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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
MINMETALS LAND

中國五礦

五礦地產有限公司
MINMETALS LAND LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 230)

**(1) MAJOR AND CONTINUING CONNECTED TRANSACTIONS
IN RELATION TO RENEWAL OF
FINANCIAL SERVICES FRAMEWORK AGREEMENT;
(2) MAJOR AND CONNECTED TRANSACTIONS IN RELATION TO
(I) THE KUANGMAO SUPPLEMENTAL AGREEMENT
AND
(II) THE KUANGRUN SUPPLEMENTAL AGREEMENT;
AND
(3) NOTICE OF SPECIAL GENERAL MEETING**

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



SOMERLEY CAPITAL LIMITED

A letter from the Board is set out on pages 5 to 21 of this circular.

A letter from the Independent Board Committee is set out on pages 22 to 23 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 24 to 35 of this circular.

A notice convening the SGM to be held at Units 1101-02, 11/F., Euro Trade Centre, 13-14 Connaught Road Central, Hong Kong on Tuesday, 27 August 2024 at 2:30 p.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 2:30 p.m. on Sunday, 25 August 2024. 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.

25 July 2024

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DEFINITIONS

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

“2021 Financial Services 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;
“2024 Financial Services Agreement”	the financial services framework agreement dated 19 April 2024 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 2024 to 19 April 2027;
“Annual Cap Amounts”	the proposed caps for deposit transactions contemplated under the 2024 Financial Services Agreement for the three years from 20 April 2024 to 19 April 2027, as set out in the section headed “Annual Cap Amounts” in this circular;
“Board”	the board of Directors;
“Borrowers”	Xiefeng and Shenzhen Runtou;
“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 which is 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;
“CRL Holdings”	China Resources Land Holdings Limited* (華潤置地控股有限公司), a company established under the laws of the PRC;
“Director(s)”	the director(s) of the Company;
“Existing Loan Agreements”	the Kuangmao Agreement and the Kuangrun Agreement;
“Group”	the Company and its subsidiaries;
“Guangzhou Kuangmao”	Guangzhou Kuangmao Property Development Co., Ltd.* (廣州市礦茂房地產開發有限公司), a company established under the laws of the PRC with limited liability undertaking the development of Parc One and an indirect non-wholly owned subsidiary of the Company;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;

DEFINITIONS

“Hong Kong”	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 2024 Financial Services Agreement and the transactions contemplated thereunder (including the Annual Cap Amounts);
“Independent Financial Adviser”	Somerley Capital Limited, a licensed corporation permitted to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the deposit services contemplated under the 2024 Financial Services Agreement (including the Annual Cap Amounts for deposit services);
“Independent Shareholder(s)”	Shareholder(s) other than June Glory and its associates, and any Shareholder who has a material interest in the 2024 Financial Services Agreement and the transactions contemplated thereunder (including the Annual Cap Amounts);
“Independent Third Party(ies)”	independent third party(ies) not connected with the Company or its connected persons;
“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;
“Kuangmao Agreement”	the loan framework agreement dated 26 April 2021 entered into among Guangzhou Kuangmao, Shengshi Guangye and Xiefeng;
“Kuangmao Supplemental Agreement”	the supplemental agreement dated 24 June 2024 entered into among Guangzhou Kuangmao, Shengshi Guangye and Xiefeng to amend and supplement the Kuangmao Agreement;
“Kuangrun Agreement”	the loan framework agreement dated 26 April 2021 entered into among Shenzhen Kuangrun, Shengshi Guangye and Shenzhen Runtou;
“Kuangrun Supplemental Agreement”	the supplemental agreement dated 24 June 2024 entered into among Shenzhen Kuangrun, Shengshi Guangye and Shenzhen Runtou to amend and supplement the Kuangrun Agreement;
“Latest Practicable Date”	22 July 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein;

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time;
“Mainland China” or “PRC”	the People’s Republic of China (for the purpose of this circular, shall exclude Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan);
“Minmetals Finance”	Minmetals Finance Co., Ltd.* (五礦集團財務有限責任公司), a limited liability company established in the PRC and an indirect non-wholly owned subsidiary of China Minmetals as at the Latest Practicable Date;
“Parc One”	a residential development project situated at Changling Road, Huangpu District, Guangzhou City, Guangdong Province, the PRC;
“Ping An”	Ping An Insurance (Group) Company of China, Ltd. (中國平安保險(集團)股份有限公司), a company established under the laws of the PRC with limited liability, the A shares (stock code: 601318) and H shares (stock code: 2318) of which are listed on the Shanghai Stock Exchange and the Stock Exchange, respectively;
“Ping An Real Estate”	Ping An Real Estate Co., Ltd.* (平安不動產有限公司), a company established under the laws of the PRC with limited liability;
“RMB”	Renminbi, the lawful currency of the PRC;
“SGM”	a special general meeting of the Company to be convened to consider and approve the 2024 Financial Services Agreement and the transactions contemplated thereunder (including the Annual Cap Amounts);
“Shareholder(s)”	holder(s) of Share(s);
“Shares”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company;
“Shengshi Guangye”	Minmetals Shengshi Guangye (Beijing) Co., Ltd.* (五礦盛世廣業(北京)有限公司), a company established under the laws of the PRC with limited liability;
“Shenzhen Kuangrun”	Shenzhen Kuangrun Property Development Co., Ltd.* (深圳市礦潤房地產開發有限公司), a company established under the laws of the PRC with limited liability undertaking the development of The Greenville and an indirect non-wholly owned subsidiary of the Company;

DEFINITIONS

“Shenzhen Runtou”	Shenzhen Runtou Consulting Co., Ltd.* (深圳市潤投諮詢有限公司), a company established under the laws of the PRC with limited liability;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Supplemental Loan Agreements”	the Kuangmao Supplemental Agreement and the Kuangrun Supplemental Agreement;
“The Greenville”	a residential and commercial development project situated at Maluan Subdistrict, Pingshan District, Shenzhen, Guangdong Province, the PRC;
“Xiefeng”	Ningbo Yinzhou Xiefeng Corporate Management Co., Ltd.* (寧波市鄞州協豐企業管理有限公司), a company established under the laws of the PRC with limited liability; and
“%”	per cent.

* *For identification purposes only*

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

For the purpose of illustration only and unless otherwise stated, conversions of Renminbi into Hong Kong dollars in this circular is calculated at the exchange rate of RMB1.00 to HK\$1.0978. 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.



五礦地產
MINMETALS LAND

中國五礦

五礦地產有限公司
MINMETALS LAND LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 230)

Executive Directors:

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

Registered office:

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

Non-executive Directors:

Ms. He Xiaoli
Mr. Huang Guoping

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. Lam Chung Lun, Billy
Ms. Law Fan Chiu Fun, Fanny
Professor Wang Xiuli

25 July 2024

To the Shareholders

Dear Sir or Madam,

- (1) MAJOR AND CONTINUING CONNECTED TRANSACTIONS
IN RELATION TO RENEWAL OF
FINANCIAL SERVICES FRAMEWORK AGREEMENT;**
**(2) MAJOR AND CONNECTED TRANSACTIONS IN RELATION TO
(I) THE KUANGMAO SUPPLEMENTAL AGREEMENT
AND
(II) THE KUANGRUN SUPPLEMENTAL AGREEMENT;
AND
(3) NOTICE OF SPECIAL GENERAL MEETING**

LETTER FROM THE BOARD

I. INTRODUCTION

References are made to (i) the announcement of the Company dated 19 April 2024 in relation to, among other things, the 2024 Financial Services Agreement entered into between the Company and Minmetals Finance to renew the 2021 Financial Services Agreement for a further term of three years from 20 April 2024 to 19 April 2027; and (ii) the announcement of the Company dated 24 June 2024 in relation to, among other things, the Kuangmao Supplemental Agreement and the Kuangrun Supplemental Agreement, pursuant to which Guangzhou Kuangmao and Shenzhen Kuangrun agreed to extend the term of the loans provided to their respective shareholders to 25 April 2027.

The purpose of this circular include:

- (a) to provide the Shareholders with, among other things, further details of the 2024 Financial Services Agreement and the transactions contemplated thereunder (including the Annual Cap Amounts);
- (b) to provide Shareholders with further details of the Supplemental Loan Agreements;
- (c) to set out the recommendation from the Independent Board Committee to the Independent Shareholders and the advice of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the 2024 Financial Services Agreement; and
- (d) a notice convening the SGM.

