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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

**RENEWAL OF PROPERTY MANAGEMENT SERVICES FRAMEWORK
AGREEMENT WITH CHINA MINMETALS CORPORATION**

Reference is made to the announcement of the Company dated 28 September 2022 in relation to, among other things, the China Minmetals Framework Agreement entered into between the Company and China Minmetals.

The China Minmetals Framework Agreement expired on 27 September 2023. The Directors expect that the Group will continue to provide property management services to China Minmetals Group. In this connection, on 28 September 2023, the Company and China Minmetals entered into the Renewal China Minmetals Framework Agreement for a term of three years, commencing from 28 September 2023 and ending on 27 September 2026 subject to the Annual Cap Amounts.

As at the date of this announcement, China Minmetals is the controlling shareholder of the Company holding approximately 61.88% of issued Shares and is therefore a connected person of the Company pursuant to Chapter 14A of the Listing Rules. The Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Annual Cap Amounts under the Renewal China Minmetals Framework Agreement exceed 0.1% but are all less than 5%, the Transactions constitute continuing connected transactions of the Company subject to announcement, reporting and annual review requirements but are exempt from the circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

Reference is made to the announcement of the Company dated 28 September 2022 in relation to, among other things, the China Minmetals Framework Agreement entered into between the Company and China Minmetals.

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RENEWAL CHINA MINMETALS FRAMEWORK AGREEMENT

The principal terms of the Renewal China Minmetals Framework Agreement are set out below:

Date

28 September 2023

Parties

1. The Company
2. China Minmetals

Term of the Renewal China Minmetals Framework Agreement

The Renewal China Minmetals Framework Agreement shall have a term of three years from 28 September 2023 to 27 September 2026.

Services to be provided

The Group shall provide property-related management services and any other related ancillary services to China Minmetals Group, including but not limited to security, cleaning, repair and maintenance services, sales office management, property management services for unsold residential units, other customer-related services such as relationship building with property owners and any requested services and agency fees for sale of properties in respect of (including but not limited to) its real estate development projects, sales offices, industrial parks and car parks, during the term of the Renewal China Minmetals Framework Agreement.

China Minmetals Group and the Group shall enter into specific services agreements in respect of the above matters as required from time to time during the term of the Renewal China Minmetals Framework Agreement subject to the terms of the Renewal China Minmetals Framework Agreement. The specific services agreements shall set out the necessary terms and conditions for the relevant transactions contemplated after the arm's length negotiation on normal commercial terms.

Pricing Basis

The provision of property management services to China Minmetals Group under the Renewal China Minmetals Framework Agreement is subject to appointment by China Minmetals Group through tender procedures or quotations from service providers in compliance with the relevant PRC laws, rules and regulations. The pricing and payment terms for the specific services agreements will therefore be determined based on normal commercial terms and evaluation through such tender procedures or quotations obtained.

During the tender or quotation process, the bid evaluation committee of the China Minmetals Group will conduct an in-depth evaluation of the tender or quotations submitted by at least 3 bidders or service providers, based on, among other factors, the scale of operation of the tenderers and their proposed terms offered to the China Minmetals Group, including fees chargeable and payment terms compared to prices charged by Independent Third Parties to the China Minmetals Group and with reference to the prevailing market terms for provision of similar services in the relevant region(s).

Subject to the final terms of the specific services agreements to be entered into pursuant to the Renewal China Minmetals Framework Agreement, the price quotations provided by the Group to the China Minmetals Group under the Renewal China Minmetals Framework Agreement shall be determined with reference to:

- (i) the nature, size and location of the relevant properties;
- (ii) the scope of the property management services;
- (iii) the expected operational costs (including, among others, labour costs, material costs and administrative costs) in relation to the provision of the property management services;
- (iv) the fees charged by Independent Third Parties for similar services in respect of similar types of properties in the market in the relevant region(s); and
- (v) the quotations offered by the Group to Independent Third Parties for similar services.

