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## **五礦地產有限公司** **MINMETALS LAND LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 230)**

### **CONTINUING CONNECTED TRANSACTIONS**

Surrender Agreement

and

Tenancy Agreement

Reference is made to the announcement of the Company dated 1 June 2018 in relation to, among other things, the Existing Tenancy Agreement entered into between Texion as the landlord, and Minmetals HK as the tenant, for the lease of the Premises.

The Board announces that on 15 April 2020, Texion as the landlord, has entered into the following agreements:

- (i) the Surrender Agreement with Minmetals HK as the tenant, in relation to the surrender of the Premises under the Existing Tenancy Agreement; and
- (ii) the New Tenancy Agreement with MMG as the tenant, for the lease of the Premises.

Minmetals HK and MMG are indirect non-wholly owned subsidiaries of China Minmetals. China Minmetals is the ultimate controlling shareholder of the Company and is indirectly interested in approximately 61.88% of the issued share capital of the Company as at the date of this announcement. Accordingly, Minmetals HK and MMG are connected persons of the Company.

The transactions contemplated under the Existing Tenancy Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. As the Existing Tenancy Agreement is terminated pursuant to the Surrender Agreement, the Company is subject to the announcement requirement under Rule 14A.35 of the Listing Rules.

As MMG is a connected person of the Company, the transactions contemplated under the New Tenancy Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. Based on the applicable size tests performed with respect to the annual rent and management fee under the New Tenancy Agreement, all the relevant percentage ratios are less than 5%. Pursuant to Rule 14A.76(2) of the Listing Rules, the transactions contemplated under the New Tenancy Agreement are subject to the reporting and announcement requirements but exempt from circular (including independent financial advice) and independent shareholders' approval requirements.

## **SURRENDER AGREEMENT**

Reference is made to the announcement of the Company dated 1 June 2018 in relation to, among other things, the Existing Tenancy Agreement entered into between Texion as the landlord, and Minmetals HK as the tenant, for the lease of the Premises.

On 15 April 2020, Texion and Minmetals HK entered into the Surrender Agreement to terminate the Existing Tenancy Agreement. Pursuant to the Surrender Agreement, Minmetals HK has surrendered and delivered vacant possession of the Premises to Texion on 14 April 2020, the Existing Tenancy Agreement has absolutely ceased and terminated and both parties have released each other from all liabilities and obligations under the Existing Tenancy Agreement.

The terms of the Surrender Agreement have been agreed by the parties after arm's length negotiation and are on normal commercial terms.

## **NEW TENANCY AGREEMENT**

The principal terms of the New Tenancy Agreement are as follows:

Date	:	15 April 2020
Parties	:	Texion as the landlord and MMG as the tenant
Premises	:	16th Floor, China Minmetals Tower, 79 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong of a gross floor area of approximately 5,793 square feet
Period	:	3 years commencing from 15 April 2020 to 14 April 2023 (both dates inclusive)

Rent : the rent (exclusive of government rates and management fees) payable in cash shall be HK\$208,548 per calendar month

Management fee : HK\$30,702.90 per calendar month payable in cash

The annual cap for the rent and management fee payable by MMG in respect of the New Tenancy Agreement for the period from 15 April 2020 to 31 December 2020, for each of the years ending 31 December 2021 and 2022, and for the period from 1 January 2023 to 14 April 2023 shall not exceed HK\$2,041,608, HK\$2,871,011, HK\$2,871,011 and HK\$829,404 respectively.

The terms of the New Tenancy Agreement have been agreed by the parties after arm's length negotiation and are on normal commercial terms. The monthly rent and management fee have been determined with reference to the rent and management fee payable by other tenants of China Minmetals Tower and is in line with the prevailing open market rent and management fee of other premises with conditions comparable to those of the Premises.

#### **REASONS FOR ENTERING INTO THE SURRENDER AGREEMENT AND THE NEW TENANCY AGREEMENT**

Minmetals HK is currently occupying both the Premises and 19th Floor of China Minmetals Tower as office premises. As Minmetals HK no longer requires the Premises, it has decided to terminate the Existing Tenancy Agreement. MMG would like to take up the lease of the Premises as its office premises upon surrender of the Premises by Minmetals HK.

