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If you have sold or transferred all your shares in Minmetals Land Limited, you should at once hand this circular, together with the enclosed proxy form, to the purchaser or the transferee or to the licensed securities dealer or registered institution in securities dealing or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.



五礦地產有限公司
MINMETALS LAND LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 230)

MAJOR TRANSACTIONS

**DISPOSAL OF 45% OF THE ENTIRE EQUITY INTEREST
AND THE SHAREHOLDER'S LOAN IN A SUBSIDIARY**

AND

PROVISION OF LOANS BY THE TARGET COMPANY

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this circular.

A letter from the Board is set out on pages 5 to 15 of this circular.

The Agreements and the transactions contemplated thereunder have been approved by the written approval obtained from the controlling shareholder (as defined in the Listing Rules) of the Company pursuant to Rule 14.44 of the Listing Rules in lieu of a general meeting of the Company. This circular is despatched to the Shareholders for information purposes only.

20 January 2022

CONTENTS

| | <i>Page</i> |
|--|-------------|
| Definitions | 1 |
| Letter from the Board | 5 |
| Appendix I — Financial Information of the Group | I-1 |
| Appendix II — Property Valuation Report | II-1 |
| Appendix III — General Information | III-1 |

DEFINITIONS

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

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| “Agreements” | collectively, the Share Transfer Agreement and the Loan Framework Agreement |
| “associate(s)”, “connected person(s)”, “controlling shareholder”, “insignificant subsidiary”, “percentage ratio”, “subsidiary(ies)” and “substantial shareholder” | each has the meaning ascribed to it under the Listing Rules |
| “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 holding approximately 61.88% of the issued share capital of the Company as at the Latest Practicable Date |
| “Company” | Minmetals Land Limited (五礦地產有限公司), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 230) |
| “Consideration” | approximately RMB1,021.6 million (equivalent to approximately HK\$1,246.4 million), being the consideration of the disposal of the Sale Shares and the Shareholder’s Loan in aggregate |
| “Cooperation Agreement” | the cooperation agreement dated 3 December 2021 entered into between the Vendor, the Purchaser and the Target Company in respect of, among others, the possible disposal by the Vendor to the Purchaser of the Sale Shares and the Shareholder’s Loan by way of open tender |
| “Development Project” | the residential development project to be constructed on the Land |
| “Director(s)” | director(s) of the Company |

DEFINITIONS

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| “Disposal” | the disposal by the Vendor to the Purchaser of the Sale Shares and the Shareholder’s Loan by way of open tender as contemplated under the Share Transfer Agreement |
| “Funding Agreement” | the funding agreement dated 3 December 2021 entered into between the Vendor, the Target Company, Shengshi Guangye and the Purchaser in relation to the funding arrangement of the Vendor and the Purchaser in the Target Company |
| “Group” | the Company and its subsidiaries |
| “Guangzhou Kuangmao” | Guangzhou Kuangmao Property Development Co., Ltd.* (廣州市礦茂房地產開發有限公司), a company established under the laws of the PRC with limited liability and an indirect non wholly-owned subsidiary of the Company undertaking the development of Parc One, being a residential development project situated at Changling Road, Huangpu District, Guangzhou City, Guangdong Province, the PRC |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Independent Third Party(ies)” | a party(ies) who is/are not connected person(s) of the Company and who together with its/their ultimate beneficial owner(s) are independent of the Company and of connected persons of the Company |
| “June Glory” | June Glory International Limited, a company incorporated in the British Virgin Islands with limited liability, and the Company’s immediate controlling shareholder holding approximately 61.88% of the issued share capital of the Company as at the Latest Practicable Date |
| “Land” | the land parcel numbered 2021-WG-49 and situated in Suzhou City, Jiangsu Province, the PRC |
| “Latest Practicable Date” | 18 January 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time |

DEFINITIONS

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| “Loan Framework Agreement” | the loan agreement dated 30 December 2021 entered into between the Target Company as lender and the Vendor and the Purchaser as borrowers in respect of the maximum principal amount of loan of RMB2,700 million (equivalent to approximately HK\$3,294 million) in aggregate to be advanced by the Target Company to the Vendor and the Purchaser or their respective direct holding companies or designated fellow subsidiaries in the PRC in proportion to their respective shareholdings in the Target Company |
| “PRC” | the People’s Republic of China (for the purpose of this circular, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan) |
| “Purchaser” | Suzhou RK Real Estate Co., Ltd.* (蘇州路勁置業有限公司), a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of Road King |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Road King” | Road King Infrastructure Limited (路勁基建有限公司), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1098) |
| “Road King Group” | Road King and its subsidiaries |
| “Sale Shares” | 45% of the entire equity interest in the Target Company |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time |
| “Share(s)” | ordinary share(s) of HK\$0.10 each in the share capital of the Company |
| “Share Transfer Agreement” | the share transfer agreement dated 30 December 2021 entered into between the Vendor, the Purchaser and the Target Company in respect of, among others, the Disposal |
| “Shareholder(s)” | holder(s) of the Shares |
| “Shareholder’s Loan” | 45% of the total shareholder’s loan of RMB2,264.3 million (equivalent to approximately HK\$2,762.4 million) due and owing by the Target Company to the Vendor, the amount of which as at 3 November 2021 was approximately RMB1,018.9 million (equivalent to approximately HK\$1,243.1 million) |

DEFINITIONS

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| “Shengshi Guangye” | Minmetals Shengshi Guangye (Beijing) Co., Ltd.* (五礦盛世廣業(北京)有限公司), a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Target Company” | Kuangjin Property Development (Suzhou) Co., Ltd.* (礦勁地產(蘇州)有限公司), a company established under the laws of the PRC with limited liability |
| “Vendor” | Kuangmei Property Development Nanjing Co., Ltd.* (礦美地產南京有限公司), a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company |
| “Vigers” | Vigers Appraisal and Consulting Limited, a property valuer and an Independent Third Party |
| “%” | per cent. |

* *All of the English titles or names of the PRC entities, as well as certain items contained in this circular have been included for identification purpose only. If there is any inconsistency, the Chinese titles or names shall prevail.*

For the purpose of illustration only and unless otherwise stated, conversion of Renminbi into Hong Kong dollars in this circular is based on the exchange rate of RMB1.00 to HK\$1.22. 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.

References to time and dates in this circular are to Hong Kong time and dates.



五礦地產有限公司
MINMETALS LAND LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 230)

Executive Directors:

Mr. He Jianbo, *Chairman*
Mr. Liu Bo, *Managing Director*
Mr. Chen Xingwu, *Deputy Managing Director*
Mr. Yang Shangping, *Deputy Managing Director*

Non-executive Director:

Ms. He Xiaoli

Independent Non-executive Directors:

Mr. Selwyn Mar
Mr. Lam Chung Lun, Billy
Ms. Law Fan Chiu Fun, Fanny

Registered Office:

Victoria Place
5th Floor, 31 Victoria Street
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Bermuda

*Principal Place of Business
in Hong Kong:*

18th Floor
China Minmetals Tower
79 Chatham Road South
Tsimshatsui, Kowloon
Hong Kong

20 January 2022

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTIONS

**DISPOSAL OF 45% OF THE ENTIRE EQUITY INTEREST
AND THE SHAREHOLDER'S LOAN IN A SUBSIDIARY**

AND

THE PROVISION OF LOANS BY THE TARGET COMPANY

1. INTRODUCTION

References are made to the announcements of the Company dated 3 December 2021 and 30 December 2021 in relation to (a) the Cooperation Agreement and the Funding Agreement and (b) the Agreements respectively.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among others, further details of the Agreements and other information as required under the Listing Rules for information purposes only.

