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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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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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**五礦建設有限公司\***  
**MINMETALS LAND LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 230)**

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

**Independent financial adviser to the Independent Board Committee  
and the Independent Shareholders**

**ALTUS CAPITAL LIMITED**

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A letter from the Board is set out on pages 4 to 15 of this circular.

A letter from the Independent Board Committee is set out on pages 16 to 17 of this circular.

A letter from Altus Capital containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 18 to 29 of this circular.

A notice convening the SGM to be held at Monet Room B, Basement 1, InterContinental Grand Stanford Hong Kong, 70 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Thursday, 10 December 2015 at 10:30 a.m. is set out on pages SGM-1 to SGM-2 of this circular. A form of proxy for use at the SGM is enclosed. Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. 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.

\* For identification purpose only

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## DEFINITIONS

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

“2015 Agreement”	the financial services framework agreement dated 3 November 2015 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 PRC subsidiaries for the period from 1 January 2016 to 31 December 2018
“2015 Continuing Connected Transactions”	the continuing connected transactions in respect of the transactions contemplated under the 2015 Agreement
“Altus Capital” or “Independent Financial Adviser”	Altus Capital Limited, a corporation licensed to carry out type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the 2015 Agreement, the 2015 Continuing Connected Transactions and the Proposed Annual Caps
“associate(s)”	has the same meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“CBRC”	China Banking Regulatory Commission
“China Minmetals”	China Minmetals Corporation, a state-owned enterprise in the PRC, which owns approximately 88.4% equity interest in CMCL, which in turn owns the entire equity interest in Minmetals HK, which in turn owns the entire equity interest in June Glory, the immediate controlling shareholder of the Company
“CMCL”	中國五礦股份有限公司 (China Minmetals Corporation Limited*), a company established under the laws of the PRC and a non wholly-owned subsidiary of China Minmetals
“Company”	Minmetals Land Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the same meaning as ascribed to it under the Listing Rules

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## DEFINITIONS

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“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“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 on the 2015 Agreement, the 2015 Continuing Connected Transactions and the Proposed Annual Caps
“Independent Shareholders”	Shareholder(s) other than June Glory and its associates who are required to abstain from voting on the resolution to approve, inter alia, the 2015 Agreement, the 2015 Continuing Connected Transactions and the Proposed Annual Caps at the SGM pursuant to the Listing Rules
“June Glory”	June Glory International Limited, a company incorporated in the British Virgin Islands with limited liability, and a wholly-owned subsidiary of Minmetals HK, and is the immediate controlling shareholder of the Company holding approximately 61.93% of the issued share capital of the Company as at the Latest Practicable Date
“Latest Practicable Date”	19 November 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Minmetals Finance”	五礦集團財務有限責任公司 (Minmetals Finance Co., Ltd.*), a limited liability company established in the PRC which is owned as to 92.5% by CMCL (which is in turn owned as to approximately 88.4% by China Minmetals, approximately 9.5% by the State-owned Assets Supervision and Administration Commission of Hunan Province of the PRC and approximately 2.1% by an independent third party) and 7.5% by 五礦資本控股有限公司 (Minmetals Capital Holdings Limited*) (which is in turn wholly owned by China Minmetals)
“Minmetals HK”	China Minmetals H.K. (Holdings) Limited, a company incorporated in Hong Kong with limited liability and a non wholly-owned subsidiary of China Minmetals

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## DEFINITIONS

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“PBOC”	the People’s Bank of China, the central bank of the PRC
“PRC”	the People’s Republic of China and, for the purpose of this circular, shall exclude Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“Proposed Annual Cap(s)”	the proposed annual caps for deposit transactions contemplated under the 2015 Agreement for the three financial years ending 31 December 2018, as set out in the section headed “Proposed Annual Caps” in this circular
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“SGM”	a special general meeting of the Shareholders of the Company to be convened to consider and, if thought fit, approve the 2015 Agreement, the 2015 Continuing Connected Transactions and the Proposed Annual Caps
“Share(s)”	Share(s) of par value of HK\$0.10 each in the issued share capital of the Company
“Shareholder(s)”	holders of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the same meaning as ascribed to it under the Listing Rules
“%”	percentage

