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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

ENTERING INTO THE TRIPARTY FRAMEWORK AGREEMENT

The Board wishes to announce that on 31 July 2018, Shengshi Guangye, an indirect wholly-owned subsidiary of the Company, entered into the Triparty Framework Agreement with MLHL and Anhao Investment, an independent third party of the Company and the sole owner of the entire equity interest in the Target Company, whereby Shengshi Guangye will acquire from MLHL (the “**Acquisition**”) all its rights and benefits to participate in the Joint Venture pursuant to the Original Agreement entered into between MLHL and Anhao Investment on 8 February 2018. Pursuant to the Original Agreement, MLHL may, among other things and subject to the signing of the definitive joint venture agreement (the “**Joint Venture Agreement**”), subscribe for a 10% equity interest in the Target Company (the “**Subscription**”).

The Acquisition shall be made at a cash consideration of RMB194,790,000 (approximately HK\$226,502,000 (the “**Consideration**”), being the same amount of cash paid by MLHL to Anhao Investment as Earnest Money for participating in the Joint Venture under the Original Agreement.

Discussion on the terms and conditions of the Joint Venture Agreement is still ongoing with the JV Partners and Anhao Investment. The Company will make further announcement and comply with the applicable laws and regulations and the requirements of the Listing Rules in relation to the Subscription and the Joint Venture as applicable if and when the Joint Venture Agreement is signed.

CMC, the ultimate controlling shareholder of the Company indirectly holds approximately 61.89% of the issued share capital of the Company as at the date of this announcement. MLHL is a subsidiary of CMC and accordingly a connected person of the Company.

As all of the applicable percentage ratios in respect of the Acquisition is more than 0.1% but less than 5%, the Acquisition constitutes a connected transaction for the Company subject to announcement and reporting requirements but is exempt from the circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Discussion in relation to the Subscription and the Joint Venture is still ongoing and the Subscription may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Company's securities.

THE ACQUISITION – THE TRIPARTY FRAMEWORK AGREEMENT

Date

31 July 2018

Parties

1. MLHL
2. Anhao Investment
3. Shengshi Guangye

MLHL is a subsidiary of CMC (the ultimate controlling shareholder of the Company) and thus a connected person of the Company. To the best of the Director's knowledge, information and belief having made all reasonable enquires, Anhao Investment and its ultimate beneficial owners are third parties independent of the Company and its connected person.

Subject Matter

All MLHL's rights and benefits to participate in the Joint Venture pursuant to the Original Agreement entered into between MLHL and Anhao Investment on 8 February 2018. Pursuant to the Original Agreement, MLHL may, among other things and subject to the signing of the Joint Venture Agreement, subscribe for a 10% equity interest in the Target Company.

Consideration

The Consideration shall be RMB194,790,000 (approximately HK\$226,502,000) payable by Shengshi Guangye to MLHL in cash, which is the same amount of cash paid by MLHL to Anhao Investment as Earnest Money for participating in the Joint Venture under the Original Agreement. The Consideration is payable within 3 business days upon the signing of the Triparty Framework Agreement.

Pursuant to the Original Agreement, the Earnest Money shall, subject to the signing of the Joint Venture Agreement, be converted into a shareholder's loan to the Target Company at an interest rate of 6% per annum commencing from 9 February 2018. As a result of the Acquisition, interest arising from such amount as from 9 February 2018 to the date of the payment of the Consideration shall accrue to the benefit of MLHL and interest arising thereafter shall accrue to the benefit of Shengshi Guangye.

The consideration is determined after arm's length negotiation between MLHL and Shengshi Guangye based on the Earnest Money paid by MLHL under the Original Agreement.

The Directors (including the independent non-executive Directors) are of the view that the Acquisition is in the ordinary and usual course of business of the Group and the terms and conditions of the Triparty Framework Agreement are on normal commercial terms, which are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Termination of the Subscription and the Original Agreement

The Subscription under the Original Agreement may be terminated by either Anhao Investment or Shengshi Guangye by no less than 5 days' written notice at any time before the execution of the Joint Venture Agreement and the Consideration shall be refunded to Shengshi Guangye.

Joint Venture

Discussion on the terms and conditions of the Joint Venture Agreement is still ongoing with the JV Partners, Anhao Investment and the Target Company. To the best of the Director's knowledge, information and belief having made all reasonable enquires, the JV Partners now in discussion with Shengshi Guangye on the Joint Venture Agreement are third parties independent of the Company and its connected persons.

The Company will make further announcement and comply with the applicable laws and regulations and the requirements of the Listing Rules in relation to the Subscription and the Joint Venture as applicable if and when the Joint Venture Agreement is signed.