II. 2024 FINANCIAL SERVICES AGREEMENT

References are made to the announcement of the Company dated 2 February 2021 and the circular of the Company dated 25 February 2021 in relation to the 2021 Financial Services Agreement. Pursuant to the 2021 Financial Services Agreement, Minmetals Finance may provide financial services to the Company and its subsidiaries in Mainland China for a term of three years from 20 April 2021 to 19 April 2024. The 2021 Financial Services Agreement has expired on 19 April 2024, and it is expected that the Group will continue to enter into similar transactions from time to time thereafter. Accordingly, on 19 April 2024, the Company and Minmetals Finance entered into the 2024 Financial Services Agreement to renew the 2021 Financial Services Agreement for a further term of three years from 20 April 2024 to 19 April 2027.

LETTER FROM THE BOARD

The principal terms of the 2024 Financial Services Agreement are set out below:

Date

19 April 2024

Parties

- (1) The Company
- (2) Minmetals Finance

Term

20 April 2024 to 19 April 2027

Scope

Minmetals Finance shall provide the following financial services to the Company and its subsidiaries in Mainland China on normal commercial terms, on terms (including interests) no less favourable to the Company and its subsidiaries in Mainland China than those that could be obtained from independent third parties:

(1) Current and fixed deposit services

Pursuant to the 2024 Financial Services Agreement, Minmetals Finance shall provide deposit services to the Company and its subsidiaries in Mainland China. The 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 a comparable category of deposits, whichever is higher.

(2) 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 RMB3,000,000,000 to the Company and its subsidiaries in Mainland China upon its request on comparable market terms. The 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 a comparable category of loans, whichever is lower.

LETTER FROM THE BOARD

(3) Settlement services

All settlement services to be provided by Minmetals Finance to the Company and its subsidiaries in Mainland China under the 2024 Financial Services 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).

Historical amount

The approximate historical deposit transaction amounts in relation to the provision of deposit services by Minmetals Finance to the Company and its subsidiaries in Mainland China under the 2021 Financial Services Agreement are as follows:

	For the period from		For the period from	
	20 April 2021 to	For the year ended	For the year ended	1 January 2024 to
	31 December 2021	31 December 2022	31 December 2023	31 March 2024
The maximum daily outstanding balance of deposits (including accrued interests)	RMB2,972,930,374	RMB2,974,578,950	RMB2,995,992,355	RMB1,703,710,465

Annual Cap Amounts

The annual cap amounts 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 2024 Financial Services Agreement will remain the same as the annual caps under the 2021 Financial Services Agreement as follows:

	For the period from			For the period from
	20 April 2024 to	For the year ending	For the year ending	1 January 2027 to
	31 December 2024	31 December 2025	31 December 2026	19 April 2027
The maximum daily outstanding balance of deposits (including accrued interests)	RMB3,000,000,000	RMB3,000,000,000	RMB3,000,000,000	RMB3,000,000,000

LETTER FROM THE BOARD

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

- (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 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;
- (3) the expected cash flow position of the Group and its contract sales;
- (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.

Letter of Notification from China Minmetals

On 31 May 2024, China Minmetals issued a letter of notification to the Group, notifying the Group that during the term of the 2024 Financial Services Agreement, China Minmetals will:

- (1) maintain effective control over Minmetals Finance and ensure the proper and orderly operation of Minmetals Finance;
- (2) use its best endeavours and take all reasonable steps to ensure that Minmetals Finance will perform its obligations in respect of the financial services contemplated under the 2024 Financial Services Agreement;
- (3) in respect of the deposits placed by the Company and its subsidiaries in Mainland China through the deposit services under the 2024 Financial Services Agreement, use its best endeavours and take all reasonable steps to ensure that Minmetals Finance will use such deposits primarily for the purpose of facilitating the provision of fund transfer services for the Company and its subsidiaries in Mainland China; and
- (4) bear all losses incurred due to Minmetals Finance's failure to perform its obligations under the 2024 Financial Services Agreement, which include but not limited to deposit amount, interest and relevant expenses incurred, within ten days after the occurrence of such failure.

LETTER FROM THE BOARD

Reasons for and Benefits of the Entering into the 2024 Financial Services 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).

Minmetals Finance has established a long-standing cooperative relationship with the Group and has been providing financial services to the Group since November 2013. Based on the long-standing relationship, the Group is satisfied with the expedient and efficient services rendered by Minmetals Finance as it has a better understanding of the business operations of the Company and its subsidiaries in Mainland China. Accordingly, the Group intended to continue to procure financial services from Minmetals Finance.

The Company entered into the 2024 Financial Services Agreement with Minmetals Finance taking into account (i) the Group's business development plans, treasury management and financial needs of the Group; (ii) the need to secure a stable provision of financial services under the 2024 Financial Services Agreement given the rising interest rates and the tightening credit market in the near future; (iii) obtaining an additional channel for financing; and (iv) enhancing return on surplus funds and reducing finance costs due to favourable interest rates for deposits and loans as well as utilisation of settlement services free of handling charge.

Given that Minmetals Finance is not a public licensed bank, the Company has taken into account the following factors when assessing whether it is fair and reasonable for the Company and its subsidiaries in Mainland China to place deposits with the Minmetals Finance: (i) Minmetals Finance is a non-bank financial institution regulated by the National Administration of Financial Regulation ("NAFR"). It is subject to the supervision of NAFR and shall provide services in accordance with the rules and operational requirements of NAFR. To the best knowledge of the Company, Minmetals Finance has not violated the rules and regulations imposed by NAFR and its asset-to-liability ratio has complied with the requirements of such regulations; (ii) Minmetals Finance has not defaulted on any of its payment to the Company and its subsidiaries in Mainland China; (iii) the arrangement between the Company and Minmetals Finance under the 2024 Financial Services Agreement is non-exclusive, and the Company and its subsidiaries in Mainland China have their discretion in selecting the provider for financial services; and (iv) Minmetals Finance will coordinate with the internal audit department and/or external auditors of the Company to review the transactions contemplated under the 2024 Financial Services Agreement and the relevant internal controls. For further details of the internal control measures, please refer to section headed "Internal Control Procedures and Risk Management Measures in relation to the 2024 Financial Services Agreement" in this circular. Taking into account the aforementioned factors, 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. Under the relevant rules of the PBOC and CBRC, the clients of

LETTER FROM THE BOARD

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.

The Directors (including the independent non-executive Directors) are of the view that the 2024 Financial Services Agreement (including the annual cap amounts) was entered into in the ordinary and usual course of business of the Group, 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.

Internal Control Procedures and Risk Management Measures in relation to the 2024 Financial Services Agreement

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 2024 Financial Services Agreement:

- (1) Minmetals Finance shall coordinate with the internal audit department and/or external auditors of the Company to review the transactions contemplated under the 2024 Financial Services 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 2024 Financial Services Agreement and provide annual confirmations in accordance with the Listing Rules that are conducted in accordance with the terms of the 2024 Financial Services 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 in complying 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 NAFR 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 amounts such that they shall not be exceeded;

LETTER FROM THE BOARD

- (6) specifically designated personnel from the finance department of the Company will be responsible for regular monitoring of the transactions contemplated under the 2024 Financial Services Agreement and will report to the management of the Company on a monthly basis in relation to the transactions contemplated under the 2024 Financial Services Agreement;
- (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 contemplated under the 2024 Financial Services Agreement;
- (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 2024 Financial Services Agreement is non-exclusive, and the Company and its subsidiaries in Mainland China have their discretion in selecting the provider for financial services.

Financial Effects of the 2024 Financial Services Agreement

The deposits are funds of the Group and there will be no change in the consolidated assets of the Group as a result of placing the deposits with Minmetals Finance pursuant to the terms of the 2024 Financial Services Agreement. The deposit transactions would have no impact on the Group's assets and liabilities. As the Group can earn interests through the deposits, the deposit transactions would increase the Group's earnings. As such, the Directors do not expect that the deposit transactions would have any adverse financial impact on the earnings, assets and liabilities of the Group.