2. THE SHARE TRANSFER AGREEMENT

On 30 December 2021, the Vendor, the Purchaser and the Target Company entered into the Share Transfer Agreement, pursuant to which the Vendor has agreed to sell by way of open tender and the Purchaser has agreed to acquire the Sale Shares and the Shareholder's Loan at the Consideration of approximately RMB1,021.6 million (equivalent to approximately HK\$1,246.4 million) in aggregate, which comprises (a) approximately RMB2.7 million (equivalent to approximately HK\$3.3 million), being the consideration for the Sale Shares; and (b) approximately RMB1,018.9 million (equivalent to approximately HK\$1,243.1 million), being the consideration for the assignment of the Shareholder's Loan.

Summarized below are the principal terms of the Share Transfer Agreement:

Date : 30 December 2021

Parties : (a) the Vendor, an indirect wholly-owned subsidiary of the Company;
(b) the Target Company; and
(c) the Purchaser.

2.1. Nature of the transaction and assets to be disposed of

Pursuant to the Share Transfer Agreement, the Vendor has agreed to sell by way of open tender and the Purchaser has agreed to acquire the Sale Shares and the Shareholder's Loan. The Sale Shares represent 45% of the entire equity interest of the Target Company and the Shareholder's Loan represents 45% of the total shareholder's loan of RMB2,264.3 million (equivalent to approximately HK\$2,762.4 million) due and owing by the Target Company to the Vendor, the amount of which as at 3 November 2021 was approximately RMB1,018.9 million (equivalent to approximately HK\$1,243.1 million).

LETTER FROM THE BOARD

2.2. Consideration

The Consideration of approximately RMB1,021.6 million (equivalent to approximately HK\$1,246.4 million) in aggregate which shall be payable by the Purchaser to the designated bank account of the Vendor comprises:

- (a) approximately RMB2.7 million (equivalent to approximately HK\$3.3 million), being the consideration for the Sale Shares; and
- (b) approximately RMB1,018.9 million (equivalent to approximately HK\$1,243.1 million), being the consideration for the assignment of the Shareholder's Loan.

The Consideration is arrived at after arm's length negotiations between the Vendor and the Purchaser taking into account, among others, the land premium of approximately RMB2,197.3 million (equivalent to approximately HK\$2,680.6 million) of the Land and the estimated short-term development cost of the Development Project of approximately RMB67.1 million (equivalent to approximately HK\$81.9 million). Apart from the Vendor and the Purchaser providing subsequent capital for the Development Project in proportion to their respective shareholdings in the Target Company when necessary, it is expected that the Target Company will seek bank borrowings to meet its long-term funding needs when appropriate. As at the Latest Practicable Date, the Consideration has been paid in full by the Purchaser to the designated bank account of the Vendor.

2.3. Completion

The Share Transfer Agreement became effective upon signing and there is no condition precedent to the completion of the Disposal, which has commenced on the day following the date of the Share Transfer Agreement. Completion has taken place on 31 December 2021 when, among others, the registration with the competent authority for industry and commerce in relation to the transfer of the Sale Shares and the inspection of the documents and materials of the Target Company were completed. Upon completion of the transfer of the Sale Shares and the assignment of the Shareholder's Loan, the Target Company is owned as to 55% and 45% by the Vendor and the Purchaser respectively. The Target Company will remain as a subsidiary of the Company and will continue to be accounted for on a consolidated basis in the financial statements of the Group.

As at the Latest Practicable Date, the registered capital of the Target Company has been increased from RMB1,200 million (equivalent to approximately HK\$1,464 million) to approximately RMB2,197.3 million (equivalent to approximately HK\$2,680.6 million). The amount of the registered capital of the Target Company paid by the Vendor and the Purchaser was approximately RMB1,208.5 million (equivalent to approximately HK\$1,474.3 million) and approximately RMB988.8 million (equivalent to approximately HK\$1,206.3 million) respectively. Each of the Vendor and the Purchaser has subscribed and contributed its capital in proportion to their respective shareholdings in the Target Company by converting an equivalent

LETTER FROM THE BOARD

amount of the shareholder's loan previously provided by the Vendor to the Target Company and an equivalent amount payable by the Purchaser under the Disposal into the registered capital of the Target Company, respectively. The remaining amount of the shareholder's loan previously provided by the Vendor to the Target Company and the amount payable by the Purchaser under the Disposal in excess of its portion of the registered capital will be treated as the shareholder's loan due and owing by the Target Company to the Vendor and the Purchaser respectively. The amount of the shareholder's loan provided by the Vendor and the Purchaser to the Target Company upon completion of the Disposal was approximately RMB91.9 million (equivalent to approximately HK\$112.1 million) and approximately RMB75.2 million (equivalent to approximately HK\$91.7 million) respectively.

3. THE LOAN FRAMEWORK AGREEMENT

On 30 December 2021, in order to facilitate the utilization of the idle cash to be held by the Target Company from the sales of the Development Project, the Vendor, the Target Company and the Purchaser entered into the Loan Framework Agreement, pursuant to which the Target Company will advance its idle cash from time to time of not more than RMB2,700 million (equivalent to approximately HK\$3,294 million) in aggregate to the Vendor and the Purchaser or their respective direct holding companies or designated fellow subsidiaries in the PRC based on the same terms and conditions and in proportion to their respective shareholdings in the Target Company for a term of not more than three years from 1 January 2022 to 31 December 2024 on an unsecured interest-free basis.

Summarized below are the principal terms of the Loan Framework Agreement:

| | | |
|--|---|---|
| Date | : | 30 December 2021 |
| Parties | : | (a) the Vendor, an indirect wholly-owned subsidiary of the Company; (b) the Target Company; and (c) the Purchaser. |
| Availability period | : | A term of not more than three years from 1 January 2022 to 31 December 2024. |
| Aggregate loan principal amount | : | The maximum principal amount of the loan under the Loan Framework Agreement is RMB2,700 million (equivalent to approximately HK\$3,294 million) in aggregate. An amount of not more than RMB1,485 million (equivalent to approximately HK\$1,811.7 million) and RMB1,215 million (equivalent to approximately HK\$1,482.3 million) will be provided by the Target Company to the Vendor and the Purchaser or their respective direct holding companies or designated fellow subsidiaries in the PRC respectively in proportion to their respective shareholdings in the Target Company. |

LETTER FROM THE BOARD

The Board has assessed the following factors when determining to grant the loans on an unsecured interest-free basis under the Loan Framework Agreement:

- (a) the financial strength of the Purchaser and Road King and the likelihood of the Purchaser to meet its repayment obligations. Based on the interim report of Road King for the six months ended 30 June 2021, Road King Group's current ratio was approximately 1.5 and the unaudited bank balances and cash of Road King Group were approximately HK\$22,337 million, which amounted to approximately 19% of the total assets of Road King Group for the six months ended 30 June 2021. The Board believes that the large amount of bank balances and cash and the high current ratio of Road King Group indicate its high liquidity and strong ability to repay its debts; and
- (b) the previous practice of the Group to distribute the idle cash of the project company to its shareholders by way of loan advances in principal amounts that are pro-rata to their shareholdings on the same terms and conditions. For instance, Guangzhou Kuangmao, an indirect non wholly-owned subsidiary of the Company, and its shareholders entered into a loan framework agreement dated 26 April 2021, pursuant to which Guangzhou Kuangmao has agreed to, depending on the idle cash available to it, provide entrustment loans or directly provide loans to its shareholders or their respective direct holding companies or designated fellow subsidiaries in the PRC for the maximum principal amount not exceeding RMB1,900 million (equivalent to approximately HK\$2,318 million) based on the same terms and conditions and in proportion to the shareholders' respective shareholdings in Guangzhou Kuangmao on an unsecured interest-free basis for a term of three years commencing from 26 April 2021 to 25 April 2024.

