
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

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

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五礦地產有限公司 MINMETALS LAND LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 230)

(1) MAJOR TRANSACTION AND RENEWAL OF CONTINUING CONNECTED TRANSACTIONS (FINANCIAL SERVICES FRAMEWORK AGREEMENT) AND (2) NOTICE OF SPECIAL GENERAL MEETING

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**



红日资本有限公司
RED SUN CAPITAL LIMITED

A letter from the Board is set out on pages 6 to 16 of this circular. A letter from the Independent Board Committee is set out on pages 17 to 18 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 19 to 33 of this circular.

A notice convening the SGM to be held at Monet Room B, Basement 1, InterContinental Grand Stanford Hong Kong, 70 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Friday, 19 March 2021 at 10:30 a.m. is set out on pages SGM-1 to SGM-2 of this circular. A form of proxy for use at the SGM is enclosed. Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not later than 10:30 a.m. on Wednesday, 17 March 2021. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

PRECAUTIONARY MEASURES FOR THE SPECIAL GENERAL MEETING

Please see page 1 of this circular for precautionary measures being taken to prevent and control the spread of the novel coronavirus (COVID-19) at the SGM, including:

- compulsory body temperature check
- wearing of surgical face mask
- no provision of refreshments, drinks or corporate gifts

Attendees who do not comply with the above precautionary measures may be denied entry into the SGM venue, at the absolute discretion of the Company as permitted by law.

For the health and safety of the Shareholders, the Company would like to encourage Shareholders to exercise their right to vote at the SGM by appointing the chairman of the SGM as their proxy and to return their proxy forms by the time specified above, instead of attending the SGM in person.

25 February 2021

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PRECAUTIONARY MEASURES FOR THE SGM

In view of the ongoing novel coronavirus (COVID-19) pandemic and recent requirements for prevention and control of its spread, the Company will implement the following preventive measures at the SGM to protect attending Shareholders, staff and other stakeholders from the risk of infection:

- (i) Compulsory body temperature checks will be conducted on every attendee at the entrance of the SGM venue. Any person with a body temperature of over 37.3 degrees Celsius or is exhibiting flu-like symptoms may be denied entry into the SGM venue and be requested to leave the SGM venue.
- (ii) Every attendee will be required to be properly wearing surgical face masks before they are permitted to attend, and throughout their attendance of, the SGM. Please note that no masks will be provided at the SGM venue. Attendees are advised to maintain appropriate social distance with each other at all times when attending the SGM.
- (iii) No refreshments or drinks will be served and no corporate gifts will be distributed.

Attendees who do not comply with the above precautionary measures may be denied entry into the SGM venue, at the absolute discretion of the Company as permitted by law. Attendees are in addition requested to observe and practise good personal hygiene at all times.

For the health and safety of the Shareholders, the Company would like to encourage Shareholders to exercise their right to vote at the SGM by appointing the Chairman of the SGM as their proxy instead of attending the SGM in person.

The form of proxy were despatched to Shareholders and can otherwise be downloaded from the respective websites of the Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.minmetalsland.com). In order to be valid, the form of proxy must be deposited at the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible, and in any event not later than 10:30 a.m. on Wednesday, 17 March 2021.

Due to the constantly evolving COVID-19 pandemic situation in Hong Kong, the Company may be required to change the SGM arrangements at short notice. Shareholders should check the Company's website at www.minmetalsland.com for further announcements and updates on the SGM arrangements.

If Shareholders have any questions relating to the SGM, please contact the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited:

17M Floor, Hopewell Centre
183 Queen's Road East Wanchai, Hong Kong
Telephone : (852) 2862 8555
Facsimile : (852) 2865 0990
Email : hkinfo@computershare.com.hk

DEFINITIONS

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

“2018 Agreement”	the financial services framework agreement dated 20 April 2018 entered into between the Company and Minmetals Finance in relation to the provision of financial services by Minmetals Finance to the Company and its subsidiaries in Mainland China for the three years from 20 April 2018 to 19 April 2021;
“2019 Supplemental Agreement”	the supplemental agreement to the 2018 Agreement dated 28 March 2019 entered into between the Company and Minmetals Finance in relation to, among other things, the revision of annual caps for deposit transactions contemplated under the 2018 Agreement and provision of unsecured loan;
“2021 Agreement”	the financial services framework agreement dated 2 February 2021 entered into between the Company and Minmetals Finance in relation to the financial services to be provided by Minmetals Finance to the Company and its subsidiaries in Mainland China for the three years from 20 April 2021 to 19 April 2024;
“associate(s)”, “connected person(s)”, “controlling shareholder”, “percentage ratio(s)”, “subsidiary(ies)” and “substantial shareholder(s)”	each shall have the meaning as ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“CBRC”	the China Banking Regulatory Commission;
“China Minmetals”	China Minmetals Corporation, a state-owned enterprise established under the laws of the PRC and the ultimate controlling shareholder of the Company indirectly interested in approximately 61.88% of the issued share capital of the Company as at the Latest Practicable Date;

DEFINITIONS

“CMCL”	中國五礦股份有限公司 China Minmetals Corporation Limited*, a limited liability company established under the laws of the PRC (which is owned as to approximately 88.4% by China Minmetals, approximately 9.5% by the State-owned Assets Supervision and Administration Commission of Hunan Province of the PRC and approximately 2.1% by an independent third party), and the intermediate controlling shareholder of the Company indirectly interested in approximately 61.88% of the issued share capital of the Company as at the Latest Practicable Date;
“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;
“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”	the Hong Kong Special Administrative Region of the PRC;
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors, which has been formed by the Board to advise the Independent Shareholders in respect of the 2021 Agreement and the transactions contemplated thereunder (including the Proposed Caps);
“Independent Financial Adviser”	Red Sun Capital Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the independent financial adviser that has been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the 2021 Agreement and the transactions contemplated thereunder (including the Proposed Caps);
“Independent Shareholders”	Shareholder(s) other than June Glory and its associates, and any Shareholder who has a material interest in the 2021 Agreement and the transactions contemplated thereunder;
“June Glory”	June Glory International Limited, a company incorporated in the British Virgin Islands with limited liability, and the immediate controlling shareholder of the Company holding approximately 61.88% of the issued share capital of the Company as at the Latest Practicable Date;

DEFINITIONS

“Latest Practicable Date”	22 February 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mainland China” or “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);
“Minmetals Finance”	五礦集團財務有限責任公司 Minmetals Finance Co., Ltd.*, a limited liability company established under the laws of the PRC which is owned as to 92.5% by CMCL and 7.5% by Minmetals Capital Holdings Limited (which is in turn majority-owned by China Minmetals);
“PBOC”	the People’s Bank of China, the central bank of the PRC;
“Proposed Caps”	the proposed caps for deposit transactions contemplated under the 2021 Agreement for the three years from 20 April 2021 to 19 April 2024, as set out in the section headed “Letter from the Board — Proposed Caps” in this circular;
“RMB”	Renminbi, the lawful currency of the PRC;
“SFO”	The Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“SGM”	the special general meeting of the Company to be convened to consider and, if thought fit, to approve the 2021 Agreement and the transactions contemplated thereunder (including the Proposed Caps);
“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company;
“Shareholder(s)”	holders of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“US\$”	United States dollar, the lawful currency of the United States; and

DEFINITIONS

“%” per cent.

For the purpose of illustration only and unless otherwise stated, conversion of RMB into Hong Kong dollars in this circular is calculated at the exchange rate of RMB1.00 to HK\$1.1882. 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.

* *For identification purpose only*



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*

Registered office:

Victoria Place
5th Floor, 31 Victoria Street
Hamilton HM10
Bermuda

Non-executive Director:

Ms. He Xiaoli

*Principal place of business
in Hong Kong:*

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

Independent Non-executive Directors:

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

25 February 2021

To the Shareholders

Dear Sir or Madam,

**(1) MAJOR TRANSACTION AND
RENEWAL OF CONTINUING CONNECTED TRANSACTIONS
(FINANCIAL SERVICES FRAMEWORK AGREEMENT)
AND
(2) NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 2 February 2021 in relation to, among other things, the 2021 Agreement entered into between the Company and Minmetals Finance to renew the 2018 Agreement (as supplemented by the 2019 Supplemental Agreement) in relation to the provision of current and fixed deposit services, loan services and settlement services by Minmetals Finance to the Company and its subsidiaries in Mainland China for the period from 20 April 2021 to 19 April 2024.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, further particulars of the 2021 Agreement and the transactions contemplated thereunder (including the Proposed Caps).

THE 2021 AGREEMENT

Date : 2 February 2021

Parties : (i) the Company
(ii) Minmetals Finance

Principal terms : *Financial Services*

Minmetals Finance shall provide the following financial services to the Company and its subsidiaries in Mainland China on normal commercial terms, on terms (including interest) no less favourable to the Company and its subsidiaries in Mainland China than those that could be obtained from independent third parties and on terms (including interest) which are the most favourable to the Company and its subsidiaries in Mainland China as compared to the terms offered by Minmetals Finance to other subsidiaries of China Minmetals:

(i) Current and fixed deposit services:

Pursuant to the 2021 Agreement, Minmetals Finance shall provide deposit services to the Company and its subsidiaries in Mainland China.

Interest rate for the deposits placed with Minmetals Finance by the Company and its subsidiaries in Mainland China shall not be lower than (a) the highest interest rate for comparable category of deposits offered by other major PRC commercial banks with which the Company and its subsidiaries in Mainland China have established business relationship; and (b) the highest interest rate offered by Minmetals Finance to other subsidiaries of China Minmetals for comparable category of deposits, whichever is higher.

LETTER FROM THE BOARD

(ii) Loan services:

Minmetals Finance shall provide loan services to the Company and its subsidiaries in Mainland China and no security over the assets of the Group shall be granted to Minmetals Finance for any of such loans. Minmetals Finance shall grant unsecured loan(s) of up to RMB3,000 million (equivalent to approximately HK\$3,564.60 million) to the Company and its subsidiaries in Mainland China upon its request on comparable market terms.