Listing Rules Implication

As at the Latest Practicable Date, Minmetals Finance is an indirect non-wholly owned subsidiary of China Minmetals which is the controlling shareholder of the Company holding approximately 61.88% issued Shares. Accordingly, Minmetals Finance is a connected person of the Company pursuant to Chapter 14A of the Listing Rules and the transactions contemplated under the 2024 Financial Services Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

(1) Deposit Services

As one of the applicable percentage ratios for the provision of deposit services by Minmetals Finance under the 2024 Financial Services Agreement exceeds 100% but the provision of deposit services does not constitute an acquisition by the Company, the

LETTER FROM THE BOARD

provision of deposit services by Minmetals Finance does not constitute a very substantial acquisition but constitutes a major transaction for the Company and is subject to reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Since one or more of the applicable percentage ratios for the provision of deposit services by Minmetals Finance under the 2024 Financial Services Agreement exceeds 5%, it is subject to reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

(2) Loan Services

The provision of loan services by Minmetals Finance under the 2024 Financial Services Agreement constitutes financial assistance to be provided by a connected person for the benefit of the Group. Since such services shall be on normal commercial terms, on terms (including interests) no less favourable to the Group 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, annual review and independent shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

(3) Settlement Services

As the settlement services to be provided by Minmetals Finance to the Company and its subsidiaries in Mainland China under the 2024 Financial Services Agreement will be free of handling charge, it is exempt from reporting, announcement, annual review and independent shareholders' approval requirements under Rule 14A.76(1) of the Listing Rules.

III. SUPPLEMENTAL LOAN AGREEMENTS

On 24 June 2024, Guangzhou Kuangmao (an indirect non-wholly owned subsidiary of the Company) entered into the Kuangmao Supplemental Agreement with Shengshi Guangye (an indirect wholly-owned subsidiary of the Company holding 51% of the equity interest of Guangzhou Kuangmao) and Xiefeng (holder of 49% of the equity interest of Guangzhou Kuangmao) pursuant to which Guangzhou Kuangmao agreed to extend the term of the loans provided to Shengshi Guangye and Xiefeng for a term of three years to 25 April 2027.

On 24 June 2024, Shenzhen Kuangrun (an indirect non-wholly owned subsidiary of the Company) entered into the Kuangrun Supplemental Agreement with Shengshi Guangye (an indirect wholly-owned subsidiary of the Company and holder of 51% of the equity interest of Shenzhen Kuangrun) and Shenzhen Runtou (holder of 49% of the equity interest of Shenzhen Kuangrun) pursuant to which Shenzhen Kuangrun agreed to extend the term of the loans provided to Shengshi Guangye and Shenzhen Runtou for a term of three years to 25 April 2027.

LETTER FROM THE BOARD

(1) Kuangmao Supplemental Agreement

The principal terms of the Kuangmao Supplemental Agreement are set out as follows:

Date

24 June 2024

Parties

- | | |
|-----------|---|
| Lender | (i) Guangzhou Kuangmao, an indirect non-wholly owned subsidiary of the Company; |
| Borrowers | (ii) Shengshi Guangye, an indirect wholly-owned subsidiary of the Company and holder of 51% of the equity interest of Guangzhou Kuangmao; and

(iii) Xiefeng, holder of 49% of the equity interest of Guangzhou Kuangmao. |

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, Xiefeng and its ultimate beneficial owner(s) are, save for Xiefeng's interest in Guangzhou Kuangmao, third parties independent of and not connected with the Company and its connected persons.

Term of the Kuangmao Supplemental Agreement

Three years commencing from 26 April 2024 to 25 April 2027.

Provision of loans

Pursuant to the Kuangmao Agreement, Guangzhou Kuangmao has provided entrustment loans or directly provided loans to Xiefeng and Shengshi Guangye (or each of their respective direct holding company, or designated fellow subsidiaries in the PRC) for a total principal amount of not exceeding RMB931 million and RMB969 million, respectively, based on the same terms and conditions and in proportion to their respective shareholdings in Guangzhou Kuangmao on an unsecured interest-free basis.

Pursuant to the Kuangmao Supplemental Agreement, Guangzhou Kuangmao agreed to extend the term of the loans to Xiefeng and Shengshi Guangye to 25 April 2027 for a total principal amount of RMB931 million and RMB969 million respectively. Save as aforesaid, all other terms of the Kuangmao Agreement (as amended and supplemented by the Kuangmao Supplemental Agreement) shall remain in full force and effect.

LETTER FROM THE BOARD

Repayment of loans

The loans shall be repaid in one lump sum on the maturity date of the relevant loans by the end of the extended term of 25 April 2027. Guangzhou Kuangmao may, at any time by giving 30 working days advance written notice to both Shengshi Guangye and Xiefeng (or each of their respective direct holding company, or designated fellow subsidiaries in the PRC), request for early repayment of all or part of the loans made to each of Shengshi Guangye and Xiefeng (or each of their respective direct holding company, or designated fellow subsidiaries in the PRC) under the Kuangmao Agreement on a prorated basis.

(2) Kuangrun Supplemental Agreement

The principal terms of the Kuangrun Supplemental Agreement are set out as follow:

Date

24 June 2024

Parties

- | | |
|-----------|---|
| Lender | (i) Shenzhen Kuangrun, an indirect non-wholly owned subsidiary of the Company; |
| Borrowers | (ii) Shengshi Guangye, an indirect wholly-owned subsidiary of the Company and holder of 51% of the equity interest of Shenzhen Kuangrun; and
(iii) Shenzhen Runtou, holder of 49% of the equity interest of Shenzhen Kuangrun. |

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, Shenzhen Runtou and its ultimate beneficial owner(s) are, save for Shenzhen Runtou's interest in Shenzhen Kuangrun, third parties independent of and not connected with the Company and its connected persons.

Term of the Kuangrun Supplemental Agreement

Three years commencing from 26 April 2024 to 25 April 2027.

Provision of loans

Pursuant to the Kuangrun Agreement, Shenzhen Kuangrun has provided entrustment loans or directly provided loans to Shengshi Guangye and to Shenzhen Runtou (or each of their respective direct holding company, or its designated fellow subsidiaries in the PRC) for a total principal amount of not exceeding RMB637.5 million and RMB612.5 million, respectively, based on the same terms and conditions and in proportion to their respective shareholdings in

LETTER FROM THE BOARD

Shenzhen Kuangrun on an unsecured basis at an annual interest rate of 3.85%. The interest rate was determined with reference to the one-year loan prime rate published by the People's Bank of China as at the date of the Kuangrun Agreement.

Pursuant to the Kuangrun Supplemental Agreement, Shenzhen Kuangrun agreed to extend the term of the loans to Shengshi Guangye and Shenzhen Runtou to 25 April 2027 for a total principal amount of RMB618.12 million and RMB593.88 million respectively. Save as aforesaid, all other terms of the Kuangrun Agreement (as amended and supplemented by the Kuangrun Supplemental Agreement) shall remain in full force and effect.

Repayment of loans

The loans shall be repaid in one lump sum upon maturity of the relevant loans by the end of the extended term of 25 April 2027. Shenzhen Kuangrun may, at any time by giving 30 working days advance written notice to both Shengshi Guangye and Shenzhen Runtou (or each of their respective direct holding company, or designated fellow subsidiaries in the PRC), request for early repayment of all or part of the loans made to each of Shengshi Guangye and Shenzhen Runtou (or each of their respective direct holding company, or designated fellow subsidiaries in the PRC) under the Kuangrun Supplemental Agreement on a prorated basis.

Reasons for and Benefits of Entering into the Agreements

Each of Guangzhou Kuangmao and Shenzhen Kuangrun is engaged in the ownership and development of Parc One and The Greenville, respectively, and are generating steady funding from their respective operation. Based on the planned development schedule, sales programme and costing of Parc One and The Greenville, Guangzhou Kuangmao and Shenzhen Kuangrun have accumulated idle cash from time to time. The Directors consider that the extension of the term of the loans provided by Guangzhou Kuangmao and Shenzhen Kuangrun to their respective shareholders will allow them to release its idle cash to other members of the Group, and will also enhance the working capital of the Group as a whole, and provide flexibility in the planning and management of the Group's liquidity position during the respective term of the Supplemental Loan Agreements.

The Directors consider that extension of the term of the interest-free loans to Xiefeng are fair and reasonable on the ground that (i) it was agreed between the parties upon the formation of the joint venture (Guangzhou Kuangmao) that loans shall be provided to both shareholders on pro-rata basis on the same terms to ensure fairness between the shareholders; and (ii) the Group intends to maintain long term cooperation with Xiefeng to leverage on their expertise in real estate investment and property management. Although the loan is to be provided by Guangzhou Kuangmao on an unsecured interest-free basis under the Kuangmao Agreement, the Company will closely monitor the financial positions of Ping An by reviewing its published financial

LETTER FROM THE BOARD

statements twice a year once its financial statements are published on the websites of the Stock Exchange. The Group also will maintain adequate internal controls and procedures over the financial and operations of Guangzhou Kuangmao, such as reviewing the accounts of Guangzhou Kuangmao and the development progress of Parc One before the grant of the loans and quarterly during the term of the Kuangmao Agreement, in order to minimise the likelihood of defaults in repayment of the loans by Xiefeng or its direct holding company or designated fellow subsidiaries in the PRC and safeguard the Group's assets.

