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**五礦地產**  
MINMETALS LAND

**中國五礦**

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

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 230)**

**CONTINUING CONNECTED TRANSACTIONS  
ENGINEERING CONSULTANCY SERVICES  
FRAMEWORK AGREEMENT**

The Board announces that the Company and Minmetals Land Holdings entered into the Consultancy Agreement on 13 June 2023, pursuant to which the Group agrees to provide engineering consultancy services to Minmetals Land Holdings Group for the Projects.

Minmetals Land Holdings is an indirect non-wholly owned subsidiary of China Minmetals, which in turn 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. Therefore, Minmetals Land Holdings is a connected person of the Company, and the entering into of the Consultancy Agreement and 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 exceeds 0.1% but all are less than 5%, the Transactions are 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.

**CONSULTANCY AGREEMENT**

The Company and Minmetals Land Holdings entered into the Consultancy Agreement on 13 June 2023, pursuant to which the Group agrees to provide engineering consultancy services to Minmetals Land Holdings Group for the Projects.

The principal terms of the Consultancy Agreement are set out below:

**Date**

13 June 2023

**Parties**

- (i) The Company; and
- (ii) Minmetals Land Holdings

**Term**

The Consultancy Agreement shall have a term of three years, from 13 June 2023 to 12 June 2026.

**Scope of Services**

The Group will provide engineering consultancy services to Minmetals Land Holdings Group for the Projects, including but not limited to (i) provision of information, including policies, laws and regulations in relation to engineering and construction projects in the PRC; (ii) assisting Minmetals Land Holdings Group to successfully bid for the relevant construction projects through the procedures required by laws and regulations, and signing engineering and construction project contracts with property owners; (iii) participating in the relevant meetings and discussions related to the engineering and construction projects in accordance with the requirements of Minmetals Land Holdings Group; and (iv) other engineering consultancy services.

**Pricing Basis**

As a general principle, the Transactions shall be entered into on normal commercial terms in the ordinary and usual course of business after arm's length negotiations, and the Service Fees and the terms of the contract between the Group and Minmetals Land Holdings Group shall be fair and reasonable and no less favorable to the Group than terms offered by the Group to independent third parties for the same or similar types and scope of engineering consultancy services.

The Service Fee shall be 2% to 4% of the engineering and construction contract amount for the Projects, and the Group will take into consideration (i) the nature, size and location of the relevant engineering and construction projects; (ii) the scope of services; (iii) the expected operating costs of providing the engineering consultancy services (including labour costs and travel costs); (iv) prevailing market rates of the required services fees charged by other independent third party service providers for the same or similar services for similar projects in the market; and (v) quotations provided by the Group to independent third parties for the same or similar services.

## Payment Terms

The Service Fees 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 to the Group than the market terms offered by the Group to independent third parties.

## HISTORICAL AMOUNT

Since the Group and Minmetals Land Holdings Group had not entered into similar transactions in respect of the Consultancy Agreement in the past, no historical transaction amount is available.

## ANNUAL CAP AMOUNTS

The Annual Cap Amounts are set out as follows:

<b>13 June 2023 to 31 December 2023</b>	<b>1 January 2024 to 31 December 2024</b>	<b>1 January 2025 to 31 December 2025</b>	<b>1 January 2026 to 12 June 2026</b>
RMB15,000,000 (approximately HK\$17,109,000)	RMB20,000,000 (approximately HK\$22,812,000)	RMB20,000,000 (approximately HK\$22,812,000)	RMB5,000,000 (approximately HK\$5,703,000)

The Annual Cap Amounts were determined based on arm's length negotiations between the Group and Minmetals Land Holdings Group having considered, among others, the following factors and assumptions:

- (i) the expected demand and the expected annual growth in demand for engineering consultancy services based on the business needs of construction projects of Minmetals Land Holdings Group. With reference to the business plan of Minmetals Land Holdings Group, it is planning for approximately 7 engineering and construction projects in various cities of the PRC, including Fujian, Sichuan, Guangdong, Hunan and Beijing, which require the provision of engineering consultancy services from the Group;
- (ii) the pricing basis as disclosed under the section headed "Pricing Basis";
- (iii) the potential contract value and payment terms of the specific agreement to be entered into between the Group and Minmetals Land Holdings Group; and
- (iv) the estimated market rate and the expected increase in service fees for similar engineering and construction projects in the market considering the impact of inflation and rising labour costs and travel costs, etc.

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 rich experience in real estate development, has accumulated extensive experience and excellent talent reserves in the field of real estate development, and has invested rich management experience and human resources in fields such as construction management of real estate projects and engineering consultancy services. Entering into the Consultancy Agreement helps improve the coordination of the real estate development business management of the Group and Minmetals Land Holdings Group, realising the full integration of Minmetals Land Holdings Group's real estate development business, while realising the complementary advantages to procure the business developments in the market.

The Directors (including independent non-executive Directors) are of the view that the terms of the Consultancy Agreement and the Transactions are fair and reasonable, on normal commercial terms in the ordinary course of business of the Group and in the interest of the Company and the Shareholders as a whole. No Director has a material interest in the Consultancy Agreement and the Transactions, nor is 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 Consultancy Agreement;
- (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 Consultancy 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 Consultancy 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 OF THE PARTIES**

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

Minmetals Land Holdings is an indirect non-wholly owned subsidiary of China Minmetals and is principally engaged in real estate development, general construction contracting, professional contracting, property management, engineering survey and design, project investment, technical services, investment consulting, business management consulting, conference services, and other businesses.

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**

Minmetals Land Holdings is an indirect non-wholly owned subsidiary of China Minmetals, which in turn 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. Therefore, Minmetals Land Holdings is a connected person of the Company, and the entering into of the Consultancy Agreement and 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 exceeds 0.1% but all are less than 5%, the Transactions are 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 Amounts”	the maximum annual transaction amount of service fees payable by Minmetals Land Holdings Group under the Consultancy Agreement for each of the year/period;
“Board”	the board of Directors;
“China Minmetals”	China Minmetals Corporation, a company established under the laws of the PRC and 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;
“Company”	Minmetals Land Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange;
“connected person”, “controlling shareholder”, “independent third parties” and “subsidiary(ies)”	each shall have the meaning ascribed to it under the Listing Rules;
“Consultancy Agreement”	the engineering consultancy services agreement dated 13 June 2023 entered into between the Company and Minmetals Land Holdings;
“Director(s)”	the director(s) 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;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited;
“Minmetals Land Holdings”	Minmetals Land Holdings Limited, a company established under the laws of the PRC with limited liability and is an indirect non-wholly owned subsidiary of China Minmetals;

“Minmetals Land Holdings Group”	Minmetals Land Holdings and its subsidiaries;
“Projects”	the engineering and construction projects bidden and won by Minmetals Land Holdings Group;
“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;
“Service Fee(s)”	the consideration received by the Group for the provision of engineering consultancy services to Minmetals Land Holdings Group pursuant to the Consultancy Agreement;
“Shareholder(s)”	holder(s) of 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 transactions contemplated under the Consultancy Agreement relating to the provision of engineering consultancy services by the Group to Minmetals Land Holdings Group; and
“%”	per cent.

For the purpose of illustration only and unless otherwise stated, conversions of Renminbi into Hong Kong dollars in this announcement is calculated at the exchange rate of RMB1.00 to HK\$1.1406. 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  
**Minmetals Land Limited**  
**He Jianbo**  
*Chairman*

Hong Kong, 13 June 2023

*As at the date of this announcement, the Board 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.*