The fees charged by the Group to China Minmetals Group shall not be higher than the standard fees designated by the relevant regulatory authorities (if applicable), and the terms offered by the Group to China Minmetals Group shall be fair and reasonable and no less favourable than terms offered by the Group to Independent Third Parties for the same or similar type and scope of property management services.

Payment terms

The amounts for the property management services provided under the Renewal China Minmetals Framework Agreement shall be paid and settled in RMB and at such times and in such manner as specified in the specific services agreements to be entered into. Such payment and settlement terms shall be fair and reasonable and no less favourable than the market terms offered by the Group to Independent Third Parties.

HISTORICAL TRANSACTION AMOUNTS

The approximate historical service fees paid or payable by China Minmetals Group in relation to property management services provided by the Group during the three years ended 31 December 2022 and eight months ended 31 August 2023, are as follows:

	For the year ended 31 December 2020	For the year ended 31 December 2021	For the year ended 31 December 2022	For the period from 1 January 2023 to 31 August 2023
Historical service fees	RMB 0	RMB 250,000	RMB 5,230,429	RMB 21,670,000

PROPOSED ANNUAL CAP AMOUNTS

The Annual Cap Amounts set for the property management services under the Renewal China Minmetals Framework Agreement are as follows:

	For the period from 28 September 2023 to 31 December 2023	For the year ending 31 December 2024	For the year ending 31 December 2025	For the period from 1 January 2026 to 27 September 2026
Annual Cap Amounts	RMB 9,000,000	RMB 48,260,000	RMB 49,550,000	RMB 37,600,000

The Annual Cap Amounts in respect of the Renewal China Minmetals Framework Agreement were determined principally by reference to:

- (i) the estimated annual growth in demand of the China Minmetals Group for property management services in respect of (including without limitation to) its real estate development projects, sales offices, industrial parks and car parks with reference to the business plan and estimation by the China Minmetals Group of their current and upcoming real estate development projects, which spans across the northeastern, central eastern and southern parts of the PRC;

- (ii) the historical service fees paid or payable by the China Minmetals Group in respect of property management services for its real estate development projects and industrial parks such as Minmetals Yingkou Industrial Park, Changyuan Lico High-tech Base, MCC Changtian Science and Technology Industrial Park, Construction Site of Shanghai Baoye Nanjing Branch Company and Office Buildings and Construction Sites of the 23rd Metallurgical Construction Group Co., Ltd. of Minmetals* (五礦二十三冶建設集團有限公司). The increase in Annual Cap Amounts was mainly attributable to the expansion of service targets and service scope;
- (iii) pricing basis as disclosed in the section headed “Pricing Basis”, which includes but not limited to the estimated (a) nature, size and location of the relevant properties; (b) the scope of property management services; (c) expected operational costs in respect of provision of property management services; and (d) the quotations offered by the Group to Independent Third Parties for similar services; and
- (iv) the current market prices available by Independent Third Parties providing similar services in the relevant region(s), noting that the market price has been increasing in 2023, with reference to the quotations obtained by the Group from Independent Third Parties.

Shareholders should note that the Annual Cap Amounts should not be construed as an assurance or forecast by the Company of any future revenues of the Group.

REASONS FOR AND BENEFITS OF ENTERING INTO THE TRANSACTIONS

The Group has extensive experience in real estate development and has rich experience and resources in property management services. The Group has been providing property management services for projects to Minmetals Yingkou Industrial Park, Changyuan Lico High-tech Base, MCC Changtian Science and Technology Industrial Park, Construction Site of Shanghai Baoye Nanjing Branch Company, Office Buildings and Construction Sites of the 23rd Metallurgical Construction Group Co., Ltd. of Minmetals* (五礦二十三冶建設集團有限公司), etc. The provision of property management services to China Minmetals Group is conducive to the development and expansion of the Group’s property management business and will create synergy with the other businesses of the Group. It will enhance the brand recognition of the Group in the property management services market.

The Directors (including independent non-executive Directors) are of the view that the Renewal China Minmetals Framework Agreement was entered into in the ordinary and usual course of business of the Company, and that the terms of the Renewal China Minmetals Framework Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the interest of the Company and the Shareholders as a whole. No Director has a material interest in the Renewal China Minmetals Framework Agreement and the transactions contemplated thereunder nor are required to abstain from voting on the Board resolution approving the same.