*The exchange rate of RMB1.00 to HK\$1.23 used in this circular for translation of RMB to HK\$ is for illustrative purpose only. Such conversion should not be construed as a representation that any amount has been, could have been, or may be, exchanged at this or any other rate.*

*\* For identification purpose only*



**五礦建設有限公司\***  
**MINMETALS LAND LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 230)**

*Non-executive Directors:*

Mr. Zhang Yuanrong, *Chairman*  
Mr. Liu Zeping

*Executive Directors:*

Mr. He Jianbo, *Deputy Chairman and Managing Director*  
Mr. Yin Liang, *Senior Deputy Managing Director*  
Ms. He Xiaoli, *Deputy Managing Director*

*Independent Non-executive Directors:*

Mr. Selwyn Mar  
Ms. Tam Wai Chu, Maria  
Mr. Lam Chung Lun, Billy

*Registered office:*

Canon's Court  
22 Victoria Street  
Hamilton HM 12  
Bermuda

*Principal place of  
business in Hong Kong:*

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

24 November 2015

*To the Shareholders*

Dear Sir or Madam,

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

**BACKGROUND**

Reference is made to the announcement of the Company dated 3 November 2015 in relation to the 2015 Agreement, the 2015 Continuing Connected Transactions and the Proposed Annual Caps. As announced by the Board, the Company has entered into the

\* *For identification purpose only*

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## LETTER FROM THE BOARD

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2015 Agreement with Minmetals Finance on 3 November 2015. The transactions contemplated under the 2015 Agreement are subject to the approval of Independent Shareholders at the SGM.

Under the Listing Rules, the transactions contemplated under the 2015 Agreement would constitute continuing connected transactions for the Company, and the provision of deposit services by Minmetals Finance under the 2015 Agreement constitutes a major transaction for the Company. The 2015 Agreement and the provision of deposit services by Minmetals Finance under the 2015 Agreement are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

The Independent Board Committee has been formed to advise the Independent Shareholders in respect of the 2015 Agreement, the 2015 Continuing Connected Transactions and the Proposed Annual Caps.

The purpose of this circular is to (i) provide the Shareholders with further information regarding the 2015 Agreement, the 2015 Continuing Connected Transactions and the Proposed Annual Caps; (ii) set out the recommendation of 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 respect of the 2015 Agreement, the 2015 Continuing Connected Transactions and the Proposed Annual Caps; and (iii) give the Shareholders the notice of the SGM and other information as required under the Listing Rules.

### THE 2015 CONTINUING CONNECTED TRANSACTIONS

#### Principal terms of the 2015 Agreement

Date	:	3 November 2015
Parties	:	(i) the Company (ii) Minmetals Finance
Principal terms	:	<i>Financial Services</i>

Pursuant to the 2015 Agreement, Minmetals Finance shall provide the following financial services to the Company and its PRC subsidiaries on normal commercial terms, on terms (including interest) no less favourable to the Company and its PRC subsidiaries than those that could be obtained from independent third parties and on terms (including interest) which are the most favourable to the Company and its PRC subsidiaries as compared to the terms offered by Minmetals Finance to other subsidiaries of China Minmetals:

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## LETTER FROM THE BOARD

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(i) Current and fixed deposit services:

Pursuant to the 2015 Agreement, Minmetals Finance shall provide deposit services to the Company and its PRC subsidiaries.

Interest rate for the deposits placed with Minmetals Finance by the Company and its PRC subsidiaries 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 PRC subsidiaries have established business relationship; and (b) the highest interest rate offered by Minmetals Finance to other subsidiaries of China Minmetals for comparable category of deposits, whichever is higher.

