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## **五礦建設有限公司\*** **MINMETALS LAND LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 230)**

### **RENEWAL OF CONTINUING CONNECTED TRANSACTIONS IN RESPECT OF 2015 TO 2016**

Reference is made to the announcement of the Company dated 20 August 2012 in relation to the 2012 Service Contracts entered into between each of Jiahe Risheng and Zhongrun Chengzhen and Jiasheng Properties for the provision of property management services by Jiasheng Properties to LOHAS International Community and Scotland Town respectively.

The 2012 Service Contracts have expired on 31 December 2014. Hence, each of Jiahe Risheng and Zhongrun Chengzhen has on 5 January 2015 entered into Service Contract I and Service Contract II with Jiasheng Properties for the provision of property management services by Jiasheng Properties to LOHAS International Community and Scotland Town respectively for a further term of 2 years from 1 January 2015 to 31 December 2016.

Jiasheng Properties is an indirect non wholly-owned subsidiary of China Minmetals which is the ultimate controlling shareholder of the Company indirectly interested in approximately 62% of the issued share capital of the Company as at the date of this announcement. Accordingly, Jiasheng Properties is a connected person of the Company and the Transactions constitute continuing connected transactions for the Company.

Based on the applicable size tests performed with respect to the Annual Cap Amounts under the Renewed Service Contracts, each of the relevant percentage ratios is less than 5%. Pursuant to Rule 14A.76(2) of the Listing Rules, the Transactions are subject to the reporting and announcement requirements but exempt from circular (including independent financial advice) and shareholders' approval requirements.

#### **BACKGROUND**

Reference is made to the announcement of the Company dated 20 August 2012 in relation to the 2012 Service Contracts entered into between each of Jiahe Risheng and Zhongrun Chengzhen and Jiasheng Properties for the provision of property management services by Jiasheng Properties to LOHAS International Community and Scotland Town respectively.

The 2012 Service Contracts have expired on 31 December 2014. Hence, each of Jiahe Risheng and Zhongrun Chengzhen has on 5 January 2015 entered into Service Contract I and Service Contract II with Jiasheng Properties for the provision of property management services by Jiasheng Properties to LOHAS International Community and Scotland Town respectively for a further term of 2 years from 1 January 2015 to 31 December 2016 respectively. Principal terms of the Renewed Service Contracts are summarised below.

### **SERVICE CONTRACT I**

The principal terms of Service Contract I are as follows:

Date	:	5 January 2015
Parties	:	(i) Jiahe Risheng; and (ii) Jiasheng Properties
Subject matter	:	the provision of property management services by Jiasheng Properties to Jiahe Risheng for the sales office, show flats and unsold residential units of LOHAS International Community
Term of the contract	:	From 1 January 2015 to 31 December 2016
Annual Cap Amounts	:	(i) For the period from 1 January 2015 to 31 December 2015: RMB8,485,976 (approximately HK\$10,734,760)  (ii) For the period from 1 January 2016 to 31 December 2016: RMB5,507,080 (approximately HK\$6,966,456)

The service fees will be payable in cash with respect to the services provided by Jiasheng Properties upon receipt of the relevant mutually agreed invoice from Jiasheng Properties. The annual fees payable by Jiahe Risheng in respect of Service Contract I shall not exceed the respective Annual Cap Amounts.

The terms of Service Contract I have been agreed by the parties after arm's length negotiation and are on normal commercial terms. The Annual Cap Amounts for the years ending 31 December 2015 and 31 December 2016 are determined with reference to the services as stipulated in Service Contract I.

### **SERVICE CONTRACT II**

The principal terms of Service Contract II are as follows:

Date	:	5 January 2015
Parties	:	(i) Zhongrun Chengzhen; and (ii) Jiasheng Properties
Subject matter	:	the provision of property management services by Jiasheng Properties to Zhongrun Chengzhen for the unsold residential units of Scotland Town

Term of the contract	:	From 1 January 2015 to 31 December 2016
Annual Cap Amounts	:	(i) For the period from 1 January 2015 to 31 December 2015: RMB1,300,000 (approximately HK\$1,644,500)
		(ii) For the period from 1 January 2016 to 31 December 2016: approximately RMB900,000 (approximately HK\$1,138,500)

The service fees will be payable in cash with respect to the services provided by Jiasheng Properties upon receipt of the relevant mutually agreed invoice from Jiasheng Properties. The annual fees payable by Zhongrun Chengzhen in respect of Service Contract II shall not exceed the respective Annual Cap Amounts.

The terms of Service Contract II have been agreed by the parties after arm's length negotiation and are on normal commercial terms. The Annual Cap Amounts for the years ending 31 December 2015 and 31 December 2016 are determined with reference to the services as stipulated in Service Contract II.

#### **REASONS FOR AND BENEFITS OF ENTERING INTO THE RENEWED SERVICE CONTRACTS**

Jiasheng Properties is classified as Class I property management corporation by the relevant government authority in the PRC and has obtained ISO 9001 certification. Jiasheng Properties has provided management services for high-rise residential units, villas, commercial and office buildings and clubhouses in various cities in Hunan Province and Kunming.

The 2012 Service Contracts have expired on 31 December 2014. Given the qualifications and experience of Jiasheng Properties and the services provided by Jiasheng Properties to LOHAS International Community and Scotland Town under the 2012 Service Contracts, both Jiahe Risheng and Zhongrun Chengzhen would like to continue to engage Jiasheng Properties to provide property management services to LOHAS International Community and Scotland Town respectively.