INTERNAL CONTROL PROCEDURES AND RISK MANAGEMENT MEASURES

In order to safeguard the interests of the Shareholders, the Group will adopt the following guidelines and principles in monitoring the Transactions and the Annual Cap Amounts:

- (i) specifically designated personnel from the Company will be responsible for monitoring the Transactions and the Annual Cap Amounts and will ensure that the Transactions are conducted in accordance with the terms of the Renewal China Minmetals Framework Agreement and the specific services agreements;
- (ii) the Company will conduct regular checks and compare the prices and terms of the Transactions against that offered to Independent Third Parties to review and assess whether the Transactions are conducted on normal commercial terms, no less favourable than that offered by the Group to Independent Third Parties and in the interest of the Company and the Shareholders as a whole;
- (iii) the Company's external auditors will conduct an annual review on the pricing and annual caps of the continuing connected transactions of the Company, including the transactions contemplated under the Renewal China Minmetals Framework Agreement;
- (iv) the independent non-executive Directors will conduct an annual review of the implementation and enforcement of the continuing connected transactions of the Company, including the transactions contemplated under the Renewal China Minmetals Framework Agreement and the Annual Cap Amounts on an annual basis; and
- (v) the Company will review the Transactions and the Annual Cap Amounts on an annual basis, summarise the experience and improve on any inadequacies.

INFORMATION ABOUT THE PARTIES

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

China Minmetals is the 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. China Minmetals is principally engaged in exploration, mining, smelting, processing and trading for metals and minerals, finance, real estate, and mining and metallurgic technology.

LISTING RULES IMPLICATIONS

As at the date of this announcement, China Minmetals is the controlling shareholder of the Company holding approximately 61.88% of issued Shares and is therefore a connected person of the Company pursuant to Chapter 14A of the Listing Rules. The Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Annual Cap Amounts under the Renewal China Minmetals Framework Agreement exceed 0.1% but are all less than 5%, the Transactions constitute continuing connected transactions of the Company subject to announcement, reporting and annual review requirements but are exempt from the circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“Annual Cap Amount(s)”	the maximum annual transaction amount of service fees payable by China Minmetals Group under the Renewal China Minmetals Framework Agreement for each of the year/period;
“Board”	the board of Directors;
“China Minmetals”	China Minmetals Corporation, a state-owned enterprise established under the laws of the PRC 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;
“China Minmetals Group”	China Minmetals, its subsidiaries and associates;
“China Minmetals Framework Agreement”	the property management services framework agreement dated 28 September 2022 and entered into between the Company and China Minmetals;
“Renewal China Minmetals Framework Agreement”	the property management services framework agreement dated 28 September 2023 and entered into between the Company and China Minmetals for a term of three years, commencing on 28 September 2023 and ending on 27 September 2026;
“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;
“Director(s)”	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 PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time;
“PRC”	the People’s Republic of China (for the purpose of this announcement, shall exclude Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan);
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholder(s)”	holder(s) of Share(s);
“Shares”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transactions”	the provision of property management services by the Group as contemplated under the Renewal China Minmetals Framework Agreement; and
“%”	per cent.

In this announcement, unless the context requires otherwise, the terms “associate(s)”, “connected person(s)”, “connected transaction(s)”, “Independent Third Party(ies)”, “percentage ratio(s)”, “controlling shareholder(s)” and “subsidiary(ies)”, shall have the meaning given to such terms in the Listing Rules.

By order of the Board
Minmetals Land Limited
He Jianbo
Chairman

Hong Kong, 28 September 2023

** For identification purposes only*

As at the date of this announcement, the board of directors of the Company comprises nine 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 and Mr. Huang Guoping as non-executive directors, and Mr. Lam Chung Lun, Billy, Ms. Law Fan Chiu Fun, Fanny and Professor Wang Xiuli as independent non-executive directors.