INFORMATION ABOUT THE LAND AND THE PROJECT

The Land is a plot of land situated in Guangzhou, Guangdong Province, the PRC with a site area of approximately 56,926 square metres.

The Project is a residential real estate development project to be developed by the Target Company.

REASONS FOR AND BENEFITS OF ENTERING INTO THE TRIPARTY FRAMEWORK AGREEMENT

The Directors believe that the Acquisition will bring various commercial benefits to the Company, including increasing and strengthening the Group's investment in real estate development projects in the PRC, and is in conformity with the aligned interests of the Company and its Shareholders as a whole.

None of the Directors is regarded as having a material interest in the Acquisition or the Joint Venture, and hence none of the Directors has abstained from voting on the resolution to approve the Triparty Framework Agreement.

LISTING RULES IMPLICATIONS

CMC, the ultimate controlling shareholder of the Company indirectly holds approximately 61.89% of the issued share capital of the Company as at the date of this announcement. MLHL is a subsidiary of CMC and accordingly a connected person of the Company.

As all of the applicable percentage ratios in respect of the Acquisition is more than 0.1% but less than 5%, the Acquisition constitutes a connected transaction for the Company subject to announcement and reporting requirements but is exempt from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Discussion in relation to the Subscription and the Joint Venture is still ongoing and the Subscription may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Company's securities.

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 a 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.

MLHL is an indirect non-wholly owned subsidiary of CMC and is engaged in investment holding.

Shengshi Guangye is an indirect wholly-owned subsidiary of the Company and is principally engaged in investment holding.

Anhao Investment is principally engaged in investment holding.

DEFINITIONS

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

“Acquisition”	the acquisition of all of MLHL’s rights under the Original Agreement to participate in the Joint Venture;
“Anhao Investment”	桐鄉市安豪投資管理有限公司 (Tongxiang City Anhao Investment Management Co., Ltd.*), a limited liability company incorporated under the laws of the PRC, which is the sole owner of the entire equity interest in the Target Company;
“Board”	the board of Directors;
“CMC”	China Minmetals Corporation, a state-owned enterprise established under the laws of the PRC and the ultimate controlling shareholder holding approximately 61.89% 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;
“Consideration”	the consideration of the Acquisition payable by Shengshi Guangye to MLHL, being RMB194,790,000 (approximately HK\$226,502,000) in cash;

“Directors”	the directors of the Company;
“Earnest Money”	the earnest money paid by MLHL to Anhao Investment in relation to its participation in the Joint Venture;
“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;
“Joint Venture”	the potential joint venture to be formed under the Joint Venture Agreement in relation to the operation of the Target Company;
“Joint Venture Agreement”	the potential definitive agreement to be entered by Shengshi Guangye with Anhao Investment, the Target Company and the JV Partners in relation to the Joint Venture;
“JV Partners”	potential parties to the Joint Venture Agreement in relation to the formation of the Joint Venture;
“Land”	the plot of land situated in Guangzhou, Guangdong Province, the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“MLHL”	五礦地產控股有限公司 (Minmetals Land Holdings Limited*), a limited liability company incorporated under the laws of the PRC which is a subsidiary of the CMC;
“Original Agreement”	the intent of cooperation agreement entered into by MLHL and Anhao Investment on 8 February 2018 in relation to MLHL’s right to participate in the Joint Venture;
“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 Target Company’s residential development project on the Land;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shares”	ordinary shares of HK\$0.10 each in the issued share capital of the Company;
“Shareholder(s)”	holder(s) of Shares;

“Shengshi Guangye”	北京盛世廣業投資管理有限公司 (Beijing Shengshi Guangye Investment Management Co., Ltd.*) , an indirect wholly-owned subsidiary of the Company incorporated under the laws of the PRC with limited liability;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription”	Shengshi Guangye’s possible subscription of 10% equity interest in the Target Company;
“Target Company”	廣州安合房地產開發有限公司 (Guangzhou Anhe Real Estate Development Co., Ltd.*), a limited liability company incorporated under the laws of the PRC, which is the owner of the Land on which the Project will be developed;
“Triparty Framework Agreement”	the agreement entered into by MLHL, Anhao Investment and Shengshi Guangye dated 31 July 2018 in relation to the Acquisition as supplemented from time to time; and
“%”	per cent.

**For illustrative purpose only*

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\$1.1628. 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, 31 July 2018

As at the date of this announcement, the Board comprises eight 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, and Mr. Selwyn Mar, Mr. Lam Chung Lun, Billy and Ms. Law Fan Chiu Fun, Fanny as independent non-executive directors.