The Directors (including independent non-executive Directors) consider that the terms of the Renewed Service Contracts are fair and reasonable, on normal commercial terms, in the ordinary and usual course of business of the Group and in the interest of the Company and the Shareholders as a whole.

#### **INFORMATION ON THE GROUP, JIAHE RISHENG, ZHONGRUN CHENGZHEN AND JIASHENG PROPERTIES**

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

Jiahe Risheng and Zhongrun Chengzhen are wholly-owned subsidiaries of the Company and are principally engaged in development of LOHAS International Community and Scotland Town respectively, in Changsha, Hunan Province, the PRC.

Jiasheng Properties is an indirect non wholly-owned subsidiary of China Minmetals and is principally engaged in property management and consultation, property agency service, property leasing, cleaning service, and sale of hotel supplies, construction materials and daily supplies.

## **LISTING RULES IMPLICATIONS**

Jiasheng Properties is an indirect non wholly-owned subsidiary of China Minmetals which is the ultimate controlling shareholder of the Company indirectly interested in approximately 62% of the issued share capital of the Company as at the date of this announcement. Accordingly, Jiasheng Properties is a connected person of the Company and the Transactions constitute continuing connected transactions for the Company.

Based on the applicable size tests performed with respect to the Annual Cap Amounts under the Renewed Service Contracts, each of the relevant percentage ratios is less than 5%. Pursuant to Rule 14A.76(2) of the Listing Rules, the Transactions are subject to the reporting and announcement requirements but exempt from circular (including independent financial advice) and shareholders' approval requirements.

Pursuant to Rule 14A.71 of the Listing Rules, details of the Renewed Service Contracts will be included in the subsequently published annual reports and financial statements of the Company for each of the relevant financial years.

As none of the Directors have a material interest in the Renewed Service Contracts and the Transactions, none of the Directors are required to abstain from voting on the Board resolution approving the Transactions.

## **GENERAL**

As at the date of this announcement, the Board comprises nine Directors, namely Mr. Sun Xiaomin as the Chairman and a non-executive Director, Mr. He Jianbo as the Deputy Chairman, Managing Director and an executive Director, Mr. Yin Liang and Ms. He Xiaoli as executive Directors, Mr. Tian Jingqi and Mr. Liu Zeping as non-executive Directors, and Mr. Lam Chun, Daniel, Mr. Selwyn Mar and Ms. Tam Wai Chu, Maria as independent non-executive Directors.

## **DEFINITIONS**

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

“2012 Service Contracts”	the property management service contracts dated 20 August 2012 entered into between each of Jiahe Risheng and Zhongrun Chengzhen with Jiasheng Properties in relation to the provision of property management services by Jiasheng Properties to LOHAS International Community and Scotland Town respectively for the period from 20 August 2012 to 31 December 2014;
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“Annual Cap Amount(s)”	the maximum value of service fees to be paid by each of Jiahe Risheng and Zhongrun Chengzhen to Jiasheng Properties under the Renewed Service Contracts for each of the year ending 31 December 2015 and 31 December 2016;
“Board”	the board of Directors (including executive Directors, non-executive Directors and independent non-executive Directors);
“China Minmetals”	China Minmetals Corporation, a State-owned enterprise incorporated under the laws of the PRC and the ultimate controlling shareholder of the Company which is indirectly interested in approximately 62% 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 issued 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 same meaning as ascribed to it under the Listing Rules;
“Director(s)”	the director(s) (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”	Hong Kong Special Administrative Region of the PRC;
“Jiahe Risheng”	五礦建設(湖南)嘉和日盛房地產開發有限公司 (Minmetals Land Hunan Jiahe Risheng Real Estate Development Co., Ltd.*), a company incorporated under the laws of the PRC and a wholly-owned subsidiary of the Company;
“Jiasheng Properties”	湖南嘉盛物業服務有限公司 (Hunan Jiasheng Properties Service Co., Ltd.*), a company incorporated under the laws of the PRC and an indirect non wholly-owned subsidiary of China Minmetals;
“LOHAS International Community”	LOHAS International Community, a real estate development project undertaken by Jiahe Risheng, situated in Changsha, Hunan Province, the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;

“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);
“Renewed Service Contracts”	Service Contract I and Service Contract II;
“RMB”	Renminbi, the lawful currency of the PRC;
“Scotland Town”	Scotland Town, a real estate development project undertaken by Zhongrun Chengzhen, situated in Changsha, Hunan Province, the PRC;
“Service Contract I”	the property management service contract entered into between Jiahe Risheng and Jiasheng Properties on 5 January 2015;
“Service Contract II”	the property management service contract entered into between Zhongrun Chengzhen and Jiasheng Properties on 5 January 2015;
“Shareholder(s)”	holder(s) of ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Transactions”	the provision of property management services by Jiasheng Properties to Jiahe Risheng and Zhongrun Chengzhen as contemplated under the Renewed Service Contracts;
“Zhongrun Chengzhen”	湖南中潤城鎮置業有限公司 (Hunan Zhongrun Chengzhen Real Estate Co., Ltd.*), a company incorporated under the laws of the PRC and a wholly-owned subsidiary of the Company; and
“%”	percentage.

*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\$1.265. Such conversion should not be construed as a representation that any amount have 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, 5 January 2015

*\*For identification purpose only*