The Directors (including the independent non-executive Directors) consider that the terms of the agreements (including the amount of loans) are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole. None of the Directors is regarded as having a material interest in each of the agreements and hence none of the Directors has abstained from voting on the resolution to approve the agreements.

Financial Effects of the Supplemental Loan Agreements on the Company

Since each of Guangzhou Kuangmao and Shenzhen Kuangrun is a non-wholly owned subsidiary of the Company, the loans provided by each of them to the Borrowers, respectively, will be presented as loans to non-controlling shareholders of subsidiaries under current assets in the consolidated statement of financial position of the Group. The total assets and total liabilities of the Group will remain unchanged. The profit of the Group will increase as the loans under the Kuangrun Agreement are bearing interest at an annual interest rate of 3.85%.

Listing Rules Implications

(1) Kuangmao Supplemental Agreement

As one or more of the applicable percentage ratios in respect of the transactions contemplated under the Kuangmao Supplemental Agreement is more than 25% but less than 100%, the transactions contemplated under the Kuangmao Supplemental Agreement constitute a major transaction for the Company subject to reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Xiefeng holds 49% of the equity interest of Guangzhou Kuangmao as at the Latest Practicable Date and is therefore a connected person of the Company at subsidiary level. As such, the transactions contemplated under the Kuangmao Supplemental Agreement constitute a connected transaction of the Company under Chapter 14A of the Listing Rules and the Company is required to comply with the applicable reporting and disclosure requirements under Chapter 14A of the Listing Rules. As the Board has approved the connected transaction contemplated under the Kuangmao Supplemental Agreement and the independent non-executive Directors have confirmed that the terms of such transaction is fair and reasonable and are on normal commercial terms and in the interests of the Company and the Shareholders as

LETTER FROM THE BOARD

a whole, the connected transaction is exempted from the circular, independent financial advice and Shareholders' approval requirements under Rule 14A.101 of the Listing Rules. The Company will comply in full with all applicable reporting and disclosure requirements under Chapter 14A of the Listing Rules upon any variation or renewal of the Kuangmao Supplemental Agreement.

(2) Kuangrun Supplemental Agreement

As one or more of the applicable percentage ratios in respect of the transactions contemplated under the Kuangrun Supplemental Agreement is more than 25% but less than 100%, the transactions contemplated under the Kuangrun Supplemental Agreement constitute a major transaction for the Company subject to reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Shenzhen Runtou holds 49% of the equity interest of Shenzhen Kuangrun as at the Latest Practicable Date, and is therefore a connected person of the Company at subsidiary level. As such, the transactions contemplated under the Kuangrun Supplemental Agreement constitute a connected transaction of the Company under Chapter 14A of the Listing Rules and the Company is required to comply with the applicable reporting and disclosure requirements under Chapter 14A of the Listing Rules. As the Board has approved the connected transaction contemplated under the Kuangrun Supplemental Agreement and the independent non-executive Directors have confirmed that the terms of such transaction is fair and reasonable and are on normal commercial terms and in the interests of the Company and the Shareholders as a whole, the connected transaction is exempted from the circular, independent financial advice and Shareholders' approval requirements under Rule 14A.101 of the Listing Rules. The Company will comply in full with all applicable reporting and disclosure requirements under Chapter 14A of the Listing Rules upon any variation or renewal of the Kuangrun Supplemental Agreement.

Due to ongoing negotiations to finalise the terms of the Supplemental Loan Agreements, there was a gap between the expiry of the Existing Loan Agreements and the signing date of the Supplemental Loan Agreements. Going forward to facilitate timely repayment of the loans by the Borrowers under the Supplemental Loan Agreements and/or to facilitate negotiations to further extend the repayment dates (as the case may be), the Company is committed to further strengthening its internal control procedures. Specifically, to ensure that the Borrowers meet their repayment obligations on time, the Company intends to set up and enforce repayment schedules with the Borrowers pursuant to the terms of the Supplemental Loan Agreements, provide advance notice and/or reminder of the repayment date to the Borrowers three months prior to the repayment dates, and closely monitor the repayment and expiry of the loans pursuant to the Supplemental Loan Agreements.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the agreements. As such, the agreements may be approved by written shareholder's approval in accordance with Rule 14.44 of the Listing Rules. June Glory, the controlling shareholder which owns 2,071,095,506 Shares representing approximately 61.88% of the issued share capital of the Company as at the Latest Practicable Date, has granted its written approval to the Company in respect of the agreements. Accordingly, the Company has fulfilled the requirements under Chapter 14 of the Listing Rules and no general meeting will be convened by the Company to approve the agreements.

IV. INFORMATION OF THE PARTIES

The Group

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

Other Parties

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 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 is a state-owned enterprise established under the laws of the PRC and the ultimate controlling shareholder of the Company which is indirectly interested in approximately 61.88% of the issued share capital of the Company as at the Latest Practicable Date. It is principally engaged in exploration, mining, smelting, processing and trading for metals and minerals, finance, real estate, and mining and metallurgic technology.

Shengshi Guangye is an indirect wholly-owned subsidiary of the Company and is principally engaged in investment holding.

Guangzhou Kuangmao is an indirect non-wholly owned subsidiary of the Company owned as to 51% by Shengshi Guangye and 49% by Xiefeng. It is principally engaged in the development of Parc One, a residential development project situated at Changling Road, Huangpu District, Guangzhou City, Guangdong Province, the PRC.

Xiefeng is principally engaged in real estate investment consultancy, real estate sales agency and property management businesses and is indirectly non-wholly owned by Ping An Real Estate for financial investment purpose. Ping An Real Estate is a subsidiary of Ping An and is principally engaged in investment management, investment consultancy, investment holding, entrusted management of equity investment fund and entrusted fund management businesses. Ping An is a company established under the laws of the PRC with limited liability, the A shares (stock code: 601318) and H shares (stock code: 2318) of which are listed on the Shanghai Stock Exchange and the Stock Exchange, respectively. Ping An, together with its subsidiaries, is an insurance and financial service group in the PRC, which can provide a variety of insurance and financial services and products to corporate and retail customers.

LETTER FROM THE BOARD

Shenzhen Kuangrun is an indirect non-wholly owned subsidiary of the Company owned as to 51% by Shengshi Guangye and 49% by Shenzhen Runtou. It is principally engaged in the development of The Greenville, a residential and commercial development project situated at Maluan Subdistrict, Pingshan District, Shenzhen, Guangdong Province, the PRC.

Shenzhen Runtou is principally engaged in consultancy services for investment, business information and corporate management. CRL Holdings is a direct holding company of Shenzhen Runtou whose principal business is investment holding. CRL Holdings is indirectly wholly-owned by China Resources Land Limited, the shares of which are listed on the Stock Exchange (stock code: 1109) and which in turn, together with its subsidiaries, is principally engaged in development of properties for sale, property investments and management, hotel operations and the provision of construction, decoration services and other property development related services in the PRC.

V. SGM

2024 Financial Services Agreement

A notice of the SGM to be held at Units 1101-02, 11/F., Euro Trade Centre, 13-14 Connaught Road Central, Hong Kong on Tuesday, 27 August 2024 at 2:30 p.m. is set out on pages SGM-1 to SGM-2 of this circular. At the SGM, a ordinary resolution will be proposed and, if thought fit, passed to approve the 2024 Financial Services Agreement, the transactions contemplated thereunder and the Annual Cap Amounts.

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 2:30 p.m. on Sunday, 25 August 2024. 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.

As at the Latest Practicable Date, June Glory, an associate of China Minmetals, and its associates, which were considered to have a material interest in the transactions contemplated under the 2024 Financial Services Agreement, were interested in an aggregate of 2,071,095,506 Shares (representing approximately 61.88% of the issued share capital of the Company). June Glory and its close associates are required to abstain from voting on the resolution approving the 2024 Financial Services Agreement and the transactions contemplated thereunder at the SGM. Save as disclosed above, to the best of the Directors' knowledge, belief and having made all reasonable enquiries, as at the Latest Practicable Date, no other Shareholder or any of its close associates has a material interest in the 2024 Financial Services Agreement and would be required to abstain from voting on the relevant resolution to be proposed at the SGM.