The Directors confirm that the Company and its PRC subsidiaries shall obtain quotation of interest rates from no less than two major PRC commercial banks or financial institutions with which the Company and its PRC subsidiaries have established business relationship before deciding to place deposits with Minmetals Finance. Should the interest rates from the abovementioned PRC commercial banks or financial institutions be more favourable than that offered by Minmetals Finance, the Company and its PRC subsidiaries would not place the deposits with Minmetals Finance.

(ii) Loan services:

Pursuant to the 2015 Agreement, Minmetals Finance shall provide loan services to the Company and its PRC subsidiaries and no security over the assets of the Group shall be granted to Minmetals Finance for any of such loans.

Interest rate to be charged by Minmetals Finance for the provision of loans to the Company and its PRC subsidiaries 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 PRC subsidiaries have established business relationship; and (b) the lowest interest rate charged by Minmetals Finance on other subsidiaries of China Minmetals for comparable category of loans, whichever is lower.



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## LETTER FROM THE BOARD

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(iii) Settlement services

All settlement services to be provided by Minmetals Finance to the Company and its PRC subsidiaries under the 2015 Agreement will be free of handling charge.

*Non-exclusivity*

The Company and its PRC subsidiaries 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).

*Term of the 2015 Agreement*

The 2015 Agreement shall come into effect on 1 January 2016 and shall expire on 31 December 2018. Upon expiry, the Company and Minmetals Finance may enter into further agreement or renew the 2015 Agreement for further period to be agreed, unless the 2015 Agreement has been terminated by notice by either party in accordance with the terms stipulated therein.

The obligations of the Company under the 2015 Agreement are subject to full compliance by the Company with all requirements under the Listing Rules applicable to continuing connected transactions. The Company may suspend performance of its obligations under the 2015 Agreement until such relevant requirements are complied with.

*Termination*

The 2015 Agreement may be terminated under any of the following circumstances:

- (i) by mutual agreement between the parties;
- (ii) if a party to the 2015 Agreement has breached or failed to comply with the 2015 Agreement or any agreement in connection therewith and fails to rectify such breach or non-compliance within the prescribed period, the non-defaulting party may terminate the 2015 Agreement by notice in writing to the other party;
- (iii) if a party to the 2015 Agreement has committed a material breach of the 2015 Agreement or any agreement in connection therewith, the non-defaulting party may terminate the 2015 Agreement; or

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## LETTER FROM THE BOARD

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- (iv) the Company may terminate the 2015 Agreement if Minmetals Finance fails to satisfy any of the following conditions from time to time:
  - (a) the capital adequacy ratio is not less than 10%;
  - (b) the non-performing assets ratio is not more than 4%; or
  - (c) the non-performing loans ratio is not more than 5%.

### *Further assurance*

The parties to the 2015 Agreement shall do such acts and execute such further documents as may be required under relevant laws or the Listing Rules or as may be necessary or reasonable for the purposes of implementing the 2015 Agreement and the transactions contemplated thereunder.

### *Undertakings by Minmetals Finance*

Minmetals Finance has given the following undertakings in favour of the Company:

- (1) specifically designated personnel from Minmetals Finance shall be responsible for operations and monitoring of the transactions contemplated under the 2015 Agreement;
- (2) Minmetals Finance shall co-ordinate with the internal audit department and/or external auditors of the Company to review the transactions contemplated under the 2015 Agreement and the relevant internal controls;
- (3) Minmetals Finance shall assist the Company to comply with the relevant regulations (including but not limited to the Listing Rules);
- (4) Minmetals Finance shall ensure the safe operation of its settlement management network and safeguard the funds of the Company and its PRC subsidiaries; and
- (5) Minmetals Finance shall strictly comply with the applicable risk management specifications issued by the CBRC and the relevant PRC laws and regulations as amended from time to time.

