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CHINA MINSHENG DIT GROUP LIMITED

中民築友智造科技集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 726)

PAST CONTINUING TRANSACTIONS WHICH HAD BECOME CONNECTED TRANSACTIONS

Reference is made to the announcement of China Minsheng DIT Group Limited (formerly known as China Minsheng Drawin Technology Group Limited) (the “**Company**”) dated 28 December 2017 (the “**Announcement**”) in relation to the disposal (the “**Disposal**”) of the entire equity interest in China Minsheng Drawin Building Technology Co., Limited (the “**Target Company**”) by a subsidiary of the Company to Tianjin China Minsheng Drawin Technology Co., Limited (the “**Purchaser**”), an indirect controlling shareholder of the Company at the time of the Disposal and as at the date of this announcement. Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless the context requires otherwise.

As disclosed in the Announcement, on 28 December 2017, the Vendor (being a wholly-owned subsidiary of the Company) agreed to sell and the Purchaser agreed to purchase the entire equity interest in the Target Company. The Disposal was completed on 26 December 2017. Upon Completion, the Target Company and each of its subsidiaries became connected persons of the Company.

The Board announces that:

1. on 12 October 2017, China Minsheng (Changsha) Lvjian Technology Company Limited (the “**Changsha Company**”), being a subsidiary of the Company, entered into an agreement (the “**Target Agreement**”) with the Target Company; and
2. on 6 December 2017, the Changsha Company entered into an agreement (the “**PJ Agreement**”) with Pingjiang China Minsheng House Technology Company Limited (the “**Pingjiang Company**”), a subsidiary of the Target Company (Pingjiang Company together with the Target Company, the “**Target Group**”),

under which the Changsha Company agreed to supply prefabricated construction components and products to the Target Group (the “**Supply Arrangements**”).

The Supply Arrangements were entered into between (i) the Changsha Company, a wholly-owned subsidiary of the Company, and (ii) the Target Company and the Pingjiang Company respectively, each of which was then a wholly-owned subsidiary of the Company before undertaking of the Disposal. The Supply Arrangements were therefore, as at the date of the Target Agreement and the PJ Agreement, intra-group supply arrangements of the prefabricated construction components and products which did not trigger any compliance requirement under the Listing Rules.

As a result of the Disposal, each of the Target Company and the Pingjiang Company has ceased to be a subsidiary of the Company and had become a connected person of the Company.

Whilst the terms of the Supply Arrangements remained unchanged, after the Disposal, the continuing transactions under the Supply Arrangements have become continuing connected transactions of the Company, and are therefore have been subject to the reporting and announcement requirements under Rule 14A.60 of the Listing Rules. The Company should have disclosed in the Announcement (or otherwise) details of the Supply Arrangements pursuant to Rule 14A.60(2) of the Listing Rules when it became aware of the relevant facts.

PRINCIPAL TERMS OF THE SUPPLY ARRANGEMENTS

- Date:**
- 1. In respect of the Target Agreement:**
12 October 2017
 - 2. In respect of the PJ Agreement:**
6 December 2017
- Parties:**
- 1. In respect of the Target Agreement:**
 - (i) Changsha Company
 - (ii) Target Company
 - 2. In respect of the PJ Agreement:**
 - (i) Changsha Company
 - (ii) Pingjiang Company
- Supply Arrangements:**
- 1. In respect of the Target Agreement:**
The Changsha Company agreed to supply up to 2,200 m³ of the prefabricated construction components and products to the Target Company for the construction of a service centre in Xiangyin.
 - 2. In respect of the PJ Agreement:**
The Changsha Company agreed to supply up to 7,000 m³ of the prefabricated construction components and products to the Pingjiang Company for the construction of a service centre in Pingjiang.

- Pricing:**
- 1. In respect of the Target Agreement:**
RMB1,600 per m³ (tax inclusive) of the prefabricated construction components and products
 - 2. In respect of the PJ Agreement:**
RMB1,610 per m³ (tax inclusive) of the prefabricated construction components and products

Maximum contracted amount: **In respect of Target Agreement and PJ Agreement:**
Up to RMB14,790,000 (tax inclusive) in aggregate

In arriving at the maximum contracted amount under the Supply Arrangements, the Directors have taken into consideration the following factors:

1. the estimated amount of the prefabricated construction components and products necessary for the construction of a service centre in Xiangyin and Pingjiang; and
2. the prevailing market price of the prefabricated construction components and products; and
3. the estimated costs of each unit of prefabricated construction components and products.