Interest rate to be charged by Minmetals Finance for the provision of loans to the Company and its subsidiaries in Mainland China shall not be higher than (a) the lowest interest rate for comparable category of loans charged by other major PRC commercial banks with which the Company and its subsidiaries in Mainland China have established business relationship; and (b) the lowest interest rate charged by Minmetals Finance on other subsidiaries of China Minmetals for comparable category of loans, whichever is lower.

(iii) Settlement services:

All settlement services to be provided by Minmetals Finance to the Company and its subsidiaries in Mainland China under the 2021 Agreement will be free of handling charge.

Non-exclusivity

The Company and its subsidiaries in Mainland China have the right to use other financial services providers according to operational needs and to determine the deposit and loan amounts as well as the schedule for withdrawal of deposits (other than fixed deposits with specified deposit terms).

Having considered, among other things, the nature of the financial services and the non-exclusivity arrangement in respect of such services, the Directors consider that the transactions contemplated under the 2021 Agreement would not lead to any undue reliance on Minmetals Finance.

LETTER FROM THE BOARD

Term of the 2021 Agreement

The 2021 Agreement shall become effective from 20 April 2021 upon the Company obtaining the Independent Shareholders' approval at the SGM and shall expire on 19 April 2024.

PROPOSED CAPS

Historical annual caps and historical deposit transaction amounts relating to the provision of deposit services by Minmetals Finance to the Company and its subsidiaries in Mainland China under the 2018 Agreement (as supplemented by the 2019 Supplemental Agreement) are as follows:

	For the period from 20 April 2018 to 31 December 2018	For the period from 1 January 2019 to 9 May 2019	For the period from 10 May 2019 to 31 December 2019	For the year ended 31 December 2020	For the period from 1 January 2021 to the Latest Practicable Date
Historical annual caps	RMB2,000 million (equivalent to approximately HK\$2,376.40 million)	RMB2,000 million (equivalent to approximately HK\$2,376.40 million)	RMB3,000 million (equivalent to approximately HK\$3,564.60 million)	RMB3,000 million (equivalent to approximately HK\$3,564.60 million)	RMB3,000 million (equivalent to approximately HK\$3,564.60 million)
Maximum daily outstanding balance of deposits (including accrued interests)	approximately RMB1,259.37 million (equivalent to approximately HK\$1,496.38 million)	approximately RMB1,500.94 million (equivalent to approximately HK\$1,783.42 million)	approximately RMB2,988.20 million (equivalent to approximately HK\$3,550.58 million)	approximately RMB2,993.89 million (equivalent to approximately HK\$3,557.34 million)	approximately RMB2,993.89 million (equivalent to approximately HK\$3,557.34 million)

The Proposed Caps on the maximum daily outstanding balance of deposits (including accrued interests) placed by the Company and its subsidiaries in Mainland China with Minmetals Finance pursuant to the 2021 Agreement will remain the same as the annual caps under the 2019 Supplemental Agreement as follows:

	From 20 April 2021 to 31 December 2021	For the year ending 31 December 2022	For the year ending 31 December 2023	From 1 January 2024 to 19 April 2024
Maximum daily outstanding balance of deposits (including accrued interests)	RMB3,000 million (equivalent to approximately HK\$3,564.60 million)	RMB3,000 million (equivalent to approximately HK\$3,564.60 million)	RMB3,000 million (equivalent to approximately HK\$3,564.60 million)	RMB3,000 million (equivalent to approximately HK\$3,564.60 million)

LETTER FROM THE BOARD

The Proposed Caps were calculated on the basis of several factors, including the following:

- (1) the historical transaction figures as stated above;
- (2) strategies of the treasury management of the Company taking into account the cash flow requirements and financial needs of the Group for its business development plans, which in turn was principally determined with reference to:
 - (i) the estimated annual revenue of the Group for each of the three years ending 31 December 2023, based on the estimated development schedule of land bank and projects under development of the Group, the key assumptions being in relation to the length of the Group's property development cycle, taking into consideration land acquisition, construction and sales stages of ongoing real estate development projects in various PRC cities, and the assumption that property sales price will be in line with the Group's budget and the relevant prevailing sales price of comparable properties;
 - (ii) the estimated major development costs and expenses for each of the three years ending 31 December 2023 based on the Group's targeted growth rate in the Group's land bank for each of the respective years, the estimated construction costs for potential new real estate development projects during different stages of property development and/or general financing structure for such expenditures;
 - (iii) the financing activities for each of the three years ending 31 December 2023 based on fund-raising plans including the expected drawdown and repayments of bank loans by instalments based on the relevant terms of the subject bank loans; and
 - (iv) the assumption that the PRC property development industry, including land acquisition costs and property sales, in terms of price and volume, are stable and in line with the Group's budget, and that prevailing sales and costs trend remains consistent over the three years ending 31 December 2023;
- (3) expected increase in cash flow position of the Group and its contract sales, which was determined with reference to the projected timeframe in respect of sales of real estate development projects of the Group in various PRC cities for the three years ending 31 December 2023;
- (4) the capital efficiency of surplus funds taking into account the favourable interest rates offered by Minmetals Finance; and
- (5) the safety of surplus funds taking into account the centralisation and monitoring of funds.

On the above basis, the Directors consider that the Proposed Caps are sufficient to accommodate the Group's expected demand for deposit services by Minmetals Finance.

LETTER FROM THE BOARD

REASONS FOR AND BENEFITS OF THE TRANSACTIONS CONTEMPLATED UNDER THE 2021 AGREEMENT

Minmetals Finance is a non-banking financial institution subject to the supervision of the CBRC. It is authorised to provide a variety of financial services including deposit services, loan services and settlement services to members of China Minmetals including the Group.

The Company is satisfied with the attentive services provided by Minmetals Finance since November 2013. In consideration of the treasury management of the Company taking into account the business development plans and financial needs of the Group, as well as the benefits of the Company and the Shareholders as a whole, the Company entered into the 2021 Agreement with Minmetals Finance. In view of the above and the need to secure the stable provision of such financial services under the 2021 Agreement by Minmetals Finance to the Group in the anticipation of rising interest rates and the tightening credit market in the near future, the Company is desirous to renew the 2018 Agreement (as supplemented by the 2019 Supplemental Agreement) before its expiry later this year.

The reasons for and benefits of entering into the 2021 Agreement are as follows:

- (1) The 2021 Agreement provides the Company and its subsidiaries in Mainland China with an option to obtain financial services on terms (including interest) which are no less favourable than those available from other independent PRC commercial banks and are the most favourable to the Company and its subsidiaries in Mainland China as compared to the terms offered by Minmetals Finance to other subsidiaries of China Minmetals.
- (2) Under the 2021 Agreement, the Company and its subsidiaries in Mainland China can obtain unsecured loans from Minmetals Finance, thus providing the Company and its subsidiaries in Mainland China with an additional channel for financing.
- (3) The 2021 Agreement can also help enhance return on surplus funds and reduce finance costs due to favourable interest rates for deposits and loans as well as utilisation of settlement services free of handling charge.
- (4) The Company is expected to benefit from Minmetals Finance's better understanding of the operations of the Company and its subsidiaries in Mainland China which will allow more expedient and efficient services than those rendered by other PRC commercial banks.
- (5) Minmetals Finance is subject to the supervision of the CBRC and provides its services in accordance with the rules and operational requirements of CBRC. The Company believes that the risk profile of Minmetals Finance, as a financial services provider to the Company and its subsidiaries in Mainland China, is not greater than that of independent commercial banks in the PRC.

LETTER FROM THE BOARD

- (6) Under the relevant rules of the PBOC and CBRC, the clients of Minmetals Finance are restricted to China Minmetals and its subsidiaries (including the Group). Minmetals Finance is hence exposed to a lower level of potential risk than if clients included external entities.

INTERNAL CONTROL AND RISK MANAGEMENT MEASURES

In order to safeguard the interests of the Shareholders, the Group will continue to adopt, and/or will continue to procure Minmetals Finance to maintain, the following guidelines and principles in monitoring the transactions between the Company and its subsidiaries in Mainland China and Minmetals Finance under the 2021 Agreement:

- (1) Minmetals Finance shall co-ordinate with the internal audit department and/or external auditors of the Company to review the transactions contemplated under the 2021 Agreement and the relevant internal controls. The auditors and the independent non-executive Directors shall conduct an annual review of the transactions contemplated under the 2021 Agreement and provide annual confirmations in accordance with the Listing Rules that such transactions are conducted in accordance with the terms of the 2021 Agreement, on normal commercial terms and are in the interest of the Company and the Shareholders as a whole;
- (2) Minmetals Finance shall assist the Company to comply with the relevant regulations (including but not limited to the Listing Rules);
- (3) Minmetals Finance shall ensure the safe operation of its settlement management network and safeguard the funds of the Company and its subsidiaries in Mainland China;
- (4) Minmetals Finance shall strictly comply with the applicable risk management specifications issued by the CBRC and the relevant PRC laws and regulations as amended from time to time;
- (5) Minmetals Finance shall adopt control measures in its enterprise resource planning system to ensure effective control of the annual caps such that they shall not be exceeded;
- (6) specifically designated personnel from the finance department of the Company will be responsible for regular monitoring of the transactions and will report to the management of the Company on a monthly basis in relation to the transactions;
- (7) the finance department of the Company will report to the Directors (including the independent non-executive Directors) on a monthly basis in relation to the transactions;

LETTER FROM THE BOARD

- (8) before making a deposit with or seeking a loan from Minmetals Finance, the Company and its subsidiaries in Mainland China would compare the interest rates offered by Minmetals Finance with the interest rates offered by two or three major PRC commercial banks or financial institutions with which the Company and its subsidiaries in Mainland China have established business relationship; and
- (9) the arrangement between the Company and Minmetals Finance under the 2021 Agreement is non-exclusive, and the Company and its subsidiaries in Mainland China have their own discretion in selecting the provider for financial services.