LETTER FROM THE BOARD

Also, the Directors have considered the following key factors in determining the above maximum amounts:

- (a) the development progress of the Development Project and its planned sales scale during the term of the Loan Framework Agreement based on the historical positive market responses of similar properties in vicinity of the Land developed by the Group. It is expected that the construction of the Development Project would commence in or around February 2022 and be completed in or around the first quarter of 2024 while the Target Company would be able to generate cash flow by commencing the pre-sale activities for the properties on the Land in or around the third quarter of 2022;
- (b) the idle cash balance that the Target Company may have available for use through the pre-sale activities for the properties on the Land as afore-mentioned; and
- (c) the development and the capital needs of the Target Company during the term of the Loan Framework Agreement. Since the construction costs and financial input for property development projects are usually of significant amounts in the early stages of construction mainly due to the upfront costs, it is expected that the costs required for the Development Project will gradually decrease when it comes to the later stages of construction. As such, the Board believes that the Target Company will have sufficient working capital during the term of the Loan Framework Agreement given that the Loan Framework Agreement lasts for not more than three years.

Interest rate : The loans to be provided to the Vendor and the Purchaser or their respective direct holding companies or designated fellow subsidiaries in the PRC shall be interest-free.

Repayment : The loans shall be repaid in one lump sum upon maturity. In order to maintain its normal business operations or meet its capital needs, the Target Company is entitled to request early repayment upon serving 30 business days' prior written notice to the Vendor and the Purchaser or their respective direct holding companies or designated fellow subsidiaries in the PRC, which shall repay all or part of the loans in proportion to their respective shareholdings in the Target Company.

LETTER FROM THE BOARD

Although the loan is to be provided by the Target Company to the Purchaser on an unsecured interest-free basis under the Loan Framework Agreement, the Company will closely monitor the financial positions of Road King by reviewing its published financial statements twice a year once its financial statements are published on the websites of the Stock Exchange and Road King and maintain adequate internal controls and procedures over the financial and operations of the Target Company, such as reviewing the accounts of the Target Company and the development progress of the Development Project before the grant of the loans and quarterly during the term of the Loan Framework Agreement, in order to minimise the likelihood of defaults in repayment of the loans by the Purchaser or its direct holding company or designated fellow subsidiaries in the PRC and safeguard the Group's assets.

4. INFORMATION ON THE LAND

The Land is a parcel of land numbered 2021-WG-49 and situated in Suzhou City, Jiangsu Province, the PRC. The site area of the Land is approximately 55,903 square meters, with a plot ratio of not more than 2.0. The Land is permitted for residential development and the term of grant is 70 years.

In September 2021, the Vendor acquired the land use rights of the Land through public auction at a purchase price of approximately RMB2,197.3 million (equivalent to approximately HK\$2,680.6 million), which has been settled in full as at the Latest Practicable Date. On 12 October 2021, the land use rights of the Land was transferred from the Vendor to the Target Company.

5. INFORMATION ON THE GROUP AND THE VENDOR

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

The Vendor is an indirect wholly-owned subsidiary of the Company and is principally engaged in the business of real estate development.

6. INFORMATION ON THE PURCHASER

The Purchaser is a company established under the laws of the PRC with limited liability and is indirectly wholly owned by Road King, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1098). The Purchaser is principally engaged in investment holding.

LETTER FROM THE BOARD

Road King and its subsidiaries are principally engaged in property development and investment in the PRC and Hong Kong, with a focus on residential developments, investment and asset management businesses, and development, operation and management of toll roads through the infrastructure joint ventures in the PRC and Indonesia.

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, save for the Purchaser's interest in the Target Company, each of the Purchaser and its ultimate beneficial owner(s) is an Independent Third Party as at the Latest Practicable Date.

7. FURTHER INFORMATION ON THE TARGET COMPANY AND FINANCIAL IMPACT ON THE GROUP

The Target Company was established in September 2021 by the Vendor for the sole purpose of owning the Land and carrying out the investment in, development, operation and management of the Development Project. As at the Latest Practicable Date, the registered capital of the Target Company amounted to RMB2,197.3 million (equivalent to approximately HK\$2,680.6 million), all of which has been paid up.

As the Target Company is a newly established company, no financial information or past performance of the Target Company is available for disclosure in this circular. Based on the management accounts of the Target Company prepared in accordance with generally accepted accounting principles in the PRC, the unaudited net asset value of the Target Company as at 3 November 2021 was nil, being the difference between the unaudited total asset value of approximately RMB2,264.3 million (equivalent to approximately HK\$2,762.4 million) and the unaudited total liabilities of approximately RMB2,264.3 million (equivalent to approximately HK\$2,762.4 million), representing the total shareholder's loan due and owing by the Target Company to the Vendor as at 3 November 2021. The Target Company has not recorded any net profits or net loss (before or after taxation) since its establishment.

Upon completion of the Disposal, the Target Company is owned as to 55% and 45% by the Vendor and the Purchaser respectively. The Target Company shall comprise three directors and two supervisors. The Vendor shall be entitled to appoint two directors, one supervisor and the general manager and the Purchaser shall be entitled to appoint one director, one supervisor and the vice general manager. The Target Company will remain as a subsidiary of the Company and will continue to be accounted for on a consolidated basis in the financial statements of the Group. The excess of the consideration for the disposal of the Sale Shares over the net book value of the assets of the Target Company was approximately RMB2.7 million (equivalent to approximately HK\$3.3 million). Given that the Land is yet to be developed, it is expected that the Disposal will not have any immediate material impact on the earnings of the Group. Since the Target Company continues to be a subsidiary of the Company, the Disposal will not have any effect on the assets and the liabilities of the Group for the year ended 31 December 2021. It is expected that no material gain or loss will accrue to the Group's consolidated statement of comprehensive income as a result of the Disposal.

LETTER FROM THE BOARD

The net proceeds of the Disposal will be used as general working capital of the Group, including but not limited, the payment of land premium of other potential land parcels and construction costs, finance costs, staff costs and other administrative expenses and other payables and accruals.

8. REASONS FOR AND BENEFITS OF THE ENTERING INTO THE SHARE TRANSFER AGREEMENT AND THE LOAN FRAMEWORK AGREEMENT

The Group is principally engaged in the business of real estate development, specialised construction, property investment and securities investment while Road King and its subsidiaries are principally engaged in the business of property development and investment. It has been the strategy of the Group to cooperate with renowned property developers for the development of real estate projects so as to create a win-win situation. Road King has been a prominent property developer in the PRC and Hong Kong focusing on developing quality residential apartments. The Disposal allows both parties to draw on their respective strengths and resources in the construction, sales and operations of Development Project and hence enhances the competitiveness of the properties to be built on the Land. With concerted resources and experience of both parties, the Board believes that the Group will be able to enjoy the synergy effect to be brought about by the Disposal.

The Vendor and the Purchaser will provide subsequent capital for the Development Project in proportion to their respective shareholdings in the Target Company when necessary. The Disposal allows the Group to reduce its financial exposure and risks on the Development Project. By pooling the financial resources of both parties and jointly bearing the development and construction costs of the Development Project, the Disposal will hence improve the Target Company's capital efficiency and strengthen its financial position.

It is expected that the Target Company will be able to generate steady income from its future sales of the Development Project. Since the Loan Framework Agreement provides that the Target Company is entitled to request for early repayment from the Vendor and the Purchaser or their respective direct holding companies or designated fellow subsidiaries in the PRC when the Target Company faces liquidity issues, the entering into of the Loan Framework Agreement provides a flexibility for the Group to better utilize the idle cash of the Target Company without adversely affecting the Target Company's liquidity and financial performance and enhance the working capital of the Group as a whole.