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**LETTER FROM THE BOARD**

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**Proposed Annual Caps**

Historical transaction amounts between the Company and Minmetals Finance are as follows:

	<b>For the year ended 31 December 2013 <i>RMB (million)</i></b>	<b>For the year ended 31 December 2014 <i>RMB (million)</i></b>	<b>For the period from 1 January 2015 to the Latest Practicable Date <i>RMB (million)</i></b>
Maximum daily outstanding balance of deposits (including accrued interests)	1,798 (approximately HK\$2,212 million)	1,799 (approximately HK\$2,213 million)	1,798 (approximately HK\$2,212 million)

The Proposed Annual Caps on the maximum daily outstanding balance of deposits (including accrued interests) placed by the Company and its PRC subsidiaries with Minmetals Finance pursuant to the 2015 Agreement are as follows:

	<b>For the year ending 31 December 2016 <i>RMB (million)</i></b>	<b>For the year ending 31 December 2017 <i>RMB (million)</i></b>	<b>For the year ending 31 December 2018 <i>RMB (million)</i></b>
Maximum daily outstanding balance of deposits (including accrued interests)	1,800 (approximately HK\$2,214 million)	1,800 (approximately HK\$2,214 million)	1,800 (approximately HK\$2,214 million)

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

- (1) the historical transaction figures as stated above;
- (2) strategies of the treasury management of the Company taking into account the cash flow requirements and financial needs of the Group for its business development plans; and
- (3) expected increase in sales revenue and the expected amount of cash of the Company and its PRC subsidiaries in the three years ending 31 December 2018, taking into account in particular the expected growth in the Group's business.

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## LETTER FROM THE BOARD

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### Internal control and risk management measures

In order to safeguard the interests of the Shareholders, the Group will continue to adopt, and/or will continue to procure Minmetals Finance to maintain, the following guidelines and principles in monitoring the transactions between the Company and its PRC subsidiaries and Minmetals Finance under the 2015 Agreement:

- (1) specifically designated personnel from Minmetals Finance shall be responsible for operations and monitoring of the transactions contemplated under the 2015 Agreement;
- (2) Minmetals Finance shall co-ordinate with the internal audit department and/or external auditors of the Company to review the transactions contemplated under the 2015 Agreement and the relevant internal controls;
- (3) Minmetals Finance shall assist the Company to comply with the relevant regulations (including but not limited to the Listing Rules);
- (4) Minmetals Finance shall ensure the safe operation of its settlement management network and safeguard the funds of the Company and its PRC subsidiaries;
- (5) Minmetals Finance shall strictly comply with the applicable risk management specifications issued by the CBRC and the relevant PRC laws and regulations as amended from time to time;
- (6) specifically designated personnel from the finance department of the Company will be responsible for regular monitoring of the transactions and will report to the management of the Company on a weekly basis in relation to the transactions;
- (7) the finance department of the Company will report to the independent non-executive Directors on a monthly basis in relation to the transactions;
- (8) the Company will review the transactions on an annual basis, summarise the experience and supplement the inadequacies;
- (9) before making a deposit with or seeking a loan from Minmetals Finance, the Company and its PRC subsidiaries would compare the interest rates offered by Minmetals Finance with the interest rates offered by two or three major commercial banks or financial institutions with which the Company and its PRC subsidiaries have established business relationship;
- (10) the Company or its relevant PRC subsidiaries shall obtain prior written approval from (i) at least one executive Director for the placing of any deposits by the Company or its relevant PRC subsidiaries with Minmetals Finance and (ii) at least two executive Directors for the placing of any deposits by the Company or its relevant PRC subsidiaries with Minmetals Finance where the daily outstanding

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## LETTER FROM THE BOARD

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balance of deposits (including accrued interests) placed by the Company and its PRC subsidiaries with Minmetals Finance would amount to RMB200 million or more;

- (11) any fixed deposits placed with Minmetals Finance by the Company or any of its PRC subsidiaries shall not exceed 3 months;
- (12) the arrangement between the Company and Minmetals Finance under the 2015 Agreement is non-exclusive, and the Company and its PRC subsidiaries have their own discretion in electing the provider for financial services; and
- (13) the Company may terminate the 2015 Agreement if Minmetals Finance fails to satisfy any of the following conditions from time to time:
  - (a) the capital adequacy ratio is not less than 10%;
  - (b) the non-performing assets ratio is not more than 4%; or
  - (c) the non-performing loans ratio is not more than 5%.