LETTER FROM THE BOARD

VI. RECOMMENDATION

2024 Financial Services Agreement

The Directors (including the Independent non-executive Directors after taking into consideration the advice of the Independent Financial Adviser) are of the view that the 2024 Financial Services Agreement (including the Annual Cap Amounts) was entered into in the ordinary and usual course of business of the Company, and that the terms of the aforementioned agreement are fair and reasonable, on normal commercial terms and in the interest of the Company and the Shareholders as a whole. No Director has a material interest in the aforementioned agreement and the transactions contemplated thereunder nor is required to abstain from voting on the Board resolution approving the same. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM to approve the 2024 Financial Services Agreement and the transaction, contemplated thereunder (including the Annual Cap Amounts).

Supplemental Loan Agreements

The Directors are of the view that the Supplemental Loan Agreements were entered into in the ordinary and usual course of business of the Company, and that the terms of the aforementioned agreements are fair and reasonable, on normal commercial terms and in the interest of the Company and the Shareholders as a whole. No Director has a material interest in the aforementioned agreements and the transactions contemplated thereunder nor is required to abstain from voting on the Board resolution approving the same. Although a general meeting will not be convened by the Company to approve the Supplemental Loan Agreements, if such a general meeting were to be convened by the Company, the Board would recommend the Shareholders to vote in favour of the resolution to approve the Supplemental Loan Agreements.

VII. ADDITIONAL INFORMATION

Your attention is also drawn to the letter from the Independent Board Committee set out on pages 22 to 23 of this circular, the letter from the Independent Financial Adviser set out on pages 24 to 35 of this circular and the additional information set out in the appendices to this circular.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the full text of the letter from the Independent Board Committee to the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular, setting out its recommendation to the Independent Shareholders in respect of the 2024 Financial Services Agreement, the transactions contemplated thereunder and the annual cap amounts.



五礦地產
MINMETALS LAND

中國五礦

五礦地產有限公司
MINMETALS LAND LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 230)

25 July 2024

To the Independent Shareholders

Dear Sir or Madam,

MAJOR AND CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE 2024 FINANCIAL SERVICES AGREEMENT

We refer to the circular dated 25 July 2024 of the Company (“**Circular**”) of which this letter forms part. Terms defined in the Circular bear the same meanings herein unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to consider and to advise the Independent Shareholders whether the terms of deposit services contemplated under the 2024 Financial Services Agreement and the Annual Cap Amounts for deposit services are fair and reasonable and whether the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole, taking into account the recommendations of Somerley Capital Limited, the Independent Financial Adviser appointed to advise us and the Independent Shareholders in the abovementioned context.

Your attention is drawn to the “Letter from the Board” and the “Letter from the Independent Financial Adviser” in the Circular, which contain, *inter alia*, information and the advice from the Independent Financial Adviser in respect of the 2024 Financial Services Agreement, the transactions contemplated thereunder and the Annual Cap Amounts.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having taking into account the reasons for and benefits of entering into the 2024 Financial Services Agreement, the basis for determining the Annual Cap Amounts, the principal factors and reasons considered by Somerley Capital Limited in arriving at its opinion regarding the deposit services contemplated under the 2024 Financial Services Agreement as set out in the “Letter from the Independent Financial Adviser” on pages 24 to 35 of the Circular, we consider that the 2024 Financial Services Agreement and the Annual Cap Amounts and the transactions contemplated thereunder are in the usual and ordinary course of business of the Company, on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend that the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the 2024 Financial Services Agreement and the transactions contemplated thereunder (including the Annual Cap Amounts).

Yours faithfully,
For and on behalf of
Independent Board Committee

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

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

Professor Wang Xiuli
*Independent Non-executive
Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of the letter of advice from Somerley Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.



SOMERLEY CAPITAL LIMITED
20th Floor
China Building
29 Queen's Road Central
Hong Kong

25 July 2024

To: the Independent Board Committee and the Independent Shareholders

Dear Sirs,

MAJOR AND CONTINUING CONNECTED TRANSACTIONS IN RELATION TO RENEWAL OF FINANCIAL SERVICES FRAMEWORK AGREEMENT

INTRODUCTION

We refer to our appointment to advise the Independent Board Committee and the Independent Shareholders in respect of the 2024 Financial Services Agreement, the Annual Cap Amounts for deposit services and the deposit services transactions contemplated thereunder (the “**Transactions**”), details of which are set out in the letter from the Board (“**Letter from the Board**”) of the circular of the Company dated 25 July 2024 (the “**Circular**”), of which this letter forms a part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

Reference are made to the announcement of the Company dated 2 February 2021 and the circular of the Company dated 25 February 2021 in relation to, among others, the 2021 Financial Services Agreement, pursuant to which Minmetals Finance may provide financial services to the Company and its subsidiaries in Mainland China for a term of three years from 20 April 2021 to 19 April 2024. The 2021 Financial Services Agreement expired on 19 April 2024 and it is expected that the Group will continue to enter into similar transactions from time to time thereafter. Accordingly, on 19 April 2024, the Company and Minmetals Finance entered into the 2024 Financial Services Agreement to renew the 2021 Financial Services Agreement for a further term of three years from 20 April 2024 to 19 April 2027.

As at the Latest Practicable Date, Minmetals Finance is an indirect non-wholly owned subsidiary of China Minmetals, which is the controlling shareholder of the Company holding approximately 61.88% issued Shares. Accordingly, Minmetals Finance is a connected person of the Company pursuant to Chapter 14A of the Listing Rules and the Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Since one or more of the applicable percentage ratios for the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

provision of deposit services by Minmetals Finance under the 2024 Financial Services Agreement exceeds 5%, it is subject to reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. LAM Chung Lun, Billy, Ms. LAW FAN Chiu Fun, Fanny and Professor WANG Xiuli, has been formed to advise the Independent Shareholders in respect of the 2024 Financial Services Agreement and the Transactions (including the Annual Cap Amounts). We, Somerley Capital Limited, have been appointed to advise the Independent Board Committee and the Independent Shareholders on the provision of deposit services under the 2024 Financial Services Agreement and the Annual Cap Amounts for deposit services.

We are not associated with the Company, Minmetals Finance, China Minmetals or their respective core connected persons or associates. In the past two years prior to this appointment, there was no engagement between the Group and us. Apart from normal professional fees paid or payable to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Company, Minmetals Finance, China Minmetals or their respective core connected persons or associates. Accordingly, we are independent from the Company pursuant to Rule 13.84 of the Listing Rules and are considered eligible to give independent advice on the provision of deposit services under the 2024 Financial Services Agreement and the Annual Cap Amounts for deposit services.

In formulating our opinion and advice, we have relied on the information and facts supplied, and the opinions expressed, by the Directors and management of the Company, which we have assumed to be true, accurate and complete in all material aspects. We have reviewed the information of the Company, among other things, (i) the annual report of the Company for the year ended 31 December 2023 (the “**2023 Annual Report**”); (ii) the announcement of the Company dated 19 April 2024 in relation to, among others, the provision of deposit services under the 2024 Financial Services Agreement and the Annual Cap Amounts for deposit services (the “**Announcement**”); and (iii) other information contained in the Circular. We also have sought and received confirmation from the Company that no material facts have been omitted from the information supplied and opinions expressed to us were not misleading in any material aspects. We consider that the information we have received is sufficient for us to reach our opinion and give our advice and recommendations set out in this letter. We have no reason to believe that any material information has been omitted or withheld, or to doubt the truth or accuracy of the information provided. We have, however, not conducted any independent investigation into the business and affairs of the Company, Minmetals Finance, China Minmetals or any of their respective associates or any party acting, or presumed to be acting, in concert with any of them, nor have we carried out any independent verification of the information supplied. We have also assumed that all representations contained or referred to in the Circular were true at the time they were made and at the date of the Circular and will continue to be true up to the time of the SGM, and Shareholders will be informed of any material change as soon as possible.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS AND REASONS CONSIDERED

1. Information of the parties

1.1. Information of the Group

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

Set out below is the summary of the financial information of the Group for the years ended 31 December 2022 and 2023 as extracted from the 2023 Annual Report:

	For the year ended	
	31 December	
	2023	2022
	HK\$'000	HK\$'000
	(Audited)	(Audited)
Revenue		
— Real estate development	12,307,637	9,874,962
— Specialised construction	271,906	147,538
— Property investment	51,196	42,029
	<u>12,630,739</u>	<u>10,064,529</u>
Gross profit	2,172,568	1,053,314
Loss for the year attributable to equity holders of the Company	<u>(1,015,518)</u>	<u>(1,362,468)</u>

For the two years ended 31 December 2022 and 2023

For the years ended 31 December 2022 and 2023, the Group recorded a revenue of approximately HK\$10,064.5 million and HK\$12,630.7 million respectively, representing an increase of approximately 25.5%. More than 95% of the revenue was generated from real estate development. As disclosed in the 2023 Annual Report, the growth in revenue from real estate development business was driven by the handover and recognition of some real estate development projects in the Pearl River Delta in 2023.