LETTER FROM THE BOARD

Further, the loans under the Loan Framework Agreement are provided by the Target Company to the Vendor and the Purchaser in their capacities as shareholders of the Target Company on a pro-rata basis. After doing a balancing exercise, the Board considers that providing the loans to the Vendor and the Purchaser by applying the same terms and conditions would be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Directors (including the independent non-executive Directors) are of the view that the Agreements have been entered into in the ordinary and usual course of business of the Company after arm's length negotiation between the parties, are on normal commercial terms, and the terms thereof are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

None of the Directors has a material interest in the transactions contemplated under the Agreements and none of them is required to abstain, or has abstained, from voting on the relevant board resolutions approving the transactions contemplated under the Agreements.

9. LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in relation to each of the Consideration payable by the Purchaser under the Share Transfer Agreement and the maximum amount of loans that may be provided by the Target Company to the Purchaser at any time during the term of the Loan Framework Agreement exceeds 25% but all applicable percentage ratios are below 75%, each of the transactions contemplated under the Agreements would constitute a major transaction for the Company subject to reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Upon completion of the Disposal, the Purchaser holds 45% of the entire equity interest in the Target Company and becomes a substantial shareholder of the Target Company. As the Target Company is a newly established company, based on the management accounts of the Target Company prepared in accordance with generally accepted accounting principles in the PRC, the Target Company has not recorded any revenue and profits since its establishment. The total assets, profits and revenue of the Target Company as compared to that of the Group are all less than 10% and accordingly, the Target Company is an insignificant subsidiary of the Company. Notwithstanding the Purchaser being the substantial shareholder of the Target Company upon completion of the Disposal, the Purchaser is not regarded as a connected person of the Company pursuant to Rule 14A.09 of the Listing Rules and the transaction contemplated under the Loan Framework Agreement would not constitute a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has any material interest in the Agreements and is required to abstain from voting if the Company were to convene a general meeting for the approval of the Agreements. As at the Latest Practicable Date, June Glory, the immediate controlling shareholder of the Company, holds 2,071,095,506 Shares, representing

LETTER FROM THE BOARD

approximately 61.88% of the issued share capital of the Company. Accordingly, the Company has obtained the written approval from June Glory, no extraordinary general meeting of the Company will be convened for the purpose of approving the entering into of the Agreements and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules.

The purpose of this circular is to provide you with, among others, further details of the Agreements and other information as required under the Listing Rules for information purposes only.

10. RECOMMENDATIONS

The Directors (including the independent non-executive Directors) are of the view that the Agreements have been entered into in the ordinary and usual course of business of the Company and the terms thereof are on normal commercial terms which are made on an arm's length basis and are fair and reasonable, and in the best interests of the Company and the Shareholders as a whole.

If a general meeting of the Company were to be convened for the approval of the Agreements and the transactions contemplated thereunder, the Board would recommend the Shareholders to vote in favour of the resolutions to approve the Agreements and the transactions contemplated thereunder in such general meeting.

11. ADDITIONAL INFORMATION

Your attention is drawn to the additional information as set out in the appendices to this circular.

Yours faithfully,
By Order of the Board
Minmetals Land Limited
He Jianbo
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the three years ended 31 December 2018, 2019 and 2020 and for the period ended 30 June 2021 respectively are disclosed in the following documents which have been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.minmetalsland.com):

- the annual report of the Company for the year ended 31 December 2018 (pages 151 to 321);
<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0403/ltn20190403806.pdf>
- the annual report of the Company for the year ended 31 December 2019 (pages 137 to 311);
<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0422/2020042200992.pdf>
- the annual report of the Company for the year ended 31 December 2020 (pages 145 to 331); and
<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0423/2021042301079.pdf>
- the interim report of the Company for the period ended 30 June 2021 (pages 43 to 81).
<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0910/2021091000525.pdf>

2. INDEBTEDNESS

Bank borrowings

As at the close of business on 30 November 2021, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the Group had aggregate outstanding bank borrowings of approximately HK\$19,150.84 million, details of which are set out below:

| | <i>HK\$' million</i> |
|---|-------------------------|
| Bank borrowings | |
| Short term bank loans, unsecured and guaranteed | 7,997.43 |
| Short term bank loans, secured and guaranteed | 2,973.85 |
| Long term bank loans, secured and unguaranteed | 220.07 |
| Long term bank loans, unsecured and guaranteed | <u>7,959.49</u> |
| | <u><u>19,150.84</u></u> |

Loans from non-controlling shareholders of subsidiaries

As at the close of business on 30 November 2021, the Group had outstanding loans from non-controlling shareholders of subsidiaries of approximately HK\$1,539.65 million, which are unsecured and unguaranteed.

Amounts due to associates

As at the close of business on 30 November 2021, the Group had outstanding amounts due to associates of approximately HK\$2,462.14 million, which are unsecured and unguaranteed.

Amounts due to non-controlling shareholders of subsidiaries

As at the close of business on 30 November 2021, the Group had outstanding amounts due to non-controlling shareholders of subsidiaries of approximately HK\$403.29 million, which are unsecured and unguaranteed.

Amounts due to fellow subsidiaries

As at the close of business on 30 November 2021, the Group had outstanding amounts due to fellow subsidiaries of approximately HK\$1,951.75 million, which are unsecured and unguaranteed.

Charges on Group's assets

As at 30 November 2021, certain assets of the Group were pledged to secure certain banking facilities granted to the Group and mortgage loan facilities to the purchasers of the Group's properties, and these pledged assets of the Group included:

- i. inventories with carrying amounts of approximately HK\$6,297 million; and
- ii. 100% equity interest in a subsidiary.

Guaranteed bonds

As at the close of business on 30 November 2021, the Group had two guaranteed bonds of approximately HK\$2,331.55 million and HK\$971.96 million, respectively. The principal amounts of the two guaranteed bonds are US\$300 million and US\$125 million, respectively. The guaranteed bonds are unsecured and guaranteed by the Company and have the benefit of a keepwell deed from China Minmetals, the ultimate controlling shareholder of the Company.

Lease obligations

As at the close of business on 30 November 2021, the Group, as a lessee, has outstanding unpaid contractual lease payments for the remainder of the relevant lease terms amounting to HK\$57.19 million, which are neither secured nor guaranteed.

Financial guarantees

As at the close of business on 30 November 2021, the Group had provided guarantees to certain banks relating to mortgage facilities arranged for certain buyers of properties developed by the Group and the outstanding mortgage loans under these guarantees amounted to HK\$10,654.43 million.

General

Save as aforesaid and apart from intra-group liabilities, the Group did not have any debt securities, issued and outstanding, and authorised or otherwise created but unissued, any other outstanding loan capital, any other borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptance (other than normal trade bills) or similar indebtedness, debentures, mortgages, charges, loans, acceptance credits, recognised lease liabilities, hire purchase commitments, guarantees or other material contingent liabilities at the close of business on 30 November 2021.

3. WORKING CAPITAL

The Directors are of the opinion that, taking into account the Group's available financial resources including internally generated cash flows, credit facilities and cash on hand, the Group has sufficient working capital to satisfy its requirements for at least the next 12 months from the date of publication of this circular, in the absence of unforeseeable circumstances.

4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Central Government of the PRC continued to regulate the real estate market in 2021, introducing various measures to satisfying its goals of stabilising land prices, property prices and expectations, while property prices in the PRC were relatively stable throughout the year with a downturn in the land market. It is expected that the Central Government of the PRC will continue to properly regulate the property market development and establish a long-term mechanism for both rent and sale in accordance with the principle that "houses are for living in, not for speculation" in 2022.