### **Financial effect of the deposit services under the 2015 Agreement**

In respect of the deposit services under the 2015 Agreement, the deposit placed by the Company and its PRC subsidiaries with Minmetals Finance will generate interest at a rate no less favourable than those available from other independent PRC commercial banks and which are the most favourable to the Company and its PRC subsidiaries as compared to the terms offered by Minmetals Finance to other subsidiaries of China Minmetals. Accordingly, there will most probably be an enhancement on the return of the surplus funds from the possible higher deposit interests from Minmetals Finance. The Company is of the view that the deposit services under the 2015 Agreement are reasonably expected to have positive impact on the Group's earnings.

### **Reasons for and benefits of the transactions contemplated under the 2015 Agreement**

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

The Company is satisfied with the attentive services provided by Minmetals Finance since November 2013. In consideration of the treasury management of the Company taking into account the business development plan and financial needs of the Group, as well as the benefits of the Company and the Shareholders as a whole, the Company entered into the 2015 Agreement with Minmetals Finance.

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## LETTER FROM THE BOARD

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The reasons and benefits for entering into the 2015 Agreement are as follows:

- (1) The 2015 Agreement provides the Company and its PRC subsidiaries with an option to obtain financial services on terms (including interest) which are no less favourable than those available from other independent PRC commercial banks and are the most favourable to the Company and its PRC subsidiaries as compared to the terms offered by Minmetals Finance to other subsidiaries of China Minmetals.
- (2) Under the 2015 Agreement, the Company and its PRC subsidiaries can obtain unsecured loans from Minmetals Finance, thus providing the Company and its PRC subsidiaries with an additional channel for financing.
- (3) The 2015 Agreement can also help enhance return on surplus funds and reduce finance costs due to favourable interest rates for deposits and loans as well as utilisation of settlement services free of handling charge.
- (4) The Company is expected to benefit from Minmetals Finance's better understanding of the operations of the Company and its PRC subsidiaries which will allow more expedient and efficient services than those rendered by other PRC commercial banks.
- (5) Minmetals Finance is subject to the supervision of the CBRC and provides its services in accordance with the rules and operational requirements of CBRC. The Company believes that the risk profile of Minmetals Finance, as a financial services provider to the Company and its PRC subsidiaries, is not greater than that of independent commercial banks in the PRC.
- (6) Under the relevant rules of the PBOC and CBRC, the clients of Minmetals Finance are restricted to China Minmetals and its subsidiaries (including the Group). Minmetals Finance is hence exposed to a lower level of potential risk than if clients included external entities.

The Directors (including the independent non-executive Directors) are of the view that the 2015 Agreement, the 2015 Continuing Connected Transactions and the Proposed Annual Caps were 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.

### **Information on the Parties**

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

Minmetals Finance, a subsidiary of China Minmetals, is a non-banking financial institution established in the PRC on 26 May 1993 under the approval of the PBOC. It is principally engaged in the provision of financial services to China Minmetals and its

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## LETTER FROM THE BOARD

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subsidiaries (including the Group). It is subject to the supervision of the CBRC. According to its business licence, it is authorised to provide to the Company and its PRC subsidiaries all services set out in the 2015 Agreement.

### LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios for the provision of deposit services by Minmetals Finance under the 2015 Agreement exceeds 25% but all of which are less than 100%, the provision of deposit services by Minmetals Finance constitutes a major transaction for the Company under Rule 14.06(3) of the Listing Rules and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Since Minmetals Finance is a subsidiary of China Minmetals, the ultimate controlling shareholder of the Company, Minmetals Finance is a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the 2015 Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Since each of the applicable percentage ratios for the provision of deposit services by Minmetals Finance under the 2015 Agreement exceeds 5%, it is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The provision of loan services by Minmetals Finance under the 2015 Agreement constitutes financial assistance to be provided by a connected person for the benefit of the Group. Since such services will be on normal commercial terms, on terms (including interest) no less favourable to the Company and its PRC subsidiaries 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 the reporting, announcement and independent shareholders' approval requirements under Rule 14A.90 of the Listing Rules. The Directors (including the independent non-executive Directors) consider that the loan services to be provided by Minmetals Finance under the 2015 Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As the settlement services to be provided by Minmetals Finance to the Company and its PRC subsidiaries under the 2015 Agreement will be free of handling charge, it is exempt from the reporting, announcement and independent shareholders' approval requirements under Rule 14A.76(1) of the Listing Rules. The Directors (including the independent non-executive Directors) consider that the settlement services to be provided by Minmetals Finance under the 2015 Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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### SGM

A notice of the SGM to be held at Monet Room B, Basement 1, InterContinental Grand Stanford Hong Kong, 70 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Thursday, 10 December 2015 at 10:30 a.m. is set out on pages SGM-1 to SGM-2 of this circular. At the SGM, an ordinary resolution will be proposed and, if thought fit, passed to approve the 2015 Agreement, the 2015 Continuing Connected Transactions and the Proposed Annual Caps.

In view of the connection between Minmetals Finance and June Glory, June Glory and its associates are required to abstain from voting on the resolution approving the 2015 Agreement, the 2015 Continuing Connected Transactions and the Proposed Annual Caps at the SGM in accordance with Rule 14A.36 of the Listing Rules. As at the Latest Practicable Date, June Glory and its associates controlled 2,071,095,506 Shares (representing approximately 61.93% of the issued share capital of the Company). To the best of the Directors' knowledge and belief having made all reasonable enquiries, as at the Latest Practicable Date, save for June Glory, no other Shareholder is required to abstain from voting on the resolution for approving the 2015 Agreement, the 2015 Continuing Connected Transactions and the Proposed Annual Caps at the SGM.

A form of proxy for use at the SGM is attached. Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, the vote of the Independent Shareholders at the SGM will be taken by poll and the announcement on the results of which will be published on the websites of the Company and of the Stock Exchange following the SGM.

### RECOMMENDATION

The Board approved the 2015 Agreement and the transactions contemplated thereunder on 3 November 2015. None of the Directors has a material interest in such transactions.

An Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders in respect of the 2015 Agreement, the 2015 Continuing Connected Transactions and the Proposed Annual Caps. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders on, inter alia, whether Independent Shareholders should vote in favour of the resolution regarding the 2015 Agreement, the 2015 Continuing Connected Transactions and the Proposed Annual Caps.



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## LETTER FROM THE BOARD

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Your attention is drawn to (i) the letter from the Independent Board Committee which is set out on pages 16 to 17 of this circular containing the recommendation of the Independent Board Committee to the Independent Shareholders regarding the 2015 Agreement, the 2015 Continuing Connected Transactions and the Proposed Annual Caps; and (ii) the letter from Altus Capital, the Independent Financial Adviser, which is set out on pages 18 to 29 of this circular containing its advice to the Independent Board Committee and the Independent Shareholders in relation to the 2015 Agreement, the 2015 Continuing Connected Transactions and the Proposed Annual Caps.

The Directors (including the independent non-executive Directors) are of the view that the 2015 Agreement, the 2015 Continuing Connected Transactions and the Proposed Annual Caps are fair and reasonable and the transactions contemplated thereunder are in the ordinary and usual course of business of the Company, on normal commercial terms and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the ordinary resolution in respect of the 2015 Agreement, the 2015 Continuing Connected Transactions and the Proposed Annual Caps at the SGM.

### **ADDITIONAL INFORMATION**

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

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



**五礦建設有限公司\***  
**MINMETALS LAND LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 230)**

24 November 2015

*To the Independent Shareholders*

Dear Sir or Madam,

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

We refer to the circular dated 24 November 2015 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 the 2015 Agreement, the 2015 Continuing Connected Transactions and the Proposed Annual Caps 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 Altus Capital, 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 Altus Capital” in the Circular, which contain, inter alia, information and the advice from Altus Capital in respect of the 2015 Agreement, the 2015 Continuing Connected Transactions and the Proposed Annual Caps.