The Group's gross profit for the year ended 31 December 2022 and 2023 amounted to approximately HK\$1,053.3 million and HK\$2,172.6 million respectively, representing an increase of approximately 106.3%. As disclosed in the 2023 Annual Report, the gross margin of the Group increased from approximately 10.5% in 2022 to approximately 17.2% in 2023, mainly due to the higher gross profit margins of the products recognised for the real estate development business during 2023.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Group recorded loss attributable to equity holders of the Company for the year ended 31 December 2023 of approximately HK\$1,015.5 million, representing a decrease of approximately 25.5% as compared to loss of approximately HK\$1,362.5 million for the year ended 31 December 2022. As disclosed in the 2023 Annual Report, loss for the year in 2023 was mainly attributable to the sluggish real estate market, the provision for impairment of inventories for the Group's real estate development projects, as well as the increase in finance costs as a result of increasing borrowing costs and decreasing interest capitalisation rate.

Set out below is the summary of the financial position of the Group as at 31 December 2022 and 2023 as extracted from the 2023 Annual Report:

	As at 31 December	
	2023	2022
	HK\$'000	HK\$'000
	(Audited)	(Audited)
Total assets	53,575,153	67,387,025
Total liabilities	39,227,508	50,574,927
Net assets	14,347,645	16,812,098

As at 31 December 2023, the Group's total assets amounted to approximately HK\$53,575.2 million, mainly comprised of (i) inventories (properties under development and properties held for sale) of approximately HK\$33,601.8 million; (ii) prepayment, trade and other receivables of approximately HK\$8,821.5 million; (iii) unrestricted cash and bank deposits of approximately HK\$3,410.7 million; (iv) investment properties of approximately HK\$2,806.3 million; and (v) interests in associates of approximately HK\$2,028.9 million. As at 31 December 2023, the Group's total developable GFA ("**Land Bank**") amounted to 6,667,000 square meters, of which more than 65% of Land Bank are located in first tier and second tier cities in PRC.

As at 31 December 2023, the Group's total liabilities amounted to approximately HK\$39,227.5 million, mainly comprised of (i) borrowings (both current and non-current) of approximately HK\$23,316.7 million; (ii) trade and other payables of approximately HK\$9,114.9 million; and (iii) contract liabilities of approximately HK\$5,706.8 million. The total borrowings of the Group decreased from approximately HK\$24,308.8 million as at 31 December 2022 to HK\$23,316.7 million as at 31 December 2023 due to the repayment of construction loans, corporate loans and loans from non-controlling shareholders of real estate projects during 2023.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Group's net assets has decreased from approximately HK\$16,812.1 million as at 31 December 2022 to approximately HK\$14,347.6 million as at 31 December 2023, which was mainly due to the distribution of dividends from various cooperative projects to shareholders during the year, of which approximately HK\$1,198.9 million was distributed to non-controlling shareholders of subsidiaries, as well as the loss attributable to equity holders of the Company of approximately HK\$1,015.5 million and the decrease in exchange reserves of approximately HK\$265.8 million during 2023 as disclosed in the 2023 Annual Report.

1.2. Information of Minmetals Finance and China Minmetals

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 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 is a state-owned enterprise established under the laws of the PRC and the ultimate controlling shareholder of the Company which is indirectly interested in approximately 61.88% of the issued share capital of the Company as at the Latest Practicable Date. It is principally engaged in exploration, mining, smelting, processing and trading for metals and minerals, finance, real estate, and mining and metallurgic technology.

2. Reasons for and benefits of the Transactions

As stated in the Letter from the Board of the Circular, 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).

Minmetals Finance has established a long-standing cooperative relationship with the Group and has been providing financial services to the Group since November 2013. Based on the long-standing relationship, the Group is satisfied with the expedient and efficient services rendered by Minmetals Finance as it has a better understanding of the business operations of the Company and its subsidiaries in Mainland China. Accordingly, the Group intended to continue to procure financial services from Minmetals Finance.

The Company entered into the 2024 Financial Services Agreement with Minmetals Finance taking into account (i) the Group's business development plans, treasury management and financial needs; (ii) the need to secure a stable provision of financial services under the 2024 Financial Services Agreement given the rising interest rates and the tightening credit market in the near future; (iii) obtaining an additional channel for financing; and (iv) enhancing return on surplus funds and reducing finance costs due to favourable interest rates for deposits and loans as well as utilisation of settlement services free of handling charge.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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. 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. 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 regularly reporting to the CBRC. According to the credit rating report issued by China Chengxin International Credit Rating Co., Ltd (“CCXI”) dated 14 June 2023, the credit rating of China Minmetals was AAA, the highest rating under CCXI’s credit rating scale. According to the website of CCXI, it is a qualified rating agency accepted by PBOC, the China Banking and Insurance Regulatory Commission and National Development and Reform Commission. According to the credit rating report, an AAA rating implies strong debt repayment capacity, remote default risk and an ability to withstand certain negative economic environment scenarios, which in turn indicate the strong financial capabilities of China Minmetals.

Based on the above and the fact that (i) the Company is not restricted under the 2024 Financial Services Agreement to place deposits with any other banks or financial institutions; (ii) 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 a comparable category of deposits; and (iii) the risk profile of Minmetals Finance is not greater than that of independent commercial banks in the PRC as mentioned above, we concur with the Directors’ view that the provision of deposit services under the 2024 Financial Services Agreement was entered into in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

3. The 2024 Financial Services Agreement

The following sets forth the principal terms of the deposit services under 2024 Financial Services Agreement. For detailed terms of the 2024 Financial Services Agreement, please refer to the section headed “II. 2024 Financial Services Agreement” in the Letter from the Board.

Date:	19 April 2024
Parties:	(i) The Company (ii) Minmetals Finance
Term:	20 April 2024 to 19 April 2027

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Scope for deposit service:

Minmetals Finance shall provide the current and fixed deposit services to the Company and its subsidiaries in Mainland China on normal commercial terms, on terms (including interests) no less favourable to the Company and its subsidiaries in Mainland China than those that could be obtained from independent third parties:

Current and fixed deposit services

Pursuant to the 2024 Financial Services Agreement, Minmetals Finance shall provide deposit services to the Company and its subsidiaries in Mainland China. The 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 a comparable category of deposits, whichever is higher.

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).

As advised by the management of the Company, the principal terms of the provision of deposit services pursuant to the 2024 Financial Services Agreement are generally in line with that of the provision of deposit services pursuant to the 2021 Financial Services Agreement. We have reviewed a sample of deposit transactions placed with Minmetals Finance and PRC commercial banks during the term of the 2021 Financial Services Agreement and noted that the sample transactions were conducted in accordance with the scope, whereby the interest rates offered by Minmetals Finance to the Company and its subsidiaries in Mainland China on current and fixed deposits were no less favorable than those offered by other major PRC commercial banks/financial institutions.

In addition, as advised by the management of the Company, 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 30 commercial banks in the PRC from time to time during the three years ended 31 December 2023. The management of the Company further advised that deposit transactions are reported to the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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 balance of deposits of that particular month, which is used to ensure that the approved limit has not been exceeded. Furthermore, the designated personnel from the finance department of the Company will be responsible for 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 4 samples of the Monthly Reports in each financial year from 2021 to 2024 and as confirmed by the management of the Company, the maximum daily outstanding balance of deposits are within the relevant annual cap limit during the term of the 2021 Financial Services Agreement.

Based on the above, we are of the view that the principal terms of the deposit services under 2024 Financial Services Agreement are fair and reasonable so far as the Independent Shareholders are concerned.