The Company will continue to speed up the implementation of the "urban operator" from a "property developer" strategy in the light of the ongoing epidemic and escalating regulation in the real estate market. Riding on its industry experience, development capabilities and resources accumulated over a number of projects, the Company has developed several innovative businesses, namely integrated regional development, special industrial parks and others, as well as established a comprehensive investment, planning, promotion and operation management regime, with a focus on the overall development goals and development plans of local cities, closely integrating real estate development with industrial structure, urban development and urban economy, which has created sustainable development opportunities for the Company while meeting the needs of urban residents. Meanwhile, the Company will continue destocking, enhance its product quality, and further develop the green construction in order to achieve the environmental and sustainable goals of energy saving and emission reduction.

The Group will adhere to prudent financial management principles to accelerate cash collection, strengthen cost control and optimize the financing structure, so as to maintain a stable and healthy capital chain. In terms of financing, gearing control, the broadening of funding channel and partnership with financial institutions and industry peers will become mainstream practice, and fully utilise capital raising capability in our listed Hong Kong platform.

*The following is the text of a letter and valuation report prepared for the purpose of incorporation in this circular received from **Vigers Appraisal and Consulting Limited**, an independent professional valuer, in connection with the valuation of the property interest of the property to be disposed of by the Group as at 30th December 2021.*

Vigers Appraisal and Consulting Limited

General Practice Sector

27/F Standard Chartered Tower,
Millennium City 1, No. 388 Kwun Tong Road,
Kowloon, Hong Kong

T: +852 6651-5330 E: GP@Vigers.com W: www.Vigers.com



20 January 2022

The Board of Directors
Minmetals Land Limited

18th Floor, China Minmetals Tower,
No. 79 Chatham Road South, Tsim Sha Tsui, Kowloon,
Hong Kong

Dear Sirs,

We refer to the recent instruction from “**Minmetals Land Limited**” (referred to as the “Company”) and/or its subsidiary(ies) (together referred to as the “Group”) to us to value the property interest(s) of “**Lot No. 2021-WG-49, located at Southern of Min Sheng Road and Western of Xin Pu Road, Gao Mao Sub-district, Su Zhou Gong Ye Yuan District, Suzhou City, Jiangsu Province, the People’s Republic of China**” to be disposed of by the Group in relation to the admission of “Suzhou RK Real Estate Co., Ltd.” (the “Purchaser”) to contribute 45% of the registered capital of “Kuangjin Property Development (Suzhou) Co., Ltd.” (the “Target Company”), we confirm that we have inspected the property, made relevant enquiries and investigations as well as obtained such further information as we consider necessary for the purpose of providing our opinion of value of the property as at 30th December 2021 (the “Date of Valuation”).

BASIS OF VALUE

Our valuation is our opinion of market value of the property(ies) which is defined as intended to mean “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”. Our valuations have been prepared in accordance with “HKIS Valuation Standards 2020” published by “The Hong Kong Institute of Surveyors” (“HKIS”), “RICS Valuation — Global Standards” published by the “Royal Institution of Chartered Surveyors” (“RICS”), relevant provisions in the Companies Ordinance and the “Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited” (Main Board) published by “The Stock Exchange of Hong Kong Limited” (“HKEx”).

Market value is the best price reasonably obtainable in the market by the seller and the most advantageous price reasonably obtainable in the market by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of special value. The market value of a property is also estimated without regard to costs of sale and purchase, and without offset for any associated taxes.

APPROACH TO VALUE

In our valuation, we have adopted market approach which provides an indication of value by comparing the asset with identical or comparable (that is similar) assets for which price information is available. We have applied comparison method of valuation whereby comparisons based on actual sales transactions and/or offering of comparable properties have been made. Comparable properties with similar character, location and so on are analysed and carefully weighed against all respective advantages and disadvantages of the property in order to arrive at a fair comparison of value.

TITLE INVESTIGATION

The property is located in the “People’s Republic of China” (the “PRC”), and we have been given extracted copy(ies) of relevant title document(s) for the property but we have not checked the title(s) to the property nor scrutinized the original title document(s). We have relied on the advice given by the Group and her legal adviser on the laws of the PRC, Dentons Nanjing LLP “北京大成(南京)律師事務” (hereinafter referred to as the “PRC Legal Adviser”) regarding title(s) to and ownership of the property. For the purpose of our valuation, we have taken the legal opinion prepared by the PRC Legal Adviser into account, in particular title(s), ownership, encumbrances and so on of the property. While we have exercised our professional judgement in arriving at our valuation, you are urged to consider our valuation assumptions with caution.

VALUATION CONSIDERATION

Having examined all relevant documents, we have relied to a considerable extent on the information given by the Group, particularly planning approval(s) or statutory notice(s), easement(s), land-use rights’ term(s), site and floor areas, development option(s), development costs’ expended and to be expended, occupancy status as well as in the identification of the property. We have had no reason to doubt the truth and accuracy of the information provided to us by the Group, the PRC Legal Adviser, and we have been advised that no material fact has been omitted from the information provided. We have not carried out detailed on-site measurement to verify the correctness of the site and floor areas of the property but we have assumed that the site and floor areas shown on the document(s) handed to us are accurate and reliable. All dimension(s), measurement(s) and area(s) included in our valuation report are based on the information contained in the document(s) provided to us and are therefore approximations.

We had carried out on-site inspection to the property and surrounding environment, but not in any form of a building survey, on 28th December 2021. But we must stress that we have not carried out any structural survey nor have we inspected the woodwork or other part(s) of the structure(s) of the property which were covered, unexposed or inaccessible to us. We are therefore unable to report whether such part(s) of the property is free from any structural or non-structural defect.

VALUATION ASSUMPTION

Our valuation has been made on the assumption that the property could be sold in the prevailing market in existing state assuming sale with vacant possession and without the effect of any deferred term contract, leaseback, joint venture or any other similar arrangement which may serve to affect the value of the property unless otherwise noted or specified. In addition, no account has been taken into of any option or right of pre-emption concerning or affecting the sale of the property. No consideration has been made for the property being sold in bulk or as a portfolio or portfolios.

In our valuation, we have assumed that the owner of the property has free and uninterrupted rights to use and assign the property during the unexpired land-use rights' term(s) granted subject to payment of usual land-use fee(s). Our valuation for the property is carried out on the basis of a cash purchase, and no allowance has been made for interest(s) and/or funding cost(s) in relation to the sale or purchase of the property.

We had carried out on-site inspection to the property but no soil investigation has been carried out to determine the suitability of ground condition or building services for any property development erected or to be erected on the property. Our valuation has been carried out on the assumption that these aspects are satisfactory.

Our value assessment of the property is the value estimated without regard to cost(s) of sale or purchase or transaction and without offset for any associated tax(es) or potential tax(es). Any transaction cost(s) or encumbrances such as mortgage, debenture or other charges against the property has/have been disregarded. In our valuation, we have assumed that the property is free from encumbrances, restriction(s) and outgoing(s) of an onerous nature which may serve to affect the value of the property.

REMARKS

As confirmed by the Group,

- (1) the use(s) of the property do(es) not constitute any breach of environmental regulation(s); and
- (2) there is no plan to change the use(s) of the property.

We hereby confirm that:

- (1) we have no present or prospective interest in the property; and are not a related corporation of nor having a relationship with the Group, the Purchaser or other party/parties who the Group or the Purchaser is/are contracting with;
- (2) we are authorised to practise as external valuer and have the necessary expertise and experience in valuing similar types of properties;
- (3) our valuation has been prepared on a fair and unbiased basis;
- (4) the valuer's compensation is not contingent upon reporting of a predetermined value or direction in value(s) that favours the cause of the vendor(s) or purchaser(s), the amount(s) of the value estimate, the attainment of a stipulated result, or occurrence of subsequent event(s); and
- (5) we are independent of the Group and the Purchaser.