Having considered the internal control and risk management measures taken in relation to the transactions contemplated under the 2021 Agreement and the reasons for and benefits of such transactions, the Directors are of the view that the Company's assets would be safeguarded and that the transactions contemplated under the 2021 Agreement are in the interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Minmetals Finance is an indirect non-wholly owned subsidiary of China Minmetals, which is in turn the ultimate controlling shareholder of the Company indirectly interested in approximately 61.88% of the issued share capital of the Company as at the Latest Practicable Date. Accordingly, Minmetals Finance is a connected person of the Company under the Listing Rules and the transactions contemplated under the 2021 Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Though one of the applicable percentage ratios in respect of the deposit services under the 2021 Agreement exceeds 100%, the provision of deposit services by Minmetals Finance is not an acquisition by the Company and only constitutes a major transaction (instead of a very substantial acquisition) for the Company subject to reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Since each of the applicable percentage ratios in respect of the deposit services under the 2021 Agreement exceeds 5%, it is subject to reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The provision of loan services by Minmetals Finance under the 2021 Agreement constitutes financial assistance to be provided by a connected person for the benefit of the Group. Since such services will be on normal commercial terms, on terms (including interest) no less favourable to the Company and its subsidiaries in Mainland China than those that could be obtained from independent third parties, and no security over the assets of the Group shall be granted in respect of the loans to be provided by Minmetals Finance, it is exempt from reporting, announcement and independent shareholders' approval requirements under Rule 14A.90 of the Listing Rules. The Directors consider that the loan services to be provided by Minmetals Finance under the 2021 Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

As the settlement services to be provided by Minmetals Finance to the Company and its subsidiaries in Mainland China under the 2021 Agreement will be free of handling charge, it is exempt from reporting, announcement and independent shareholders' approval requirements under Rule 14A.76(1) of the Listing Rules. The Directors consider that the settlement services to be provided by Minmetals Finance under the 2021 Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES

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

Minmetals Finance, an indirect non-wholly owned subsidiary of China Minmetals, is a non-banking financial institution established in the PRC on 26 May 1993 under the approval of the PBOC. It is principally engaged in the provision of financial services to China Minmetals and its subsidiaries (including the Group). It is subject to the supervision of the CBRC.

China Minmetals, being the controlling shareholder of each of the Company and Minmetals Finance, together with its subsidiaries, are principally engaged in exploration, mining, smelting, processing and trading for metals and minerals, finance, real estate, and mining and metallurgic technology.

SGM

The SGM will be convened to consider and, if thought fit, to approve the 2021 Agreement and the transactions contemplated thereunder (including the Proposed Caps). A notice of the SGM to be held at Monet Room B, Basement 1, InterContinental Grand Stanford Hong Kong, 70 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Friday, 19 March 2021 at 10:30 a.m. is set out on pages SGM-1 to SGM-2 of this circular. As at the Latest Practicable Date, June Glory and its associates controlled 2,071,095,506 Shares (representing approximately 61.88% of the issued share capital of the Company). June Glory's associates include its immediate holding company, China Minmetals H.K. (Holdings) Limited, which owns the entire shareholding in June Glory and in turn is owned as to approximately 39.04%, 38.95% and 22.01% by CMCL, Album Enterprises Limited and Top Create Resources Limited, respectively. Album Enterprises Limited and Top Create Resources Limited are wholly-owned by China Minmetals Non-Ferrous Metals Company Limited, which in turn is owned as to approximately 99.999% and 0.001% by China Minmetals Non-Ferrous Holding Company Limited and CMCL respectively. CMCL is owned as to approximately 88.4% by China Minmetals. In view of the connection between China Minmetals and June Glory, June Glory and its associates are required to abstain from voting on the resolution approving the 2021 Agreement and the transactions contemplated thereunder (including the Proposed Caps) at the SGM in accordance with Rule 14A.36 of the Listing Rules. To the best of the Directors' knowledge, belief and having made all reasonable enquiries, as at the Latest Practicable Date, save for June Glory, no other Shareholder was or will be required to abstain from voting on the Shareholders' resolution for approving the 2021 Agreement and the transactions contemplated thereunder (including the Proposed Caps) at the SGM. However, Ms. He Xiaoli (being a non-executive

LETTER FROM THE BOARD

Director of the Company and a supervisor of Minmetals Finance), who held 783,333 Shares (representing approximately 0.02% of the issued share capital of the Company) as at the Latest Practicable Date, will voluntarily abstain from voting at the SGM.

A form of proxy for use at the SGM is attached. Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not later than 10:30 a.m. on Wednesday, 17 March 2021. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, the vote of the Independent Shareholders at the SGM will be taken by poll except where the chairman of the SGM, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. An announcement on the poll results will be published on the websites of the Company and of the Stock Exchange following the SGM.

RECOMMENDATION

An Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders in respect of the 2021 Agreement and the transactions contemplated thereunder (including the Proposed Caps).

Red Sun Capital Limited has been appointed as independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in the same connection.

The Directors (including the independent non-executive Directors) are of the view that the 2021 Agreement (including the Proposed Caps) was entered into in the ordinary and usual course of business of the Company, on normal commercial terms, and on terms which are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Accordingly, the Directors (including the independent non-executive Directors) recommend the Independent Shareholders to vote in favour of the ordinary resolution in respect of the 2021 Agreement and the transactions contemplated thereunder (including the Proposed Caps) at the SGM.

None of the Directors has a material interest in the 2021 Agreement and the transactions contemplated thereunder or was required to abstain from voting at the relevant board meeting approving the 2021 Agreement and the transactions contemplated thereunder (including the Proposed Caps). However, Ms. He Xiaoli (being a non-executive Director of the Company and a supervisor of Minmetals Finance) has voluntarily abstained from voting on the board resolutions approving the 2021 Agreement and the transactions contemplated thereunder (including the Proposed Caps).

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is also drawn to the letter from the Independent Board Committee as set out on pages 17 to 18 of this circular which contains its recommendation to the Independent Shareholders as to voting at the SGM and to the letter from Independent Financial Adviser as set out on pages 19 to 33 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders on whether Independent Shareholders should vote in favour of the resolution regarding the 2021 Agreement and the transactions contemplated thereunder (including the Proposed Caps).

Your attention is also drawn to the financial information and general information of the Group as set out in the appendices to this circular.

Yours faithfully,
For and on behalf of the Board
Minmetals Land Limited
He Jianbo
Chairman



五礦地產有限公司
MINMETALS LAND LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 230)

25 February 2021

To the Independent Shareholders

Dear Sir or Madam,

**(1) MAJOR TRANSACTION AND
RENEWAL OF CONTINUING CONNECTED TRANSACTIONS
(FINANCIAL SERVICES FRAMEWORK AGREEMENT)
AND
(2) NOTICE OF SPECIAL GENERAL MEETING**

We refer to the circular of the Company dated 25 February 2021 (the “**Circular**”), of which this letter forms part. Terms defined in the Circular shall have the same meanings when used in this letter unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to consider and to advise the Independent Shareholders in respect of the 2021 Agreement and the transactions contemplated thereunder (including the Proposed Caps), details of which are set out in the “Letter from the Board” in the Circular, taking into account the recommendation of the Independent Financial Adviser, which has been appointed to advise us and the Independent Shareholders in the abovementioned context.

Your attention is drawn to the “Letter from the Board” set out on pages 6 to 16 of the Circular and the “Letter from the Independent Financial Adviser” set out on pages 19 to 33 of the Circular, which contain, among other things, information and the advice from the Independent Financial Adviser in respect of the 2021 Agreement and the transactions contemplated thereunder (including the Proposed Caps).

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having taking into account, among other things, the terms of the 2021 Agreement, the reasons for and benefits of the 2021 Agreement, the basis for determining the Proposed Caps and the advice of the Independent Financial Adviser as set out in the “Letter from the Independent Financial Adviser” on pages 19 to 33 of this Circular, we consider that the entering into of the 2021 Agreement is in the usual and ordinary course of business of the Company and the terms contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution as set out in the notice of the SGM regarding the 2021 Agreement and the transactions contemplated thereunder (including the Proposed Caps).

Yours faithfully,
For and on behalf of
Independent Board Committee

Lam Chung Lun, Billy
*Independent Non-executive
Director*

Selwyn Mar
*Independent Non-executive
Director*

Law Fan Chiu Fun, Fanny
*Independent Non-executive
Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of the letter of advice from Red Sun Capital Limited to the Independent Board Committee and the Independent Shareholders in relation to the 2021 Agreement (including the Proposed Caps), which has been prepared for the purpose of incorporation in this circular.



红日资本有限公司
RED SUN CAPITAL LIMITED

Unit 3303, 33/F, West Tower, Shun Tak Centre,
168–200 Connaught Road Central, Hong Kong

Tel: (852) 2857 9208

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25 February 2021

To: *The Independent Board Committee and
the Independent Shareholders*

Dear Sirs,

MAJOR TRANSACTION AND RENEWAL OF CONTINUING CONNECTED TRANSACTIONS (FINANCIAL SERVICES FRAMEWORK AGREEMENT)

I. INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in connection with the 2021 Agreement (including the Proposed Caps), details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular dated 25 February 2021 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Unless otherwise stated, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

The 2021 Agreement

On 2 February 2021, the Company entered into the 2021 Agreement with Minmetals Finance pursuant to which Minmetals Finance has agreed to provide financial services (including current and fixed deposit, loan and settlement services) to the Company and its subsidiaries in Mainland China for the three years from 20 April 2021 to 19 April 2024.

By virtue of being an indirect non-wholly owned subsidiary of China Minmetals (i.e. the ultimate controlling shareholder of the Company indirectly interested in approximately 61.88% of the issued share capital of the Company as at the Latest Practicable Date), Minmetals Finance is a connected person of the Company and the transactions contemplated under the 2021 Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Deposit services

The Proposed Caps for the deposit transactions under the 2021 Agreement remains the same as the annual caps under the 2019 Supplemental Agreement that the Proposed Caps for each of the period from 20 April 2021 to 31 December 2021, the year ending 31 December 2022, the year ending 31 December 2023 and the period from 1 January 2024 to 19 April 2024 is RMB3,000 million (equivalent to approximately HK\$3,564.60 million).