The Directors (including independent non-executive Directors) consider that the terms of the Surrender Agreement and the New Tenancy Agreement are fair and reasonable, on normal commercial terms and in the interest of the Company and its shareholders as a whole. None of the Directors is regarded as having a material interest in the Surrender Agreement and the New Tenancy Agreement, and hence none of the Directors has abstained from voting on the resolutions to approve the Surrender Agreement and the New Tenancy Agreement.

#### **INFORMATION ABOUT THE PARTIES**

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

Texion is a wholly-owned subsidiary of the Company and is principally engaged in property investment. Texion is the sole owner of China Minmetals Tower.

Minmetals HK is an indirect non-wholly owned subsidiary of China Minmetals and is principally engaged in investment holding and corporate management services business.

MMG is an indirect non-wholly owned subsidiary of China Minmetals and is principally engaged in exploration, development and mining of zinc, copper, gold, silver and lead deposits around the world.

## **LISTING RULES IMPLICATIONS**

Minmetals HK and MMG are indirect non-wholly owned subsidiaries of China Minmetals. China Minmetals is the ultimate controlling shareholder of the Company and is indirectly interested in approximately 61.88% of the issued share capital of the Company as at the date of this announcement. Accordingly, Minmetals HK and MMG are connected persons of the Company.

The transactions contemplated under the Existing Tenancy Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. As the Existing Tenancy Agreement is terminated pursuant to the Surrender Agreement, the Company is subject to the announcement requirement under Rule 14A.35 of the Listing Rules.

As MMG is a connected person of the Company, the transactions contemplated under the New Tenancy Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. Based on the applicable size tests performed with respect to the annual rent and management fee under the New Tenancy Agreement, all the relevant percentage ratios are less than 5%. Pursuant to Rule 14A.76(2) of the Listing Rules, the transactions contemplated under the New Tenancy Agreement are subject to the reporting and announcement requirements but exempt from circular (including independent financial advice) and independent shareholders' approval requirements.

## **GENERAL**

As at the date of this announcement, the Board comprises eight Directors, namely Mr. He Jianbo as the Chairman and an executive Director, Mr. Liu Bo, Mr. Chen Xingwu and Mr. Yang Shangping as executive Directors, Ms. He Xiaoli as a non-executive Director, and Mr. Selwyn Mar, Mr. Lam Chung Lun, Billy and Ms. Law Fan Chiu Fun, Fanny as independent non-executive Directors.

## **DEFINITIONS**

“Board”                    the board of Directors;

“China Minmetals”	China Minmetals Corporation, a state-owned enterprise established under the laws of the People’s Republic of China and the ultimate controlling shareholder of the Company which is indirectly interested in approximately 61.88% 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 and the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited;
“connected person”, “controlling shareholder” and “subsidiary”	each has the meaning as ascribed to it under the Listing Rules;
“Directors”	the directors (including independent non-executive directors) of the Company;
“Existing Tenancy Agreement”	the tenancy agreement dated 1 June 2018 entered into between Texion and Minmetals HK in relation to the lease of the Premises for a term of 23 months commencing from 1 July 2018 to 31 May 2020 (both dates inclusive);
“Group”	the Company and its subsidiaries;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Minmetals HK”	China Minmetals H.K. (Holdings) Limited, a company incorporated in Hong Kong with limited liability and an indirect non-wholly owned subsidiary of China Minmetals;
“MMG”	MMG Limited, a company incorporated in Hong Kong with limited liability and an indirect non-wholly owned subsidiary of China Minmetals, the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 1208);

“New Tenancy Agreement ”	the tenancy agreement entered into between Texion and MMG on 15 April 2020 for the lease of the Premises;
“Premises ”	the premises situated at 16th Floor, China Minmetals Tower, 79 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong;
“Surrender Agreement”	the surrender agreement entered into between Texion and Minmetals HK on 15 April 2020 for the surrender of the Premises under the Existing Tenancy Agreement;
“Texion”	Texion Development Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company; and
“%”	per cent.

By order of the Board

**He Jianbo**

*Chairman*

Hong Kong, 15 April 2020