Unless otherwise stated, all monetary amounts stated herein are denoted in Renminbi ("RMB"), the lawful currency of the PRC.

We enclose herewith the core content of our valuation report.

Yours faithfully,
For and on behalf of
VIGERS APPRAISAL AND CONSULTING LIMITED

Sr. David W. I. CHEUNG
MRICS MHKIS RPS(GP) CREA
RICS Registered Valuer
Executive Director

Note: Mr. David W. I. Cheung is a Registered Professional Surveyor in General Practice Division with over 38 years' valuation experience on property in various regions including Hong Kong, Macao, the PRC, Japan, the United Kingdom, Canada and the United States of America, who has been vetted on the list of property valuers for undertaking valuations for incorporation or reference in listing particulars and circulars and valuations in connection with takeovers and mergers published by The Hong Kong Institute of Surveyors, and is suitably qualified for undertaking valuations relating to listing exercises. Mr. Cheung has over 13-year of experience with Vigers Appraisal and Consulting Limited.

PROPERTY VALUATION REPORT

Property Interest(s) to be Disposed of by the Group for Development Purpose

| Property | Description and Tenure | Occupancy Status | Market Value in Existing State as at the Date of Valuation |
|--|---|--|---|
| Lot No. 2021-WG-49, located at Southern of Min Sheng Road and Western of Xin Pu Road, Gao Mao Sub-district, Su Zhou Gong Ye Yuan District, Suzhou City, Jiangsu Province, the People's Republic of China | To be completed in 2024, the property is intended to be developed into a large-scale residential estate comprising various medium and high-rise residential buildings with basement carpark underneath. The property has a site area of about 55,903.47 square metres and an intended aboveground gross floor area of about 111,806.54 square metres. The property is held under granted land-use rights for urban residential use with expiry date on 2nd November 2091. | As inspected and as advised by the Group, the property was in bare site status pending for property development. | RMB2,200,000,000 (RENMINBI TWO BILLION TWO HUNDRED MILLION ONLY) (55% interest attributable to the Company after disposal: RMB1,210,000,000 (RENMINBI ONE BILLION TWO HUNDRED TEN MILLION ONLY)) |

Notes:

- Pursuant to “Jiangsu City Land-use Rights Grant Contract” (Document No.: 3205032021CR0044) and its “Supplementary Agreement(s)”, the land-use rights of the property was granted to “Kuangjin Property Development (Suzhou) Co., Ltd.” at a total land price of RMB2,197,250,000 inclusive of land-use rights grant premium, land development amount and urban ancillary facilities’ costs but exclusive of Deed Tax; and is subject to the following salient development conditions.

| | | |
|--------------------|---|---|
| Plot Ratio | : | 1.6–2.0 |
| Site Coverage | : | ≤ 30% |
| Building Covenants | : | I. To commence construction work before 18th September 2022 II. To complete construction work before 18th September 2024 |
| Greenery Coverage | : | ≥ 35% |
- Pursuant to “Real Estate Title Certificate” (Document No.: Su (2021) Su Zhou Gong Ye Yuan Qu Bu Dong Chan Quan No. 0000221), the granted land-use rights of the property is vested in the name of “Kuangjin Property Development (Suzhou) Co., Ltd.”.
- Pursuant to “Construction Land-use Planning Permit” (Document No.: Di Zi No. 3205999202100071), the land-use of the property complies with urban planning requirements.
- Pursuant to “Construction Work Planning Permit” (Document No.: Jian Zi No. 320500202100040), the construction work of the property having an aggregate gross floor area of about 168,723 square metres complies with urban planning requirements.

5. The PRC Legal Adviser has provided certain advice in her legal opinion, including but not limited to, that:
 - (1) the land-use rights of the property is legally vested in “Kuangjin Property Development (Suzhou) Co., Ltd.”;
 - (2) “Kuangjin Property Development (Suzhou) Co., Ltd.” has the rights to develop, use, operate, transfer, lease, mortgage or use for other economic activities during the land-use rights’ term subject to compliance of laws and regulations, State-owned Land-use Rights Grant Contract and urban planning requirements;
 - (3) the rights of the property pursuant to “Real Estate Title Certificate” is vested in the name of “Kuangjin Property Development (Suzhou) Co., Ltd.”; and
 - (4) the property is not subject to mortgage.
6. An inspection to the property and surrounding environment, but not in any form of a building survey, was carried out by **Ms. Lucy H.R. LU CREA** under the supervision of **Sr David W. I. CHEUNG MRICS MHKIS RPS(GP) CREA RICS Registered Valuer** and on 28th December 2021.
7. The property is located in a fast developing residential and commercial mixed-user area in Su Zhou Gong Ye Yuan District of Suzhou where comprises various mass residential estates, shopping arcades and office buildings with ancillary facilities such as landscaped garden, schools and government offices nearby. Accommodation values of comparable site transactions vary from RMB18,000 per square metre to RMB27,514 per square metre on plot ratio gross floor area basis. In respect of the selection criteria of the comparable site transactions, we have selected and analyzed the transactions which were transacted within previous one year from the Date of Valuation with similar characteristics to the property including location, size, as well as permitted land use, plot ratio and site coverage.
8. As advised by the Company, the property will be recorded as an inventory in the consolidated balance sheet of the Company upon the disposal.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, as at the Latest Practicable Date, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES

As at the Latest Practicable Date, the Directors and chief executives of the Company and their associates had the following interests in the Shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO), which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “**Model Code**”), to be notified to the Company and the Stock Exchange were as follows:

Interests in the Shares

| Name of Director | Nature of interest | Number of Shares held | Approximate percentage of the total issued Shares ^(Note) |
|--------------------|--------------------|-----------------------|---|
| Mr. He Jianbo | Personal | 2,040,000 | 0.06% |
| Mr. Yang Shangping | Personal | 1,846,667 | 0.06% |
| Ms. He Xiaoli | Personal | 783,333 | 0.02% |

Note: The percentage was calculated based on a total of 3,346,908,037 Shares in issue as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executives of the Company hold any interest or short position in the Shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

3. DIRECTORS' POSITIONS IN SUBSTANTIAL SHAREHOLDERS

Saved as disclosed below, as at the Latest Practicable Date, so far as was known to the Directors, none of the Directors was a director or employee of a company which had an interest or short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

- (a) each of Mr. He Jianbo, Mr. Liu Bo, Mr. Chen Xingwu, Mr. Yang Shangping and Ms. He Xiaoli is an employee of China Minmetals; and
- (b) Ms. He Xiaoli is a director of China Minmetals H.K. (Holdings) Limited, which is a non wholly-owned subsidiary of China Minmetals.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, no Director had a service contract with any member of the Group which is not expiring or determinable by the Group within one year without payment of compensation, other than statutory compensation.