Though one of the applicable percentage ratios in respect of the deposit services under the 2021 Agreement exceeds 100%, the provision of deposit services by Minmetals Finance is not an acquisition by the Company and only constitutes a major transaction (instead of a very substantial acquisition) for the Company subject to reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Since each of the applicable percentage ratios in respect of the deposit services under the 2021 Agreement exceeds 5%, it is a non-exempt continuing connected transaction subject to reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules (the “**2021 Non-exempt Continuing Connected Transactions**”).

Other financial services

Pursuant to the 2021 Agreement, Minmetals Finance shall also provide loan services and settlement services to the Company and its subsidiaries in Mainland China. As set out in the Letter from the Board, since such services will be conducted on normal commercial terms and no security over the assets of the Group shall be granted in respect of the loans (if any) to be provided by Minmetals Finance and no handling fees will be charged for the settlement services, such transactions are exempted from reporting, announcement and independent shareholders' approval requirement pursuant to Rule 14A.90 and Rule 14A.76(1) of the Listing Rules, respectively.

II. THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all three independent non-executive Directors, namely Mr. Selwyn Mar, Mr. Lam Chung Lun, Billy and Ms. Law Fan Chiu Fun, Fanny has been established to advise the Independent Shareholders. Red Sun Capital Limited has been appointed to advise the Independent Board Committee and the Independent Shareholders as to (i) whether the terms of the 2021 Agreement (including the Proposed Caps) are fair and reasonable; (ii) whether the 2021 Agreement is conducted in the ordinary and usual course of business of the Group, on normal commercial terms, and in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote on the 2021 Non-exempt Continuing Connected Transactions (including the Proposed Caps).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As at the Latest Practicable Date, we were independent of and not connected with the Group in accordance with Rule 13.84 of the Listing Rules, and accordingly, we are qualified to give independent advice to the Independent Board Committee and the Independent Shareholders. Save for our appointment as the Independent Financial Adviser, we did not act as an independent financial adviser to the Group under the Listing Rules in the past two years. Apart from the normal advisory fee payable to us in connection with our appointment as the Independent Financial Adviser, no arrangement exists whereby we shall receive any other fees or benefits from the Company.

III. BASIS OF OUR OPINION

In formulating our opinion, we have relied on the statements, information, opinions and representations contained in the Circular and the information and representations provided by the Company, the Directors and the management of the Company (the “**Management**”). We have assumed that all statements, information, opinions and representations contained or referred to in the Circular, which have been provided by the Company, the Directors and the Management (for which they are solely and wholly responsible), were true and accurate at the time they were made and continue to be so as at the Latest Practicable Date.

The Directors jointly and severally accept full responsibility for the accuracy of the statements, information and representations contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been reasonably arrived at after due and careful consideration and there are no other material facts not contained in the Circular the omission of which would make any statement in the Circular misleading. We consider that we have been provided with sufficient information in order to form a reasonable basis for our opinion. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any facts or circumstances which would render the information provided and representations made to us untrue, inaccurate or misleading.

We consider that we have performed all necessary steps to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our opinion.

We have not, however, for the purpose of this exercise, conducted any independent verification, investigation or audit into the information provided by the Directors and the Management, business or affairs or future prospects of the Company and China Minmetals and their respective shareholder(s) and subsidiaries or affiliates, and their respective history, experience and track records, or the prospects of the markets in which they respectively operate.

This letter is issued to the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the 2021 Agreement (including the Proposed Caps) and, except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

IV. PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion, we have taken into consideration the following principal factors and reasons:

1. Background of the 2021 Agreement

Minmetals Finance has been providing financial services to the Company and its subsidiaries in Mainland China since November 2013.

In view that the 2018 Agreement (as supplemented by the 2019 Supplemental Agreement) will expire after 19 April 2021, the Company has reviewed and, being satisfied with the services provided by Minmetals Finance, intends to continue to retain Minmetals Finance to provide such services following 19 April 2021. On 2 February 2021, the Company entered into the 2021 Agreement with Minmetals Finance, pursuant to which Minmetals Finance has agreed to provide financial services (including deposit, loan and settlement services) to the Company and its subsidiaries in Mainland China for another three years, commencing on 20 April 2021 to 19 April 2024, subject to the approval from Independent Shareholders.

2. Background information of the Group

The Group is principally engaged in real estate development, specialised construction, property investment and securities investment in Hong Kong and the PRC.

As set out in the annual report of the Company for the year ended 31 December 2019 (the “**2019 Annual Report**”) and the interim report for the six months ended 30 June 2020 (the “**2020 Interim Report**”), the Group’s real estate development operating segment is the major source of revenue of the Company for each of the two years ended 31 December 2018 and 2019 and each of the six months periods ended 30 June 2019 and 2020, respectively.

We noted from the 2020 Interim Report that as at 30 June 2020, the Group had a developable land bank of approximately 4.92 million square metres (“**sq.m.**”) across 28 real estate development projects in 13 cities.

Following the Company’s integration with certain of China Minmetals’ non listed real estate development projects (i.e. 11 real estate development projects across 5 cities including Hunan and Tianjin) in August 2020, the total land bank of the Group significantly increased by approximately 3 million sq.m. to approximately 8 million sq.m.

The Company published an announcement dated 18 January 2021 that the contracted sales of the Company together with its subsidiaries, joint ventures and associates for the year ended 31 December 2020 reached approximately RMB19.4 billion, representing an increase of approximately 124.0% (the “**2020 Property Sales Update Announcement**”).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

With a view to further analyse the financial position of the Group, we set out a summary of the Group's consolidated statement of financial position for the years ended 31 December 2018 and 2019 and the six months ended 30 June 2020 below:

Summary of consolidated balance sheet

	For the year ended 31 December		For the six months ended 30 June
	2018	2019	2020
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
	(audited)	(audited)	(unaudited)
<i>Borrowings</i>			
— Classified as non-current	14,039.3	9,491.3	16,239.5
— Classified as current	<u>1,015.4</u>	<u>7,262.6</u>	<u>2,853.8</u>
	15,054.7	16,753.9	19,093.3
<i>Cash and bank deposits</i>			
— Restricted	201.4	42.7	20.5
— Unrestricted	<u>3,607.8</u>	<u>3,850.1</u>	<u>3,556.7</u>
	3,809.2	3,892.8	3,577.2
<i>Inventories</i>			
— Under development	18,864.8	19,096.2	24,493.0
— Held for sale	<u>6,922.2</u>	<u>5,627.2</u>	<u>4,100.2</u>
	25,787.0	24,723.4	28,593.2
Total assets	47,252.8	48,961.4	49,508.1
Total liabilities	32,442.3	32,694.6	32,692.8
Net assets	14,810.5	16,266.7	16,815.3

Based on the 2020 Interim Report, the Group recorded (i) unrestricted cash and bank deposits balance of approximately HK\$3,556.7 million; and (ii) total borrowings of approximately HK\$19,093.3 million, as at 30 June 2020. According to the 2020 Property Sales Update Announcement, the Group's contracted sales for the year ended 31 December 2020 increased by approximately 124.0% year-on-year. The Management expects that the position of the Group's cash and bank deposits balance will be enhanced by the cash inflow arising from the above contracted sales.

As the Group has a sizeable land bank and portfolio of real estate development projects in different stages of construction, we understand that the Group's cash and bank deposits balance, and the level of borrowings will continue to vary from time to time. On this basis, the financial services, in particular, the deposit services and loan services under the 2021 Agreement will be an option for the Group to effectively manage its working capital and liquidity position. Further analysis are set out under the paragraph headed "6. Our analysis and work performed on internal control measures" below.

3. Information on Minmetals Finance and China Minmetals

3.1 Minmetals Finance

Minmetals Finance is a regulated non-banking financial institution established in the PRC principally engaged in the provision of financial services to China Minmetals and its subsidiaries (including the Group). It is subject to the supervision of the CBRC under the applicable rules and operational requirements. The Management advised that Minmetals Finance has a valid financial services licence* (金融許可證) and is authorised to provide to the Company and its subsidiaries in Mainland China the financial services under the 2021 Agreement. Minmetals Finance is also a connected person of the Company under the Listing Rules.

3.2 China Minmetals

China Minmetals is a state-owned enterprise in the PRC principally engaged in the business of exploration, mining, smelting, processing and trading for metals and minerals, finance, real estate development, and mining and metallurgic technology. It is one of the Fortune Global 500 companies in the year of 2020. The website of China Minmetals (www.minmetals.com) sets out that it has total assets of approximately RMB2.2 trillion as at the end of 2019 and real estate development business of China Minmetals comprises residential development, industrial estate, commercial estate, building and instalment, and mining construction with a unique competitive advantage.

4. Principal terms of the 2021 Agreement

Pursuant to the 2021 Agreement, Minmetals Finance shall provide financial services, namely (i) current and fixed deposit services; (ii) loan services; and (iii) settlement services, to the Company and its subsidiaries in Mainland China on normal commercial terms, on terms (including interest) no less favourable to the Company and its subsidiaries in Mainland China than those that could be obtained from independent third parties and on terms (including interest) which are the most favourable to the Company and its subsidiaries in Mainland China as compared to the terms offered by Minmetals Finance to other subsidiaries of China Minmetals.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We set out below a summary of the principal terms of the current and fixed deposit services under the 2021 Agreement:

- (i) interest rates for the deposits placed with Minmetals Finance by the Company and its subsidiaries in Mainland China shall not be lower than (a) the highest interest rate for comparable category of deposits offered by other major PRC commercial banks with which the Company and its subsidiaries in Mainland China have established business relationship; and (b) the highest interest rate offered by Minmetals Finance to other subsidiaries of China Minmetals for comparable category of deposits, whichever is the higher; and
- (ii) the Company and its subsidiaries in Mainland China have the right to use other financial service providers according to operational needs and to determine the deposit amount as well as the schedule for withdrawal of deposits (other than fixed deposits with specified deposit terms).

