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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 Agreements

Reference is made to the announcement of the Company dated 15 April 2020 in relation to, among other things, Tenancy Agreement I entered into between Texion as the landlord, and MMG as the tenant, for the lease of Premises I.

The Board announces that on 30 June 2020, Texion as the landlord, has entered into the following agreements:

- (i) the Surrender Agreement with MMG as the tenant, in relation to the surrender of Premises I under Tenancy Agreement I;
- (ii) Tenancy Agreement II with MMG as the tenant, for the lease of Premises II; and
- (iii) Tenancy Agreement III with Minmetals Cheerglory as the tenant, for the lease of Premises III.

MMG and Minmetals Cheerglory 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, MMG and Minmetals Cheerglory are connected persons of the Company.

The transactions contemplated under Tenancy Agreement I constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. As Tenancy Agreement I 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 and Minmetals Cheerglory are connected persons of the Company, the transactions contemplated under Tenancy Agreement II and Tenancy Agreement III 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 aggregate sum of the annual rent and management fee receivable by Texion under Tenancy Agreement II and Tenancy Agreement III, all the relevant percentage ratios are less than 5%. Pursuant to Rule 14A.76(2) of the Listing Rules, the transactions contemplated under Tenancy Agreement II and Tenancy Agreement III 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 15 April 2020 in relation to, among other things, Tenancy Agreement I entered into between Texion as the landlord, and MMG as the tenant, for the lease of Premises I.

On 30 June 2020, Texion and MMG entered into the Surrender Agreement to terminate Tenancy Agreement I. Pursuant to the Surrender Agreement, MMG has agreed to surrender and deliver vacant possession of Premises I to Texion on or before 30 June 2020. The Surrender Agreement is conditional upon the entering into of Tenancy Agreement II between Texion and MMG. Details of Tenancy Agreement II are disclosed in the paragraph headed "Tenancy Agreement II" below. Upon termination of Tenancy Agreement I, both parties will release each other from all liabilities and obligations under Tenancy Agreement I.

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

## **TENANCY AGREEMENT II**

The principal terms of Tenancy Agreement II are as follows:

Date	:	30 June 2020
Parties	:	Texion as the landlord and MMG as the tenant
Premises	:	Unit 1208 of 12th Floor, China Minmetals Tower, 79 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong of a gross floor area of approximately 1,840 square feet
Period	:	3 years commencing from 1 July 2020 to 30 June 2023 (both dates inclusive)

Rent : the rent (exclusive of government rates and management fees) payable in cash shall be HK\$66,240 per calendar month

Management fee : HK\$9,752 per calendar month payable in cash

The annual cap for the rent and management fee payable by MMG in respect of Tenancy Agreement II for the period from 1 July 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 30 June 2023 shall not exceed HK\$455,952, HK\$911,904, HK\$911,904 and HK\$455,952 respectively.

The terms of Tenancy Agreement II 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 Premises II.

### **TENANCY AGREEMENT III**

The principal terms of Tenancy Agreement III are as follows:

Date : 30 June 2020

Parties : Texion as the landlord and Minmetals Cheerglory as the tenant

Premises : Unit 1201 of 12th Floor, China Minmetals Tower, 79 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong of a gross floor area of approximately 1,629 square feet

Period : 3 years commencing from 1 July 2020 to 30 June 2023 (both dates inclusive)

Rent : the rent (exclusive of government rates and management fees) payable in cash shall be HK\$58,644 per calendar month

Management fee : HK\$8,633.70 per calendar month payable in cash

The annual cap for the rent and management fee payable by Minmetals Cheerglory in respect of Tenancy Agreement III for the period from 1 July 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 30 June 2023 shall not exceed HK\$403,667, HK\$807,333, HK\$807,333 and HK\$403,667 respectively.

The terms of Tenancy Agreement III 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 Premises III.

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

MMG requested for the early surrender of Premises I as it decided to downsize its Hong Kong office in view of the COVID-19 outbreak and the global economic slowdown and hence, MMG entered into the Surrender Agreement for the early termination of Tenancy Agreement I and Tenancy Agreement II for the lease of Premises II. In view of expansion of operation, Minmetals Cheerglory has entered into Tenancy Agreement III for the lease of Premises III.

The Directors (including independent non-executive Directors) consider that the terms of the Surrender Agreement, Tenancy Agreement II and Tenancy Agreement III 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, Tenancy Agreement II and Tenancy Agreement III, and hence none of the Directors has abstained from voting on the resolutions to approve the Surrender Agreement, Tenancy Agreement II and Tenancy Agreement III.

### **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.

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.

Minmetals Cheerglory is principally engaged in trading of metallic products, wholesale of steel, investment holding and property investment business.

## **LISTING RULES IMPLICATIONS**

MMG and Minmetals Cheerglory 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, MMG and Minmetals Cheerglory are connected persons of the Company.

The transactions contemplated under Tenancy Agreement I constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. As Tenancy Agreement I 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 and Minmetals Cheerglory are connected persons of the Company, the transactions contemplated under Tenancy Agreement II and Tenancy Agreement III 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 aggregate sum of the annual rent and management fee receivable by Texion under Tenancy Agreement II and Tenancy Agreement III, all the relevant percentage ratios are less than 5%. Pursuant to Rule 14A.76(2) of the Listing Rules, the transactions contemplated under Tenancy Agreement II and Tenancy Agreement III 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**

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

“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;
“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 Cheerglory”	Minmetals Cheerglory Limited, a company incorporated in Hong Kong with limited liability and a 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);
“Premises I”	the premises situated at 16th Floor, China Minmetals Tower, 79 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong;
“Premises II”	the premises situated at Unit 1208 of 12th Floor, China Minmetals Tower, 79 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong;

“Premises III”	the premises situated at Unit 1201 of 12th Floor, China Minmetals Tower, 79 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong;
“Surrender Agreement”	the surrender agreement entered into between Texion and MMG on 30 June 2020 for the surrender of Premises I under Tenancy Agreement I;
“Tenancy Agreement I”	the tenancy agreement entered into between Texion and MMG on 15 April 2020 for the lease of Premises I, details of which are contained in the Company’s announcement dated 15 April 2020;
“Tenancy Agreement II”	the tenancy agreement entered into between Texion and MMG on 30 June 2020 for the lease of Premises II;
“Tenancy Agreement III”	the tenancy agreement entered into between Texion and Minmetals Cheerglory on 30 June 2020 for the lease of Premises III;
“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, 30 June 2020