5. DIRECTORS' INTERESTS IN COMPETING BUSINESS

Mr. He Jianbo, being the Chairman of the Board and the executive Director, is also a director of the following indirect non wholly-owned subsidiaries of China Minmetals:

- (a) Minmetals (Liaoning) Industrial Park Real Estate Development Co., Ltd.* (五礦(遼寧)產業園發展有限公司) (“**Liaoning Industrial Park**”), which is a company established under the laws of the PRC with limited liability and is principally engaged in the development of Minmetals (Yingkou) Industrial Park* (五礦(營口)產業園);
- (b) Minmetals Real Estate Co., Ltd.* (五礦置業有限公司) (“**Minmetals Real Estate**”), which is a company established under the laws of the PRC with limited liability and is principally engaged in real estate development and operation, construction, property management, real estate agency, real estate advertising and exhibition and other real estate related business; and

- (c) Minmetals Land Holdings Co., Ltd.* (五礦地產控股有限公司) (“**Minmetals Land Holdings**”), which is a company established under the laws of the PRC with limited liability and is principally engaged in real estate development, construction contracting and sub-contracting, property management, surveying and designing of construction projects, project investment, provision of technical services, investment consultancy and corporate management consultancy.

Mr. Liu Bo, being the managing Director and the executive Director, is also a director of Minmetals Land Holdings.

Mr. Chen Xingwu, being the deputy managing Director and the executive Director, is also a director of Minmetals Real Estate and Minmetals Land Holdings.

Mr. Yang Shangping, being the deputy managing Director and the executive Director, is also a director of Liaoning Industrial Park and Minmetals Land Holdings.

Ms. Law Fan Chiu Fun, Fanny, being the independent non-executive Director, is also a director of China Resources (Holdings) Company Limited (華潤(集團)有限公司), the holding company of China Resources Land Limited (華潤置地有限公司), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1109), which engages in real estate development operation in the PRC.

In the event that the Board decides that there are issues of conflict between the Group and the aforementioned companies, conflicting Directors will abstain from voting on the relevant resolutions.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or their respective associates (as if each of them were treated as a controlling shareholder under Rule 8.10 of the Listing Rules) had any competing interests in a business which competes or is likely to compete with the business of the Group.

6. DIRECTORS’ INTERESTS IN ASSETS AND CONTRACTS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been, since 31 December 2020 (being the date to which the latest published audited consolidated financial statements of the Company were made up), acquired or disposed of by or leased to or were proposed to be acquired or disposed of by or leased to any member of the Group.

There was no contract or arrangement subsisting as at the date of this circular in which any of the Directors was materially interested and which was significant in relation to the business of the Group. However, Mr. Tsui Ki Ting, who is a director of Dragon Construction (Nanjing) Property Co., Ltd.* (龍建(南京)置業有限公司) (“**DCNP**”), a subsidiary of the Company, was interested in the shareholders’ agreement of Oriental Dragon Construction Limited (“**ODCL**”), the immediate holding company of DCNP, dated 11 April 2006 entered into between Karman Industries Limited (“**KIL**”), Stillpower Limited, both being wholly-owned subsidiaries of the Company, World Ocean

Development Limited (“WODL”) and ODCL in respect of the transfer of a 29% equity interest in ODCL from KIL to WODL at a total consideration of HK\$2,900 and the management and operations of ODCL which is engaged in the Laguna Bay Project, a completed residential development project located in Jiangning District, Nanjing City, Jiangsu Province, the PRC. As at the Latest Practicable Date, Mr. Tsui Ki Ting had a controlling interest in WODL which in turn owned 29% equity interest in ODCL, and the remaining 71% equity interest in ODCL was owned indirectly by the Company.

7. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2020, the date to which the latest published audited consolidated financial statements of the Company were made up.

8. LITIGATION

As at the Latest Practicable Date, neither the Company nor any member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against the Company or any member of the Group.

9. MATERIAL CONTRACTS

Saved as disclosed below, no material contracts (not being contracts entered into in the ordinary and usual course of business carried out by the Group) have been entered into by any members of the Group within the two years immediately preceding the date of this circular:

- (a) an agreement of intent dated 2 March 2020 entered into between Shengshi Guangye and Shenzhen Runtou Consulting Co., Ltd.* (深圳市潤投諮詢有限公司) (“**Shenzhen Runtou**”) as an investor, in relation to the admission of Shenzhen Runtou to contribute 49% of the registered capital and the shareholder’s loan of Shenzhen Kuangrun Property Development Co., Ltd.* (深圳市礦潤房地產開發有限公司) (“**Shenzhen Kuangrun**”) for a total sum up to RMB1,259.3 million if the transactions contemplated thereunder materializes, further details of which are set out in the announcement of the Company dated 2 March 2020;
- (b) a cooperation framework agreement dated 2 March 2020 entered into between Shengshi Guangye, Shenzhen Runtou as an investor and Shenzhen Kuangrun as the target company, in relation to the admission of Shenzhen Runtou to contribute 49% of the registered capital and the shareholder’s loan of Shenzhen Kuangrun for a total sum of up to RMB1,259.3 million, further details of which are set out in the announcement of the Company dated 2 March 2020;
- (c) an equity transfer agreement dated 18 March 2020 entered into between Minmetals Land Hunan Development Co., Ltd.* (五礦地產湖南開發有限公司) (“**Minmetals Land Hunan**”) as the seller and Taian Hanhe Property Development

- Co., Ltd.* (泰安漢和置業有限公司) as the purchaser in relation to the acquisition of the entire equity interest of Minmetals Land Laiwu Development Ltd.* (五礦地產(萊蕪)開發有限公司) and the shareholders' loan for a total sum of approximately RMB84 million;
- (d) an equity transfer agreement dated 1 June 2020 entered into between Minmetals Land Hunan and CITIC Trust Co., Ltd.* (中信信託有限責任公司) (“**CITIC Trust**”) in relation to the transfer of 51% of the equity interest of Minmetals Land (Xining) Development Co., Ltd.* (五礦地產(西寧)開發有限公司) (“**Minmetals Land Xining**”), such equity interest being held by CITIC Trust as security in relation to certain sum due by Minmetals Land Xining to CITIC Trust, to Minmetals Land Hunan for nil consideration upon repayment of the aforementioned sum;
- (e) an equity transfer agreement dated 18 June 2020 entered into between Shengshi Guangye and Minmetals Real Estate in relation to the acquisition of 49% of the equity interests of Tianjin Yijiahe Real Estate Co., Ltd.* (天津市億嘉合置業有限公司) by Shengshi Guangye from Minmetals Real Estate for a total sum of approximately RMB1,475.45 million, further details of which are set out in the announcement of the Company dated 18 June 2020 and the circular of the Company dated 21 July 2020;
- (f) a capital injection agreement dated 18 June 2020 entered into among The 23rd Metallurgical Construction Group Co., Ltd. of Minmetals* (五礦二十三冶建設集團有限公司) (“**23rd Metallurgical**”), Shengshi Guangye as an investor and Minmetals Land Hunan as the target company in relation to the admission of Shengshi Guangye to contribute 51% of the equity interest in Minmetals Land Hunan for a total sum of RMB1,327.32 million, further details of which are set out in the announcement of the Company dated 18 June 2020 and the circular of the Company dated 21 July 2020;
- (g) a loan agreement dated 30 June 2020 entered into between Guangzhou Kuangmao and Shengshi Guangye, Ningbo Yinzhou Xiefeng Property Investment Consulting Co., Ltd.* (寧波市鄞州協豐房產投資諮詢有限公司) (“**Xiefeng**”) in relation to the provision of a loan by Guangzhou Kuangmao to Xiefeng in the amount of RMB122.5 million, further details of which are set out in the announcement of the Company dated 11 January 2021, and a loan agreement dated 30 June 2020 entered into between Guangzhou Kuangmao and Minmetals Land Investment Management (Beijing) Co., Ltd.* (五礦建設投資管理(北京)有限公司) (“**Minmetals Land Beijing**”) in relation to the provision of a loan by Guangzhou Kuangmao to Minmetals Land Beijing in the amount of RMB127.5 million;
- (h) a capital injection agreement dated 30 September 2020 entered into among Shengshi Guangye, Shenzhen Runtou as an investor and Shenzhen Kuangrun as the target company in relation to the admission of Shenzhen Runtou to contribute 49% of the registered capital of Shenzhen Kuangrun for a total sum of

approximately RMB1,331.73 million, further details of which are set out in the announcement of the Company dated 30 September 2020 and the circular of the Company dated 23 October 2020;