Having considered, among other things, (i) the nature of the financial services which is considered to be a common banking service; and (ii) the Group has the right to choose its financial service providers given the non-exclusivity arrangement in respect of such services under the 2021 Agreement, the Directors consider that the transactions contemplated under the 2021 Agreement would not lead to any undue reliance on Minmetals Finance.

In addition, Minmetals Finance shall also provide the following services to the Company and its subsidiaries in Mainland China:

- (i) loan services for unsecured loan(s) of up to RMB3,000 million (equivalent to approximately HK\$3,564.60 million) upon request. Interest rate to be charged by Minmetals Finance shall not be higher than (a) the lowest interest rate for comparable category of loans charged by other major PRC commercial banks with which the Company and its subsidiaries in Mainland China have established business relationship; and (b) the lowest interest rate charged by Minmetals Finance on other subsidiaries of China Minmetals for comparable category of loans, whichever is lower; and
- (ii) settlement services which will be free of handling charge.

For further details of the 2021 Agreement, please refer to the Letter from the Board.

5. Reasons for and benefits of the transactions contemplated under the 2021 Agreement

As stated in the Letter from the Board, the Company is satisfied with the financial services that Minmetals Finance has been providing to the Group since November 2013, the Company intends to continue to engage Minmetals Finance for such services following the expiry of the 2018 Agreement (as supplemented by the 2019 Supplemented Agreement) on 19 April 2021.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We understand from the Management that Minmetals Finance is restricted to provide financial services to China Minmetals and its subsidiaries, including the Group which enables Minmetals Finance to concentrate its efforts on monitoring its ongoing risks from its loan exposure as well as the quality of its financial services with China Minmetals and/or its subsidiaries.

Moreover, it should have better access to financial information of China Minmetals and its subsidiaries as Minmetals Finance is part of the China Minmetals Group, which enables it to have a more accurate and insightful credit assessment than lending to other external entities. Furthermore, we understand that as a regulated financial institution, Minmetals Finance is required to comply with all rules and operational requirements of the regulatory authorities, i.e. the CBRC, including but not limited to maintaining certain financial ratios at all times, and regular reporting to the CBRC. Having considered the above, the Company is of the view that the risk profile of Minmetals Finance, as a financial services provider to the Company and its subsidiaries in Mainland China, is not greater than that of independent commercial banks in the PRC.

In addition, as the Group continues to develop its businesses in the PRC, in particular, its real estate development business, there may be a notable time lag between cash inflow (i.e. from sales of properties) and cash outflow (i.e. for land acquisition and construction costs for property development) on a project level and/or at the Group level from time to time. In view of the above, the Group, through entering into the 2021 Agreement, will continue to have the right, but not the obligation, to utilise the deposit services and loan services of Minmetals Finance at its discretion, which shall allow the Group more flexibility in managing its working capital and liquidity position as well as attain deposit interest rates and loan interest rates offered by Minmetals Finance on terms not less favourable than those PRC commercial banks offered to the Group.

Given the uncertainties around the ongoing development of the COVID outbreak, the progress of the ongoing recovery of the world economies as well as the outcome of the Sino-US trade negotiations, the Management considered that the availability of unsecured loan(s) in the amount up to RMB3,000 million (equivalent to approximately HK\$3,564.60 million) to the Company over the duration of the 2021 Agreement on terms not less favourable than those PRC commercial banks offered to the Group, is beneficial to the Group.

6. Our analysis and work performed on internal control measures

As set out in the Letter from the Board, with a view to safeguard the interests of the Shareholders, the Group will continue to adopt and/or procure Minmetals Finance to maintain, the following guidelines and principles in monitoring the transactions between the Company and its subsidiaries in Mainland China and Minmetals Finance under the 2021 Agreement:

- (i) Minmetals Finance shall co-ordinate with the internal audit department and/or external auditors of the Company to review the transactions contemplated under the 2021 Agreement and the relevant internal controls. The auditors and the independent non-executive Directors shall conduct an annual review of the transactions contemplated under the 2021 Agreement and provide annual confirmations in accordance with the Listing Rules that such transactions are conducted in accordance with the terms of the 2021 Agreement, on normal commercial terms and are in the interest of the Company and the Shareholders as a whole;
- (ii) Minmetals Finance shall assist the Company to comply with the relevant regulations (including but not limited to the Listing Rules);
- (iii) Minmetals Finance shall ensure the safe operation of its settlement management network and safeguard the funds of the Company and its subsidiaries in Mainland China;
- (iv) Minmetals Finance shall strictly comply with the applicable risk management specifications issued by the CBRC and the relevant PRC laws and regulations as amended from time to time;
- (v) Minmetals Finance shall adopt control measures in its enterprise resource planning system to ensure effective control of the annual caps such that they shall not be exceeded;
- (vi) specifically designated personnel from the finance department of the Company will be responsible for regular monitoring of the transactions and will report to the management of the Company on a monthly basis in relation to the transactions;
- (vii) the finance department of the Company will report to the Directors (including the independent non-executive Directors) on a monthly basis in relation to the transactions;
- (viii) before making a deposit with or seeking a loan from Minmetals Finance, the Company and its subsidiaries in Mainland China would compare the interest rates offered by Minmetals Finance with the interest rates offered by two or three major PRC commercial banks or financial institutions with which the Company and its subsidiaries in Mainland China have established business relationship; and

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (ix) the arrangement between the Company and Minmetals Finance under the 2021 Agreement is non-exclusive, and the Company and its subsidiaries in Mainland China have their own discretion in electing the provider for financial services.

In this connection, we have performed the following work and noted that:

- the Company and its subsidiaries in Mainland China shall compare the deposit interest rates from not less than two major PRC commercial banks or financial institutions of which the Company and its subsidiaries in Mainland China have established business relationship before deciding which financial institution the Company shall place deposits with. In the event that the interest rates from such PRC commercial banks or financial institutions be more favourable than that offered by Minmetals Finance, the Company and its subsidiaries in Mainland China would not place the deposits with Minmetals Finance. We have reviewed a sample of deposit transactions placed with Minmetals Finance and PRC commercial banks during the two years ended 31 December 2019 and 2020 and noted that the sampled transactions were conducted in accordance with the aforesaid internal control procedures, whereby the Company and its subsidiaries in Mainland China only placed deposits with Minmetals Finance when it offered the highest interest rate amongst the compared major PRC commercial banks/financial institutions;
- the Group sought to monitor and manage its members in depositing cash resources among major banks and/or financial institutions in the PRC as a measure to manage credit risk exposure as well as to enhance overall deposit interest yield in accordance with its treasury management strategy. We have reviewed the Group's bank deposit schedule and noted that the Company and its subsidiaries in Mainland China have placed deposits with not less than 27 commercial banks in the PRC from time to time during the two years ended 31 December 2019 and 2020;
- prior to placing deposits with Minmetals Finance, there were internal control procedures (such as prior approval from the finance department of the Company) executed by the Company or its subsidiaries in Mainland China. We have reviewed a sample of deposit transactions placed with Minmetals Finance during the two years ended 31 December 2019 and 2020 and noted that the aforesaid internal control procedures were carried out; and
- the Management advised that deposit transactions are reported to the management of the Company and the Directors (including the independent non-executive Directors) on a monthly basis (the "**Monthly Report**"). The Monthly Report sets out the daily outstanding balance of deposits (including accrued interests) of that particular month, which is used to ensure that the approved limit has not been exceeded. In addition, the designated personnel from the finance department of the Company will be responsible for

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

monitoring the deposit placed with Minmetals Finance regularly with a view to ensure the ongoing compliance of the annual caps. Based on our review of a sample of the Monthly Reports and as confirmed by the Management, the maximum daily outstanding balance of deposits are within the relevant annual cap limit since the commencement of the 2019 Supplemental Agreement up to and including the Latest Practicable Date.

7. Proposed Caps

As mentioned in the Letter from the Board, the historical annual caps under the 2019 Supplemental Agreement for the period from 10 May 2019 to 31 December 2019, the year ended 31 December 2020 and the period from 1 January 2021 to 19 April 2021 were RMB3,000 million, respectively.

Set out below are the historical maximum daily outstanding balance of deposits (including accrued interests) under the 2019 Supplemental Agreement:

	For the period from 10 May 2019 to 31 December 2019	For the year ended 31 December 2020	For the period from 1 January 2021 to the Latest Practicable Date
Historical annual caps	RMB3,000 million (equivalent to approximately HK\$3,564.60 million)	RMB3,000 million (equivalent to approximately HK\$3,564.60 million)	RMB3,000 million (equivalent to approximately HK\$3,564.60 million)
Maximum daily outstanding balance of deposits (including accrued interests)	Approximately RMB2,988.20 million (equivalent to approximately HK\$3,550.58 million)	Approximately RMB2,993.89 million (equivalent to approximately HK\$3,557.34 million)	Approximately RMB2,993.89 million (equivalent to approximately HK\$3,557.34 million)
Percentage of maximum daily outstanding balance of deposit (including interests accrued thereon) over the historical annual caps	99.6%	99.8%	99.8%

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Under the 2021 Agreement, the maximum daily outstanding balance of deposits (including accrued interests) that can be placed by the Company and its subsidiaries in Mainland China with Minmetals Finance remains to be RMB3,000 million (equivalent to approximately HK\$3,564.60 million) for the three years ending 19 April 2024.

	For the period from 20 April 2021 to 31 December 2021	For the year ending 31 December 2022	For the year ending 31 December 2023	For the period from 1 January 2024 to 19 April 2024
Maximum daily outstanding balance of deposits (including accrued interests)	RMB3,000 million (equivalent to approximately HK\$3,564.60 million)	RMB3,000 million (equivalent to approximately HK\$3,564.60 million)	RMB3,000 million (equivalent to approximately HK\$3,564.60 million)	RMB3,000 million (equivalent to approximately HK\$3,564.60 million)

Our analysis

We noted from the table above that the maximum daily outstanding balance of deposits (including accrued interests) were over 90% of the relevant historical annual cap for the period from 10 May 2019 to 31 December 2019, the year ended 31 December 2020, and the period from 1 January 2021 to the Latest Practicable Date, respectively.