4. Annual Cap Amounts

Historical figures

Set out below are the approximate historical deposit transaction amounts in relation to the provision of deposit services by Minmetals Finance to the Company and its subsidiaries in Mainland China under the 2021 Financial Services Agreement:

	For the period from 20 April 2021 to 31 December 2021 RMB	For the year ended 31 December 2022 RMB	For the year ended 31 December 2023 RMB	For the period from 1 January 2024 to 31 March 2024 RMB
The maximum daily outstanding balance of deposits (including accrued interests)	2,972,930,374	2,974,578,950	2,995,992,355	1,703,710,465
Historical annual caps	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000
Percentage of maximum daily outstanding balance of deposit (including interests accrued thereon) over the historical annual caps	99.10%	99.15%	99.87%	56.79%

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Annual Cap Amounts

The Annual Cap Amounts 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 2024 Financial Services Agreement will remain the same as the annual caps under the 2021 Financial Services Agreement as follows:

	For the period from 20 April 2024 to 31 December 2024 RMB	For the year ending 31 December 2025 RMB	For the year ending 31 December 2026 RMB	For the period from 1 January 2027 to 19 April 2027 RMB
The maximum daily outstanding balance of deposits (including accrued interests)	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000

As set out in the Letter from the Board, the Annual Cap Amounts on the maximum daily outstanding balance of deposits (including accrued interests) placed by the Company and its subsidiaries in Mainland China with Minmetals Finance were determined based on arm’s length negotiations between the Group and Minmetals Finance having considered, among others, (i) the historical transaction figures; (ii) 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; (iii) the expected cash flow position of the Group and its contract sales; (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 centralization and monitoring of funds.

As set out in the table above, the maximum daily outstanding balance of deposits (including accrued interests) were over 99% of the relevant historical annual caps for the period from 20 April 2021 to 31 December 2021 and the two years ended 31 December 2022 and 2023. As advised by the management of the Company, the lower maximum daily outstanding balance of deposits (including accrued interest) for the period from 1 January 2024 to 31 March 2024 was mainly attributable to repayments of borrowings during the year ended 31 December 2023, resulting in a decrease of bank deposits.

In assessing the fairness and reasonableness of the proposed Annual Cap Amounts for deposits, we understand that the proposed Annual Cap Amounts for the deposit services were determined with reference to the expected cash level of the Group. We have obtained and reviewed the cash flow budget of the Group for the four years ending 31 December 2027 together with the underlying principal basis and assumptions (the “**Cash Flow Budget**”). From our review, we noted that the Company projected its cash inflow mainly from the sale of properties income, which is based on

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(i) the estimated development schedule of land bank and projects under development of the Group, of which the property development cycle was assumed to generally range from 24 to 36 months; and (ii) the expected sales price of the property taking into account the prevailing sales price of comparable properties. The Company projected its cash outflow mainly attributable to (i) the construction costs and the relevant estimated construction costs for the potential new projects taking into account different stages of development; and (ii) the repayment of borrowings. As disclosed in the 2023 Annual Report, the properties under development and held for sale amounted to approximately HK\$33.6 billion as at 31 December 2023 and the Group has recognised the contracted sales of approximately RMB11.3 billion during the year ended 31 December 2023.

Having considered above, in particular (i) the Cash Flow Budget for the four years ending 31 December 2027; and (ii) the latest Group's properties held for sale and development projects in the pipeline, the proposed Annual Cap Amounts for the deposit services should be sufficient to accommodate the Group's expected demand for deposit services by Minmetals Finance, and we are of the view that the proposed Annual Cap Amounts for the deposit services are fair and reasonable so far as the Independent Shareholders are concerned.

5. Internal control 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 for monitoring the transactions between the Company and its subsidiaries in Mainland China, and Minmetals Finance under the 2024 Financial Services Agreement, including but not limited to, (i) 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; (ii) Minmetals Finance shall adopt control measures in its enterprise resource planning system to ensure effective control of the Annual Cap Amounts such that they shall not be exceeded; and (iii) monitoring and reporting by the finance department of the Company to the management of the Company and the Directors in relation to the Transactions. Details of the internal control measures of the Group are set out in the sections headed "Internal Control Procedures and Risk Management Measures in relation to the 2024 Financial Services Agreement" in the Letter from the Board.

Pursuant to Rules 14A.55 to 14A.59 of the Listing Rules, the Transactions are subject to the following annual review requirements:

- (a) the independent non-executive Directors must review the Transactions every year and confirm in the annual report that the transactions have been entered into:
 - (i) in the ordinary and usual course of business of the Group;
 - (ii) on normal commercial terms or better; and
 - (iii) according to the agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole;

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- (b) the Company's auditors must provide a letter to the Board confirming whether anything has come to their attention that causes them to believe that the Transactions:
 - (i) have not been approved by the Board;
 - (ii) were not, in all material respects, in accordance with the pricing policies of the Group;
 - (iii) were not entered into, in all material respects, in accordance with the relevant agreements governing them; and
 - (iv) have exceeded the relevant annual caps;
- (c) the Company must allow, and ensure that the counterparties to the Transactions allow, the Company's auditors sufficient access to their records for the purpose of the reporting on the Transactions; and
- (d) the Company must promptly notify the Stock Exchange and publish an announcement if the independent non-executive Directors and/or auditors of the Company cannot confirm the matters as required. The Stock Exchange may require the Company to re-comply with the announcement and Shareholders' approval requirements and may impose additional conditions.

In light of the reporting requirements attached to the Transactions, in particular, (i) the restriction of the transaction value by way of annual caps; and (ii) the ongoing review by the independent non-executive Directors and auditors of the Company of the Transactions and the proposed Annual Cap Amounts not being exceeded, we are of the view that appropriate measures will be in place to govern the conduct of the deposit transactions pursuant to the 2024 Financial Services Agreement and assist in safeguarding the interests of the Company and the independent Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

OPINION AND RECOMMENDATIONS

Having taken into account the above principal factors and reasons, we consider that the entering into of 2024 Financial Services Agreement, including the transaction contemplated thereunder and the Annual Cap Amounts for deposit services are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the resolutions in relation to the deposit services under the 2024 Financial Services Agreement, and the Annual Cap Amounts for deposit services to be proposed at the SGM.

Yours faithfully,
for and on behalf of
SOMERLEY CAPITAL LIMITED
Calvin Leung
Director

Mr. Calvin Leung is a licensed person registered with the Securities and Futures Commission of Hong Kong and a responsible officer of Somerley Capital Limited, which is licensed under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. He has over 19 years of experience in the corporate finance industry.

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the three years ended 31 December 2021, 2022 and 2023 respectively are disclosed in the following documents which have been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.minmetalsland.com):

- the annual report of the Company for the year ended 31 December 2021 (pages 145 to 277) (hyperlink: <https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0422/2022042201184.pdf>);
- the annual report of the Company for the year ended 31 December 2022 (pages 121 to 319) (hyperlink: <https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0424/2023042400927.pdf>); and
- the annual report of the Company for the year ended 31 December 2023 (pages 105 to 295) (hyperlink: <https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0422/2024042201367.pdf>).

2. INDEBTEDNESS

Bank borrowings

As at the close of business on 31 May 2024, 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\$14,446 million, details of which are set out below:

	<i>HK\$'million</i>
Short term bank loans, secured and guaranteed	7
Short term bank loans, secured and unguaranteed	791
Short term bank loans, unsecured and guaranteed	257
Short term bank loans, unsecured and unguaranteed	9,885
Long term bank loans, secured and guaranteed	717
Long term bank loans, secured and unguaranteed	483
Long term bank loans, unsecured and guaranteed	2,306
	14,446

Loans from non-controlling shareholders of subsidiaries

As at the close of business on 31 May 2024, the Group had outstanding loans from non-controlling shareholders of subsidiaries of approximately HK\$818 million, which are unsecured and unguaranteed.

Loans from an intermediate holding company

As at the close of business on 31 May 2024, the Group has outstanding loans from an intermediate holding company of approximately HK\$1,209 million, which are unsecured and unguaranteed.

Charges on Group's assets

As at the close of business on 31 May 2024, certain assets of the Group were pledged to secure certain banking facilities granted to the Group and mortgage loan facilities to the purchasers of the Group's properties, and these pledged assets of the Group included inventories, property, plant and equipment, investment properties and equity interest in a subsidiary.

Bonds

As at the close of business on 31 May 2024, the Group had a guaranteed bond of approximately HK\$2,379 million and three unguaranteed and unsecured bonds of approximately HK\$1,107 million, HK\$1,375 million and HK\$906 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 May 2024, the Group, as a lessee, had outstanding lease liabilities of approximately HK\$5 million, which are neither secured nor guaranteed.