- (i) a cooperation agreement dated 28 October 2020 entered into between Shengshi Guangye and China Merchants Land (Shenzhen) Co., Ltd.* (招商局置地(深圳)有限公司) in relation to, among others, the formation of Guangzhou Kuangyu Investment Co., Ltd.* (廣州市礦譽投資有限公司) (“**Guangzhou Kuangyu**”) on a 51: 49 basis for the tender for the acquisition of 90% of the equity interest in Guangzhou Pincheng Real Estate Development Co., Ltd.* (廣州市品誠房地產開發有限公司) (“**Guangzhou Pincheng**”) (the “**Pincheng’s Target Interest**”) and 90% of the shareholder’s loan(s) owing by Guangzhou Pincheng to Guangzhou Metro Group Co., Ltd.* (廣州地鐵集團有限公司) (“**Guangzhou Metro**”) (the “**Metro’s Shareholder’s Loan**”) as at 30 April 2020, further details of which are set out in the announcement of the Company dated 28 October 2020 and the circular of the Company dated 22 December 2020;
- (j) the tender documents in respect of the bidding process held by Guangzhou Enterprises Mergers and Acquisitions Services* (廣州產權交易所) in relation to the acquisition of the Pincheng’s Target Interest and the assignment of the Metro’s Shareholder’s Loan, further details of which are set out in the announcement of the Company dated 6 November 2020 and the circular of the Company dated 22 December 2020;
- (k) a share transfer agreement dated 17 November 2020 entered into between Guangzhou Metro and Guangzhou Kuangyu in relation to the acquisition of the Pincheng’s Target Interest and the assignment of the Metro’s Shareholder’s Loan, further details of which are set out in the circular of the Company dated 22 December 2020;
- (l) an equity transfer agreement dated 14 December 2020 entered into between Minmetals Land Construction & Engineering Limited (五礦建設工程有限公司) as the seller, 23rd Metallurgical as the purchaser, Minmetals Condo (Shanghai) Construction Co., Ltd.* (五礦瑞和(上海)建設有限公司) (“**Condo Shanghai**”) as the target company and the Company in relation to the disposal of the entire equity interest in Condo Shanghai for a total sum of approximately RMB4.29 million, further details of which are set out in the announcement of the Company dated 14 December 2020;
- (m) a loan agreement dated 11 January 2021 entered into between Guangzhou Kuangmao and each of Minmetals Land Beijing and Xiefeng in relation to the provision of a loan by Guangzhou Kuangmao to Minmetals Land Beijing in an amount of RMB127.5 million and Xiefeng in an amount of RMB122.5 million respectively, further details of which are set out in the announcement of the Company dated 11 January 2021;

- (n) a loan agreement dated 30 March 2021 entered into between Shenzhen Kuangrun, Shengshi Guangye and Minmetals Land Beijing in relation to the provision of loans by Shenzhen Kuangrun to Minmetals Land Beijing for an amount not exceeding RMB51 million on an unsecured basis at an annual interest rate of 3.85%, further details of which are set out in the circular of the Company dated 17 May 2021;
- (o) a loan agreement dated 30 March 2021 entered into between Shenzhen Kuangrun, Shenzhen Runtou and China Resources Land Holdings Co., Ltd.* (華潤置地控股有限公司) (“**CRL Holdings**”) in relation to the provision of loans by Shenzhen Kuangrun to CRL Holdings for an amount not exceeding RMB49 million on an unsecured basis at an annual interest rate of 3.85%, further details of which are set out in the circular of the Company dated 17 May 2021;
- (p) a loan framework agreement dated 26 April 2021 entered into between Guangzhou Kuangmao, Shengshi Guangye and Xiefeng, pursuant to which Guangzhou Kuangmao has agreed to provide entrustment loans or directly provide loans to Shengshi Guangye (or its direct holding company or designated fellow subsidiaries in the PRC) for an amount not exceeding RMB969 million and to Xiefeng (or its direct holding company or designated fellow subsidiaries in the PRC) for an amount not exceeding RMB931 million based on the same terms and conditions and in proportion to their respective shareholdings in Guangzhou Kuangmao on an unsecured interest-free basis, further details of which are set out in the announcement of the Company dated 26 April 2021 and the circular of the Company dated 17 May 2021;
- (q) a loan framework agreement dated 26 April 2021 entered into between Shenzhen Kuangrun, Shengshi Guangye and Shenzhen Runtou, pursuant to which Shenzhen Kuangrun has agreed to provide entrustment loans or directly provide loans to Shengshi Guangye (or its direct holding company or designated fellow subsidiaries in the PRC) for an amount not exceeding RMB637.5 million and to Shenzhen Runtou (or its direct holding company or designated fellow subsidiaries in the PRC) for an amount not exceeding RMB612.5 million based on the same terms and conditions and in proportion to their respective shareholdings in Shenzhen Kuangrun on an unsecured basis at an annual interest rate of 3.85%, further details of which are set out in the announcement of the Company dated 26 April 2021 and the circular of the Company dated 17 May 2021; and
- (r) a loan framework agreement dated 26 April 2021 entered into between Beijing Wanhu Property Development Co., Ltd.* (北京萬湖房地產開發有限公司) (“**Beijing Wanhu**”), Minmetals Land Investment Management Limited (五礦建設投資管理有限公司) (“**MLIML**”) and Beijing Vanke Co., Ltd.* (北京萬科企業有限公司) (“**Beijing Vanke**”), pursuant to which Beijing Wanhu has agreed to provide loans to MLIML (or its designated wholly-owned subsidiaries in the PRC) for an amount not exceeding RMB2,142 million and to Beijing Vanke for an amount not exceeding RMB2,058 million based on the same terms and conditions and in

proportion to their respective shareholdings in Beijing Wanhu on an unsecured interest-free basis, further details of which are set out in the announcement of the Company dated 26 April 2021 and the circular of the Company dated 17 May 2021.

10. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert who has given opinions or advices contained in this circular:

| Name | Qualification |
|---|--|
| Vigers Appraisal and Consulting Limited | independent professional property valuer |

As at the Latest Practicable Date, the expert named above:

- (a) did not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group;
- (b) did not have any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group, since 31 December 2020, the date to which the latest published audited consolidated financial statements of the Company were made up; and
- (c) has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter or report and reference to its name in the form and context in which it appears.

11. MISCELLANEOUS

- (a) The registered office of the Company is at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM10, Bermuda, and the head office and the principal place of business in Hong Kong is at 18th Floor, China Minmetals Tower, 79 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong.
- (b) The branch share registrar of the Company is Computershare Hong Kong Investor Services Limited located at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (c) The secretary of the Company is Mr. Cheng Ka Hang, Francis who is an associate member of The Chartered Governance Institute and The Hong Kong Chartered Governance Institute.
- (d) The English text of this circular shall prevail over the Chinese text, in case of any inconsistency.

12. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<https://www.minmetalsland.com>) for not less than 14 days from the date of this circular (both days inclusive):

- (a) the property valuation report prepared by Vigers, the text of which is set out in Appendix II to this circular;
- (b) the written consent referred to in the paragraph headed “10. QUALIFICATION AND CONSENT OF EXPERT” in this appendix;
- (c) the Cooperation Agreement;
- (d) the Funding Agreement;
- (e) the Share Transfer Agreement; and
- (f) the Loan Framework Agreement.