	廊坊曠世基業房地產開發有限公司 (Langfang Kuangshi Jiye Property Development Co., Ltd.*), a company established under the laws of the PRC and a non-wholly owned subsidiary of the Company;
“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, Taiwan and the Macao Special Administrative Region of the PRC);
“Project”	the residential development project known as “Minmetals Vanke City” situated in Langfang City, Hebei Province, the PRC;
“RMB”	Renminbi, the lawful currency of the PRC;
“Service Agreement”	the agreement dated 29 November 2017 entered into between Kuangshi Jiye and Beijing Vanke in relation to the provision of the Services by Beijing Vanke for the Project;
“Services”	has the meaning given to it under the section headed “Service Agreement — Scope of Work” in this announcement;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of Shares;
“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 to HK\$1.1472. 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, 29 November 2017

** For identification purpose only*