Payment Arrangement: **In respect of the Target Agreement and PJ Agreement:**
The Target Group shall pay to the Changsha Company in cash within 15 business days upon issue of confirmation of the amount payable by the Target Group.

REASONS FOR THE SUPPLY ARRANGEMENTS

The Supply Arrangements were entered into before the date of the Sale and Purchase Agreement in respect of the Disposal, and were intra-group supply arrangements with respect to the prefabricated construction components and products. The price of the prefabricated construction components and products supplied under the Supply Arrangements were, at that time when the agreements were into as intra-group arrangements, set with reference to the prevailing market price and the estimated costs of each unit of prefabricated construction components and products in the relevant local market. The prefabricated construction components and products supplied under the Supply Arrangements were used for the construction of a service centre in Xiangyin and Pingjiang, respectively.

INFORMATION OF THE COMPANY

The Company was incorporated as an exempted company with limited liability in Bermuda and is listed on the Stock Exchange. It is an investment holding company with subsidiaries principally engaged in prefabricated construction business and property investment in the PRC.

INFORMATION OF TARGET GROUP

The Target Company, a company incorporated in the PRC with limited liability, is an investment holding company. The Target Group (including the Target Company and the Pingjiang Company) is principally engaged in the business of prefabricated building and construction in rural areas of the PRC.

LISTING RULES IMPLICATIONS

The Supply Arrangements were entered into before the date of the Sale and Purchase Agreement in respect of the Disposal. As at the date of the Sale and Purchase Agreement, China Minsheng Investment Corp. Ltd* (中國民生投資股份有限公司) (the “**CMIC**”), which held approximately 65.03% of the issued share capital of the Company, was the ultimate controlling shareholder, and hence a connected person, of the Company. As a result of the Disposal, the Target Company had ceased to be a subsidiary of the Company and become an indirect wholly-owned subsidiary of CMIC, and therefore had become a connected person of the Company pursuant to Chapter 14A of the Listing Rules. Accordingly, whilst the terms of the Supply Arrangements remained unchanged after the Disposal, the continuing transactions under the Supply Arrangements have become continuing connected transactions of the Company as a result of the Disposal, and are therefore subject to the reporting and announcement requirements under Rule 14A.60 of the Listing Rules. The Company should have disclosed in the Announcement (or otherwise) details of the Supply Arrangements pursuant to Rule 14A.60(2) of the Listing Rules when it became aware of the relevant facts.

The Company confirms that the Supply Arrangements under the Target Agreement and the PJ Agreement were completed and performed in full. The Company will comply with all the necessary requirements under the Listing Rules should it enter into any new agreement or arrangement with the Target Company and/or its subsidiaries.

REMEDIAL ACTIONS

In order to ensure compliance by the Group with the Listing Rules in the future,

- (a) the Company has updated and included in its list of connected persons each of the Target Company and its subsidiaries, and will comply with all the necessary requirements under the Listing Rules should it enter into any new agreement or arrangement with the Target Company and/or its subsidiaries;
- (b) the Company will remind the directors and the head of business units of the Group of the importance to consult with the company secretary or the legal advisor (where appropriate) of the Company and to provide them with detailed background of the proposed transactions prior to entering into or renewing any transactions which may constitute connected transaction or any other transaction which may be subject to any reporting, announcement or shareholders’ approval requirements under the Listing Rules or other applicable laws or regulations; and

- (c) the Company will consult with and seek advice from its auditors with regards to its recommendations (if any) so as to enhance the Company's future compliance with the Listing Rules.

By Order of the Board
China Minsheng DIT Group Limited
Yin Jun
Chairman and Executive Director

Hong Kong, 13 September 2018

As at the date of this announcement, the Board comprises Mr. Yin Jun (Chairman) and Mr. Yang Hongwei as executive directors; Mr. Peng Xiongwen as non-executive director; Mr. Jiang Hongqing, Mr. Lee Chi Ming, and Mr. Ma Lishan as independent non-executive directors.