As set out in the Letter from the Board and as advised by the Management, the Proposed Caps were arrived at after taking into consideration of several factors, including: (i) the historical transaction amount as state above; (ii) the cash flow requirements and financial needs of the Group for its business development plans, which was determined with reference to 17 ongoing property development projects in various PRC cities (please refer to our analysis below for further details); (iii) expected increase in cash flow position of the Group from its contract sales, which was determined with reference to the projected timeframe in respect of sales of property development projects of the Group in various PRC cities for the three years ending 31 December 2023; (iv) the capital efficiency of surplus funds taking into account the favourable interest rates offered by Minmetals Finance; and (v) the safety of surplus funds taking into account the centralisation and monitoring of funds. The Directors consider that the Proposed Caps are sufficient to accommodate the Group's expected demand for deposit services by Minmetals Finance.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

With a view to assess the fairness and reasonableness of the Proposed Caps, we have obtained and reviewed the cash flow budget of the Group for the three years ending 31 December 2023 (the “**Cash Flow Budget**”) together with the underlying principal assumptions made by the Management. In this connection, we performed the following:

- in relation to the revenue for each year under the Cash Flow Budget, discussed with the Management about the estimated development schedule of land bank and projects under development of the Group, including key assumptions in relation to the length of the Group’s property development cycle in general ranged from 24 to 36 months, taking into consideration land acquisition, construction and sales stages of 17 ongoing property development projects in various PRC cities which is expected to contribute cash inflow to the Group through expected contract sales. In addition, it is also assumed that property sales price will be in line with the Group’s budget and the relevant prevailing sales price of comparable properties;
- in respect of the major development costs and expenses for each year under the Cash Flow Budget, discussed with the Management on the Group’s land acquisition target for each of the respective years, the estimated construction costs for these potential new property development projects during different stages of property development and/ or general financing structure for these expenditures;
- in respect of the financing activities for each year under the Cash Flow Budget, we have discussed with Management on the key assumptions of significant fund-raising plans including the expected drawdown and repayments of bank loans by instalments based on the relevant terms of the subject bank loans. No early repayment of bank loans has been assumed; and
- it is also assumed that the PRC property development industry, including land acquisition costs and property sales, in terms of price and volume, are stable and in line with the Group’s budget, and that prevailing sales and costs trend remain consistent over the three years ending 31 December 2023.

As disclosed in the 2020 Interim Report, the Company’s properties held for sale amounted to approximately HK\$4,100.2 million as at 30 June 2020, representing an increase of approximately 19.9% as compared to 30 June 2019 as disclosed in the interim report of the Company for the six months ended 30 June 2019 (30 June 2019: HK\$3,419.2 million).

Furthermore, we also noted from the 2020 Property Sale Update Announcement dated 18 January 2021 that the contracted sales of the Company together with its subsidiaries, joint ventures and associates for the year ended 31 December 2020 reached approximately RMB19.4 billion. The Group’s

contracted sales for the year ended 31 December 2020 increased by approximately 124.0% year-on-year. On this basis, the Management expects that the Group's cash and bank deposits balance will increase by the cash inflow arising from the above contracted sales. The Management also expects that the pre-completion sales (presale) of majority of the ongoing projects would be launched on or before the end of 2021 and based on the latest sales plan of the Group's property inventories, the Group is expected to generate cash inflow from its contracted sales in the foreseeable future. Based on the above, the Management considers that the Proposed Caps are sufficient to accommodate the Group's expected demand for deposit services by Minmetals Finance.

8. Summary of our analysis and findings

Pursuant to the 2021 Agreement, the transactions contemplated thereunder shall be conducted on terms (including interest) no less favourable to the Company and its subsidiaries in Mainland China than those that could be obtained from independent third parties and on terms (including interest) which are the most favourable to the Company and its subsidiaries in Mainland China as compared to the terms offered by Minmetals Finance to other subsidiaries of China Minmetals. In addition, having considered factors including (i) our work performed and our analysis on the relevant internal control procedures as set out in this letter above; (ii) the 2021 Non-exempt Continuing Connected Transactions are conducted in the ordinary and usual course of the Group's business to satisfy its operational needs; (iii) the Group is satisfied with the financial services provided by Minmetals Finance in the past; and (iv) the 2021 Agreement is of a non-exclusive nature and the Group is neither obliged or committed to utilise the deposit services, loan services and/ or settlement services available from Minmetals Finance, such financial services is an option allowing the Group to have greater flexibility in managing its working capital and liquidity position, we are of the view that the entering into of the 2021 Agreement is in the interests of the Company and the Shareholders as a whole, and that the terms of the 2021 Non-exempt Continuing Connected Transactions are on normal commercial terms and fair and reasonable.

As for the Proposed Caps, having considered that (i) the high percentage of maximum daily outstanding balance of deposit (including interests accrued thereon) over the relevant historical annual caps under the 2019 Supplemental Agreement for period from 10 May 2019 to 31 December 2019, the year ended 31 December 2020, and the period from 1 January 2021 to the Latest Practicable Date, respectively; (ii) the latest Group's property inventories and development projects in the pipeline; and (iii) the Proposed Caps for the deposit services were determined with reference to the expected cash level of the Group for the three years ending 31 December 2023, we concur with the Directors that, barring unforeseen circumstances, the Proposed Caps should be sufficient to accommodate the Group's expected demand for deposit services by Minmetals Finance, and we also considered the Proposed Caps to be fair and reasonable.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

V. RECOMMENDATION

Having considered the above principal factors and reasons, we are of the view that the transactions contemplated under the 2021 Agreement are in the ordinary and usual course of business of the Group, on normal commercial terms and in the interests of the Company and the Shareholders as a whole, and the terms of which, including the Proposed Caps, are fair and reasonable so far as the Shareholders are concerned. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, that the Independent Shareholders to vote in favour of the ordinary resolution to approve the 2021 Agreement (including the Proposed Caps) at the SGM.

Yours faithfully
For and on behalf of
Red Sun Capital Limited
Lewis Lai
Managing Director

Mr. Lewis Lai of Red Sun Capital Limited is a responsible officer of Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO. He has been active in the field of corporate finance advisory for over 13 years and has been involved in and completed various corporate finance advisory transactions.

** for identification purposes only*

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the three years ended 31 December 2017, 2018 and 2019 respectively and the six months ended 30 June 2020 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 2017 (pages 145 to 277);
- the annual report of the Company for the year ended 31 December 2018 (pages 151 to 321);
- the annual report of the Company for the year ended 31 December 2019 (pages 137 to 311); and
- the interim report of the Company for the six months ended 30 June 2020 (pages 48 to 89).

2. INDEBTEDNESS

Bank borrowings

As at the close of business on 31 December 2020, 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\$16,007.25 million, details of which are set out below:

Bank borrowings	<i>HK\$' million</i>
Short term bank loans, unsecured and guaranteed	1,955.72
Long term bank loan, secured and guaranteed	2,823.81
Long term bank loans, secured and unguaranteed	142.92
Long term bank loans, unsecured and guaranteed	10,668.93
Long term banks loan, unsecured and unguaranteed	<u>415.87</u>
	<u><u>16,007.25</u></u>

Loan from a non-controlling shareholder of a subsidiary

As at the close of business on 31 December 2020, the Group had outstanding loan from a non-controlling shareholder of a subsidiary of approximately HK\$276.59 million, which is unsecured and unguaranteed.

Amounts due to associates

As at the close of business on 31 December 2020, the Group had outstanding amounts due to associates of approximately HK\$2,283.26 million, which are unsecured and unguaranteed.

Amount due to non-controlling shareholders of subsidiaries

As at the close of business on 31 December 2020, the Group had outstanding amounts due to non-controlling shareholders of subsidiaries of approximately HK\$1,792.18 million, which are unsecured and unguaranteed.

Amounts due to fellow subsidiaries

As at the close of business on 31 December 2020, the Group had outstanding amounts due to fellow subsidiaries of approximately HK\$1,543.21 million, which are unsecured and unguaranteed.

Charges on the Group's assets

As at the close of business on 31 December 2020, certain assets of the Group were pledged as securities for the Group's banking facilities and mortgage loans granted to buyers of sold properties and these pledged assets of the Group include properties under development and 100% equity interest in a subsidiary.

Guaranteed bonds

As at the close of business on 31 December 2020, the Group had two guaranteed bonds of approximately HK\$2,322.94 million and HK\$964.35 million, respectively. The principal amounts of the two guaranteed bonds are US\$300.00 million and US\$125.00 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 31 December 2020, the Group, as a lessee, has outstanding unpaid contractual lease payments for the remainder of the relevant lease terms amounting to HK\$81.98 million, which are neither secured nor guaranteed.

Financial guarantees

As at the close of business on 31 December 2020, 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\$6,804.62 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 31 December 2020.

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

As of the end of 2020, the post-pandemic PRC domestic economy has recorded steady recovery with visible rebound in social production and consumer demand. After acting as a macroeconomic stabiliser, the real estate industry sees the gradual withdrawal of pandemic-driven policy and revisits the principle of "houses are built to be inhabited, not for speculation" promoted by the PRC central government. Despite the introduction of tightening real estate policies in over a dozen PRC cities in recent months, property sales still recovered with both the nationwide sales and investment value recording a slight year-on-year increase.

Looking forward to the remainder of 2021, although overall monetary policy is expected to remain generally flexible, monetary policy related to the property sector will continue to tighten in order to curb the property bubble and prevent the illegal credit fund flow into the sector. After the introduction of the "three red line regulatory limitations" related to property financing by the PRC central government, real estate developers are expected to be more cautious with regards to financing activities and take prudent measures in relation to investment and development outlay. Industry growth curve is expected to continue to flatten as sector players shift from a leverage-driven growth model towards the refinement of operational and managerial capability, which will in turn facilitate further improvement in product innovation and operational capacity. Meanwhile, growth model fueled by high turnover and high leverage is expected to be sidelined whilst large scale real estate companies with healthy gearing ratio continue to welcome new growth opportunities.