Financial guarantees

As at the close of business on 31 May 2024, 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\$4,971 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 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 May 2024.

3. WORKING CAPITAL

The Directors, after due and careful enquiry, are of the opinion that the Group will have sufficient working capital for its present requirements for at least the next 12 months from the date of this circular, taking into account the Group's available financial resources including internally generated cash flows, credit facilities; and (ii) cash on hand.

The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

Overall, the Chinese real estate market is still undergoing profound adjustments. Despite the short-term boost to the real estate market driven by the continuous introduction of various supportive policies since 2023, the overall market remains sluggish. The real estate market recovery is still closely related to the homebuyers' confidence and the degree of improvement in market expectations. The real estate sales market is still facing certain pressure in the short term.

At the macro level, China's economy has great resilience, and the foundation for the long-term economic upward trend remains unchanged. China's GDP grew by 5.3% year-on-year in the first quarter of 2024, ranking among the top among the world's major economies and showing that China remains an important engine of world economic growth. The central government work report clarifies that the intensity of the proactive fiscal policy should be appropriately enhanced and a prudent monetary policy in a flexible way should be implemented with adequate liquidity maintained at a proper level. Efforts should be made to expand domestic demand and promote sound economic flows, and a series of other measures will facilitate economic and market confidence revitalization. As China's macro-economy grows steadily driven by various supportive policies, employment and income of residents will improve, and their consumption ability and willingness will gradually recover. In the medium to long term, the real estate market is expected to gradually return to stable development.

5. MAJOR ACQUISITIONS AFTER 31 DECEMBER 2023 BEING THE DATE TO WHICH THE LATEST PUBLISHED AUDITED CONSOLIDATED ACCOUNTS OF THE GROUP WERE MADE UP

The Group has not entered into the any other material acquisitions after 31 December 2023, being the date to which the latest published audited consolidated financial statements of the Company have been made up.

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 Group. 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. DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

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 C3 to the Listing Rules (the "Model Code"), to be notified to the Company and the Stock Exchange were as follows:

Long position in the Shares and in underlying Shares

Name of Directors	Capacity/ Nature of interest	No. of Shares/underlying Shares interested	Approximate percentage of 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 is calculated based on the total number of ordinary shares of the Company in issue as at the Latest Practicable Date, which was 3,346,908,037.

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.

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

- (a) each of Mr. He Jianbo, Mr. Liu Bo, Mr. Chen Xingwu and Mr. Yang Shangping is an employee of China Minmetals;
- (b) Ms. He Xiaoli is a director of China Minmetals H.K. (Holdings) Limited (“**Minmetals HK**”), which is an indirect non-wholly owned subsidiary of China Minmetals; and
- (c) Mr. Huang Guoping is a director of Minmetals Development Co., Ltd.* (五礦發展股份有限公司), which is an indirect non-wholly owned subsidiary of China Minmetals.

3. INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, the following persons (other than Directors and chief executive of the Company) had interests or short positions in Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Long position in the Shares and in underlying Shares

Name of Shareholders	Interest in Shares	Approximate percentage of total issued Shares
China Minmetals	2,071,095,506	61.88%
中國五礦股份有限公司 (China Minmetals Corporation Limited*) (“ CMCL ”)	2,071,095,506	61.88%
五礦有色金屬控股有限公司 (China Minmetals Non-Ferrous Holding Company Limited*) (“ CMNH ”)	2,071,095,506	61.88%
五礦有色金屬股份有限公司 (China Minmetals Non-Ferrous Metals Company Limited*) (“ CMN ”)	2,071,095,506	61.88%
Album Enterprises Limited (“ Album Enterprises ”)	2,071,095,506	61.88%
Minmetals HK	2,071,095,506	61.88%
June Glory	2,071,095,506	61.88%

Note:

June Glory is a wholly-owned subsidiary of Minmetals HK, which in turn is owned as to approximately 39.04%, 38.95% and 22.01% by CMCL, Album Enterprises and Top Create Resources Limited respectively. Album Enterprises and Top Create Resources Limited are wholly owned by CMN, which in turn is owned as to approximately 99.999% and 0.001% by CMNH and CMCL respectively. CMNH is a wholly-owned subsidiary of CMCL. CMCL is owned as to approximately 88.4% by China Minmetals. Accordingly, each of China Minmetals, CMCL, CMNH, CMN, Album Enterprises and Minmetals HK was deemed as interested in the 2,071,095,506 Shares held by June Glory.

Save as disclosed above, as at the Latest Practicable Date, the Company has not been notified by any persons (other than Directors or chief executives of the Company) who had interests or short positions 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.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2023, being the date to which the latest published audited financial statements of the Company were made up.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which will not expire or be determinable by the relevant member of the Group within one (1) year without payment of compensation (other than statutory compensation).

6. DIRECTORS' COMPETING INTERESTS

Each of Mr. He Jianbo, Mr. Liu Bo, Mr. Chen Xingwu and Mr. Yang Shangping held offices in Minmetals Land Holdings Co., Ltd.* (五礦地產控股有限公司) (“**Minmetals Land Holdings**”) and its certain subsidiaries (“**Minmetals Land Holdings Group**”) as at the Latest Practicable Date. Minmetals Land Holdings is a substantial shareholder of the Company and the Minmetals Land Holdings Group is engaged in real estate development business.

Ms. Law Fan Chiu Fun, Fanny, an independent non-executive Director, is an independent non-executive director of New World Development Company Limited, a company incorporated in the Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 17), which is principally engaged in property development, property investment and other investment business.

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

Save as disclosed above, so far as the Directors were aware, as at the Latest Practicable Date, none of the Directors or their respective close associates (as defined in the Listing Rules) had any interests in a business which competes or is likely to compete either directly or indirectly with the business of the Group.

7. DIRECTORS' INTERESTS IN ASSETS AND/OR CONTRACTS AND OTHER INTERESTS

As at the Latest Practicable Date: (a) there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to any business of the Group and (b) none of the Directors had any interest, direct or indirect, in any assets which had been, since 31 December 2023, being the date to which the latest audited consolidated financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

8. EXPERT AND CONSENT

Somerley Capital Limited is a licensed corporation permitted to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO.

As at the Latest Practicable Date, the above expert:

- (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.
- (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 asset which had been, since 31 December 2023 (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.

9. 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.

10. MATERIAL CONTRACTS

Saved as disclosed in this circular, 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.

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 company secretary of the Company is Mr. Yiu Yu Cheung who is a member of the Hong Kong Institute of Certified Public Accountants. He is also an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute.
- (d) The English text of this circular shall prevail over the Chinese text.

12. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.minmetalsland.com) for a period of 14 days from the date of this circular (both days inclusive):

- (a) the 2024 Financial Services Agreement;
- (b) Kuangmao Supplemental Agreement;
- (c) Kuangrun Supplemental Agreement;
- (d) the letter from the Independent Financial Advisor, the text of which is set out on page 24 to 35 of this circular;
- (e) the written consent referred to in paragraph headed “8. Expert and Consent” in this Appendix; and
- (f) this circular.

* *For identification purpose only*



五礦地產
MINMETALS LAND

中國五礦

五礦地產有限公司
MINMETALS LAND LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 230)

NOTICE IS HEREBY GIVEN that a special general meeting of the shareholders of Minmetals Land Limited (the “**Company**”) will be held at Units 1101–02, 11/F., Euro Trade Centre, 13–14 Connaught Road Central, Hong Kong on Tuesday, 27 August 2024 at 2:30 p.m. (the “**Meeting**”) for the purposes of considering and, if thought fit, passing (with or without modifications) the following resolution as ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT:**

- (a) the financial services framework agreement dated 19 April 2024 entered into between 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 2024 to 19 April 2027 (the “**2024 Financial Services Agreement**”) and the transactions contemplated thereunder (including the proposed annual caps for the three years from 20 April 2024 to 19 April 2027) (details of which are described in the circular of the Company dated 25 July 2024 (the “**Circular**”) 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 2024 Financial Services Agreement and the transactions contemplated thereunder.”

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

Hong Kong, 25 July 2024

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 2:30 p.m. on Sunday, 25 August 2024. 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 Thursday, 22 August 2024 to Tuesday, 27 August 2024 (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 Wednesday, 21 August 2024 for registration of share transfer.
4. The votes at the Meeting will be taken by poll.