In terms of the Group's property sales, the adoption of multi sales strategy by combining online and offline sales has become the new norm and cash collection continues to be of vital importance. In terms of internal managerial control, operating efficiency optimisation remains the key. In terms of financing, gearing control, the broadening of funding channel and partnership with financial institutions and industry peers will become mainstream practice. The Group will adhere to prudent financial management principles to closely monitor gearing ratio and operating expenses, strengthen capital market capability, optimise capital structure, and fully utilise capital raising capability in our Hong Kong listed platform.

5. MAJOR ACQUISITIONS AFTER 31 DECEMBER 2019 BEING THE DATE TO WHICH THE LATEST PUBLISHED AUDITED CONSOLIDATED ACCOUNTS OF THE GROUP WERE MADE UP

References are made to the announcements dated 18 June 2020 (the “**June Announcement**”) and 9 September 2020 and the circular dated 21 July 2020 issued by the Company (the “**July Circular**”), respectively, in relation to (i) the equity transfer agreement entered into between 五礦盛世廣業(北京)有限公司 Minmetals Shengshi Guangye (Beijing) Co., Ltd.* (“**Shengshi Guangye**”, an indirect wholly-owned subsidiary of the Company) as purchaser and 五礦置業有限公司 Minmetals Real Estate Co., Ltd.* (“**Minmetals Real Estate**”, a non-wholly owned subsidiary of China Minmetals) as vendor for the acquisition of 49% equity interests in 天津市億嘉合置業有限公司 Tianjin Yijiahe Real Estate Company Limited* (“**Tianjin Yijiahe**”) at a consideration of RMB1,475.45 million (approximately HK\$1,753.13 million) (the “**Equity Transfer**”) and (ii) the capital injection agreement entered into between Shengshi Guangye, 五礦地產湖南開發有限公司 Minmetals Land Hunan Development Co., Ltd.* (“**Minmetals Land Hunan**”) and 五礦二十三冶建設集團有限公司 The 23rd Metallurgical Construction Group Co., Ltd. of Minmetals* (“**23rd Metallurgical**”, an indirect non-wholly owned subsidiary of China Minmetals) in relation to the admission of Shengshi Guangye to contribute 51% equity interest in Minmetals Land Hunan for a total sum of RMB1,327.32 million (approximately HK\$1,577.12 million) (the “**Capital Injection**”).

The consideration for the Equity Transfer and the capital injection amount for the Capital Injection were satisfied by internal financial resources of the Group or bank borrowings, and completion of the Equity Transfer and the Capital Injection took place on 2 September 2020 and 1 September 2020, respectively.

Tianjin Yijiahe is a company established under the laws of the PRC with limited liability owned as to 49% by Shengshi Guangye and 51% by 北京遠坤房地產開發有限公司 Beijing Yuankun Real Estate Development Company Limited. It is principally engaged in the development of a mega scale residential estate, namely Neo-Metropolis, in Tianjin, the PRC.

Minmetals Land Hunan is a company established under the laws of the PRC with limited liability owned as to 51% by Shengshi Guangye and 49% by 23rd Metallurgical. It is principally engaged in investment holding of companies involved in property development and property management in the PRC, and together with its subsidiaries (the “**Minmetals Land Hunan Group**”) is principally engaged in property development in the PRC.

Details of the financial information of each of Tianjin Yijiahe and the Minmetals Land Hunan Group for each of the three years ended 31 December 2017, 2018 and 2019 and the four months ended 30 April 2020 have been set out in the July Circular.

References are also made to the announcement dated 6 November 2020 (the “**November Announcement**”) and the circular dated 22 December 2020 issued by the Company (the “**December Circular**”), respectively, in relation to, among other things, the successful bid by 廣州市礦譽投資有限公司 Guangzhou Kuangyu Investment Co., Ltd.* (the “**JV Company**”, an indirect non-wholly owned subsidiary of the Company) for acquiring 90% of the equity interest in and the related shareholder’s loan to 廣州市品誠房地產開發有限公司 Guangzhou Pincheng Real Estate Development Co., Ltd.* (“**Guangzhou Pincheng**”) at a consideration of approximately RMB2,382.10 million (approximately HK\$2,830.41 million) from 廣州地鐵集團有限公司 Guangzhou Metro Group Co., Ltd.* (“**Guangzhou Metro**”) (the “**Acquisition**”).

The consideration for the Acquisition was satisfied by internal financial resources of the JV Company, which in turn was funded by the Group in proportion to its shareholding in the JV Company. The Acquisition was completed on 2 December 2020.

Guangzhou Pincheng is a company established under the laws of the PRC with limited liability owned as to 90% by the JV Company and 10% by Guangzhou Metro. It is the sole owner of the land use rights of the land parcel numbered 2020KJ01110001 and situated at Subway Line 13, Phase II Chatou Station, Baiyun District, Guangzhou City, the PRC and solely engaged in developing the land and the residential development to be constructed on the land for sale.

Details of the financial information of Guangzhou Pincheng for the period from 13 April 2020 (being the date of incorporation of Guangzhou Pincheng) to 31 October 2020 have been set out in the December Circular.

The aggregate of the remuneration payable to and benefits in kind receivable by the Directors will not be varied in consequence of the Equity Transfer, Capital Injection and/or the Acquisition.

Save as disclosed in this circular, after the date to which the latest published audited accounts of the Group have been made up, the Group has not acquired or agreed to acquire or is proposing to acquire a business or an interest in the share capital of a company whose profits or assets make or will make a material contribution to the figures in the auditors’ report or next published accounts of the Group.

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 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 EXECUTIVE

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying shares or 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 executive 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) Mr. He Jianbo, Mr. Liu Bo, Mr. Chen Xingwu, Mr. Yang Shangping and Ms. He Xiaoli are employees of China Minmetals; and
- (b) Ms. He Xiaoli is a director of China Minmetals H.K. (Holdings) Limited, a non-wholly owned subsidiary of China Minmetals.

4. DIRECTORS' SERVICE CONTRACT

As at the Latest Practicable Date, none of the Directors had entered into, or proposed to enter into, 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 an executive Director of the Company, is also a director of 五礦(營口)產業園發展有限公司 Minmetals (Yingkou) Industrial Park Real Estate Development Co., Ltd.* (“**Yingkou Industrial Park**”, a non-wholly owned subsidiary of China Minmetals), Minmetals Real Estate and 五礦地產控股有限公司 Minmetals Land Holdings Co., Ltd.* (“**Minmetals Land Holdings**”, a non-wholly owned subsidiary of China Minmetals).

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

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

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

All of Yingkou Industrial Park, Minmetals Real Estate and Minmetals Land Holdings are companies established under the laws of the PRC. Yingkou Industrial Park is engaged in the development of Minmetals (Yingkou) Industrial Park. Minmetals Real Estate is engaged in real estate development and operation, construction, property management, real estate agency, real estate advertising and exhibition and other real estate related business. Minmetals Land Holdings is 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.

Ms. Law Fan Chiu Fun, Fanny, being an independent non-executive Director of the Company, is also a director of China Resources (Holdings) Co., Ltd., holding company of China Resources Land Limited 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 resolution(s).

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 2019 (being the date to which the latest published audited 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 Latest Practicable Date 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 龍建(南京)置業有限公司 Dragon Construction (Nanjing) Property Co., Ltd.* (“DCNP”), a subsidiary of the Company, was interested in the shareholders’ agreement in respect of Oriental Dragon Construction Limited (“ODCL”, the immediate holding company of DCNP) dated 11 April 2006 entered into amongst 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, 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. LITIGATION

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against any members of the Group.

8. MATERIAL CONTRACTS

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

- (a) a memorandum of intent dated 28 March 2019 (the “**Guangzhou Kuangmao Memorandum of Intent**”) entered into among Shengshi Guangye, 寧波市鄞州協豐房產投資諮詢有限公司 Ningbo Yinzhou Xiefeng Real Estate Investment Consulting Co., Ltd.* (now known as 寧波市鄞州協豐企業管理有限公司 Ningbo Yinzhou Xiefeng Corporate Management Co., Ltd.*) (“**Xiefeng**”) as an investor and 廣州市礦茂房地產開發有限公司 Guangzhou Kuangmao Property Development Co., Ltd.* (“**Guangzhou Kuangmao**”) as the target company, in relation to the possible formation of a joint venture and the operation of the target company (i.e. Guangzhou Kuangmao), whereby Shengshi Guangye shall contribute an amount of approximately RMB1.24 billion if the transactions contemplated thereunder materialise. Further details of the Guangzhou Kuangmao Memorandum of Intent are set out in the announcement of the Company dated 28 March 2019;
- (b) an agreement of intent dated 11 April 2019 (the “**Guangzhou Kuangrong Agreement of Intent**”) entered into among Shengshi Guangye, 廣州招商房地產有限公司 Guangzhou Merchants Property Development Limited* (“**Guangzhou Merchants**”) as an investor and 廣州市礦榮房地產開發有限公司 Guangzhou Kuangrong Property Development Co., Ltd.* (“**Guangzhou Kuangrong**”) as the target company, in relation to the possible formation of a joint venture and the operation of the target company (i.e. Guangzhou Kuangrong), whereby Shengshi Guangye shall contribute an amount of approximately RMB588 million if the transactions contemplated thereunder materialise. Further details of the Guangzhou Kuangrong Agreement of Intent are set out in the announcement of the Company dated 11 April 2019;
- (c) an earnest money agreement dated 11 April 2019 entered into by the Company, Guangzhou Merchants as an investor and Guangzhou Kuangrong as the target company in respect of, among other things, the payment of an earnest money by Guangzhou Merchants to Guangzhou Kuangrong in the amount of approximately RMB548.91 million in relation to the Guangzhou Kuangrong Agreement of Intent. Further details of the earnest money agreement are set out in the announcement of the Company dated 11 April 2019;
- (d) a capital injection agreement dated 8 January 2020 entered into among Shengshi Guangye, Xiefeng as an investor and Guangzhou Kuangmao as the target company in relation to the admission of Xiefeng to contribute 49% of the registered capital and shareholder’s loan of Guangzhou Kuangmao for a total sum of approximately RMB1,196 million as contemplated under the Guangzhou

- Kuangmao Memorandum of Intent. Further details of the capital injection agreement are set out in the announcement of the Company dated 8 January 2020 and the circular of the Company dated 22 January 2020 (the “**January Circular**”);
- (e) a capital injection agreement dated 8 January 2020 entered into among Shengshi Guangye, Guangzhou Merchants as an investor and Guangzhou Kuangrong as the target company in relation to the admission of Guangzhou Merchants to contribute 49% of the registered capital and shareholder’s loan of Guangzhou Kuangrong for a total sum of approximately RMB593 million as contemplated under the Guangzhou Kuangrong Agreement of Intent. Further details of the capital injection agreement are set out in the announcement of the Company dated 8 January 2020;
 - (f) an agreement of intent dated 2 March 2020 (the “**Shenzhen Kuangrun Agreement of Intent**”) entered into among Shengshi Guangye and 深圳市潤投諮詢有限公司 Shenzhen Runtou Consulting Co., Ltd.* (“**Shenzhen Runtou**”) as an investor, in relation to the admission of Shenzhen Runtou to contribute 49% of the registered capital and shareholders’ loan of 深圳市礦潤房地產開發有限公司 Shenzhen Kuangrun Property Development Co., Ltd.* (“**Shenzhen Kuangrun**”) for a total sum up to RMB1,259.3 million if the transactions to be contemplated thereunder materialise. Further details of the Shenzhen Kuangrun Agreement of Intent are set out in the announcement of the Company dated 2 March 2020 (the “**March Announcement**”);
 - (g) the cooperation framework agreement dated 2 March 2020 (the “**Cooperation Framework Agreement**”) entered into between Shengshi Guangye, Shenzhen Runtou as the investor and Shenzhen Kuangrun as the target company, in respect of, among other things, the admission of the Shenzhen Runtou to contribute 49% of the registered capital and shareholders’ loan of Shenzhen Kuangrun for a total sum up to RMB1,259.3 million. Further details of the Cooperation Framework Agreement are set out in the March Announcement;
 - (h) an equity transfer agreement dated 18 March 2020 entered into between Minmetals Land Hunan as seller and 泰安漢和置業有限公司 Taian Hanhe Property Development Co., Ltd.* as purchaser in relation to the acquisition of the entire equity interest of 五礦地產(萊蕪)開發有限公司 Minmetals Land Laiwu Development Ltd.* and the shareholders’ loan for a total sum of approximately RMB84 million;
 - (i) 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% equity interest of 五礦地產(西寧)開發有限公司 Minmetals Land (Xining) Development Co., Ltd.* (“**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;

- (j) 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 by Shengshi Guangye from Minmetals Real Estate for a total sum of approximately RMB1,475.45 million (i.e. the Equity Transfer). Further details of the equity transfer agreement are set out in the June Announcement and the July Circular;
- (k) a capital injection agreement dated 18 June 2020 entered into among 23rd Metallurgical, Shengshi Guangye as the 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 (i.e. the Capital Injection). Further details of the capital injection agreement are set out in the June Announcement and the July Circular;
- (l) a loan agreement dated 30 June 2020 entered into between Guangzhou Kuangmao and 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 (the “**January Announcement**”), and a loan agreement dated 30 June 2020 entered into between Guangzhou Kuangmao and 五礦建設投資管理(北京)有限公司 Minmetals Land Investment Management (Beijing) Co., Ltd.* (“**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;
- (m) 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 the capital injection agreement are set out in the announcement of the Company dated 30 September 2020 and the circular of the Company dated 23 October 2020 (the “**October Circular**”);
- (n) the cooperation agreement dated 28 October 2020 (the “**Cooperation Agreement**”) entered into between Shengshi Guangye and 招商局置地(深圳)有限公司 China Merchants Land (Shenzhen) Limited* in relation to, among other things, the formation of the JV Company on a 51:49 basis for the tender for the acquisition of 90% of the equity interest in Guangzhou Pincheng and 90% of the shareholder’s loan(s) owing by Guangzhou Pincheng to Guangzhou Metro as at 30 April 2020 (the “**Target Interests**”) (i.e. the Acquisition). Further details of the Cooperation Agreement are set out in the announcement of the Company dated 28 October 2020 and the December Circular;
- (o) the tender documents in respect of the bidding process held by Guangzhou Enterprises Mergers and Acquisitions Services for the Acquisition. Further details of the Acquisition are set out in the November Announcement and the December Circular;

- (p) the share transfer agreement dated 17 November 2020 entered into between Guangzhou Metro and the JV Company in relation to the transfer of the Target Interests from Guangzhou Metro to the JV Company. Further details of the share transfer agreement are set out in the December Circular;
- (q) an equity transfer agreement dated 14 December 2020 entered into among Minmetals Land Construction & Engineering Limited as seller, 23rd Metallurgical as purchaser, 五礦瑞和(上海)建設有限公司 Minmetals Condo (Shanghai) Construction Co., Ltd.* (“**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 the equity transfer agreement are set out in the announcement of the Company dated 14 December 2020; and
- (r) 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 the amount of RMB127.5 million and to Xiefeng in the amount of RMB122.5 million, respectively. Further details of the loans are set out in the January Announcement.

9. MATERIAL ADVERSE CHANGE

Save as disclosed in the Company’s profit warning announcements dated 18 June 2020, 3 July 2020 and 11 February 2021, respectively, 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 2019, being the date to which the latest published audited financial statements of the Company were made up.

10. EXPERT

The following are the qualifications of the expert who has given an opinion or advice, which is contained in this circular:

Name	Qualification
Red Sun Capital Limited	licensed corporation under the SFO permitted to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities

As at the Latest Practicable Date, the expert above:

- (a) had given and had not withdrawn its written consent to the issue of this circular with the inclusion of its letter, statements and references to its name in the form and context in which they are included. The letter, statements and recommendations therein given by the expert above are given as of the date of this circular for incorporation herein.

- (b) 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.
- (c) did not have any interest, directly or indirectly, in any assets which had been, since 31 December 2019 (being the date to which the latest published audited 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.

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 Ms. Chung Wing Yee who is an associate member of The Hong Kong Institute of Chartered Secretaries and The Chartered Governance Institute.
- (d) The English text of this circular shall prevail over the Chinese text, in case of any inconsistency.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the principal place of business of the Company in Hong Kong at 18th Floor, China Minmetals Tower, 79 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong, during normal business hours on any weekday (except public holidays), up to and including 14 days from the date of this circular:

- (a) the memorandum of association and bye-laws of the Company;
- (b) the material contracts as referred to in the paragraph headed “8. MATERIAL CONTRACTS” in this appendix;
- (c) the 2018 Agreement and the 2019 Supplemental Agreement;
- (d) the 2021 Agreement;

- (e) the letter from the Independent Board Committee, the text of which is set out in the section headed “Letter from the Independent Board Committee” of this circular;
- (f) the letter from the Independent Financial Adviser, the text of which is set out in the section headed “Letter from the Independent Financial Adviser” of this circular;
- (g) the written consent referred to in the paragraph headed “10. EXPERT” in this appendix;
- (h) the annual reports of the Company for the three financial years ended 31 December 2017, 2018 and 2019 and the interim report of the Company for the six months ended 30 June 2020;
- (i) the January Circular, the circular of the Company dated 12 May 2020 in relation to the construction framework agreement entered into between the Company and China Minmetals on 17 April 2020, the July Circular, the October Circular, and the December Circular; and
- (j) this circular.

* *For identification purpose only*



五礦地產有限公司
MINMETALS LAND LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 230)

NOTICE IS HEREBY GIVEN that a special general meeting of the shareholders of Minmetals Land Limited (the “**Company**”) will be held at Monet Room B, Basement 1, InterContinental Grand Stanford Hong Kong, 70 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Friday, 19 March 2021 at 10:30 a.m. (the “**Meeting**”) for the purposes of considering and, if thought fit, passing (with or without modifications) the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT:**

- (a) the conditional agreement dated 2 February 2021 entered into between the Company and 五礦集團財務有限責任公司 Minmetals Finance Co., Ltd.* (“**Minmetals Finance**”) in relation to the financial services to be provided by Minmetals Finance to the Company and its subsidiaries in Mainland China for the three years from 20 April 2021 to 19 April 2024 (the “**2021 Agreement**”) and the transactions contemplated thereunder (including the proposed annual caps for the three years from 20 April 2021 to 19 April 2024) (details of which are described in the circular of the Company dated 25 February 2021 and a copy of which has been produced to this meeting and signed by the Chairman of the Meeting for the purpose of identification) be hereby approved, confirmed and ratified; and
- (b) any one of the directors of the Company be hereby authorised to do all such further acts and things and execute such further documents and take all steps which in his/her opinion may be necessary, desirable or expedient to implement and/or give effect to the 2021 Agreement and the transactions contemplated thereunder.”

By order of the Board of
Minmetals Land Limited
He Jianbo
Chairman

Hong Kong, 25 February 2021

NOTICE OF SGM

Notes:

1. A member entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote on his/her behalf. A member who is a recognized clearing house within the meaning of the Securities and Futures Ordinance is entitled to appoint one or more proxies to attend and vote on its behalf. A proxy need not be a member of the Company.
2. To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be deposited at the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible, and in any event not later than 10:30 a.m. on Wednesday, 17 March 2021. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the Meeting or any adjournment thereof should they so wish.
3. The register of members of the Company will be closed from Tuesday, 16 March 2021 to Friday, 19 March 2021 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for attending the Meeting, all share certificates with completed transfer forms must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, 15 March 2021 for registration of share transfer.
4. The votes at the Meeting will be taken by poll.