Having taking into account the reasons for and benefits of the 2015 Agreement and the 2015 Continuing Connected Transactions, the basis for determining the Proposed Annual Caps, the principal factors and reasons considered by Altus Capital in arriving at its opinion regarding the 2015 Agreement, the 2015 Continuing Connected Transactions and the Proposed Annual Caps as set out in the “Letter from Altus Capital” on pages 18 to 29 of the Circular, we consider that the entering into of the 2015 Agreement and the 2015 Continuing Connected Transactions are in the usual and ordinary course of business of the Company and that the terms of the 2015 Agreement, the 2015 Continuing Connected Transactions and the Proposed Annual Caps are on normal commercial terms, fair and

\* *For identification purpose only*

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**LETTER FROM THE INDEPENDENT BOARD COMMITTEE**

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reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend that the Independent Shareholders vote in favour of the ordinary resolution as set out in the notice of the SGM to be convened and held on Thursday, 10 December 2015 and thereby approve the 2015 Agreement, the 2015 Continuing Connected Transactions and the Proposed Annual Caps.

Yours faithfully,  
For and on behalf of  
**Independent Board Committee**

**Selwyn Mar**  
*Independent non-executive  
Director*

**Tam Wai Chu, Maria**  
*Independent non-executive  
Director*

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

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## LETTER FROM ALTUS CAPITAL

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*The following is the text of a letter of advice from Altus Capital Limited to the Independent Board Committee and the Independent Shareholders in respect of the 2015 Continuing Connected Transactions, the provision of deposit services by Minmetals Finance under the 2015 Agreement and the Proposed Annual Caps related thereto, which has been prepared for the purpose of incorporation in this circular.*

### **ALTUS CAPITAL LIMITED**

21 Wing Wo Street  
Central  
Hong Kong

24 November 2015

*To the Independent Board Committee and the Independent Shareholders*  
Minmetals Land Limited  
18th Floor  
China Minmetals Tower  
79 Chatham Road South  
Tsimshatsui  
Kowloon  
Hong Kong

Dear Sirs,

### **MAJOR TRANSACTION AND RENEWAL OF CONTINUING CONNECTED TRANSACTIONS IN RESPECT OF THE 2015 AGREEMENT**

#### **INTRODUCTION**

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the 2015 Continuing Connected Transactions, the provision of deposit services by Minmetals Finance under the 2015 Agreement and the Proposed Annual Caps related thereto. Details of which are set out in the “Letter from the Board” contained in the circular dated 24 November 2015 (the “**Circular**”) to the Shareholders, of which this letter forms part. Terms used in this letter shall have the same meaning as those defined in the Circular unless the context requires otherwise.

#### **The 2015 Agreement**

The Company announced on 3 November 2015 that it has entered into the 2015 Agreement with Minmetals Finance, pursuant to which Minmetals Finance agreed to provide the Company and its PRC subsidiaries with financial services (namely deposit, loan and settlement services) subject to the terms and conditions provided therein. Since Minmetals Finance is a subsidiary of China Minmetals, the ultimate controlling shareholder of the Company, Minmetals Finance is a connected person of the Company under the

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## LETTER FROM ALTUS CAPTIAL

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Listing Rules. Accordingly, the transactions contemplated under the 2015 Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

### *Deposit services*

As one of the applicable percentage ratios for the provision of deposit services by Minmetals Finance under the 2015 Agreement exceeds 25% but all of which are less than 100%, the provision of depository services by Minmetals Finance constitutes a major transaction for the Company under Rule 14.06(3) of the Listing Rules and is subject to reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Further, since each of the applicable percentage ratios for the deposit services to be provided by Minmetals Finance under the 2015 Agreement exceeds 5%, it is subject to (i) the independent shareholders' approval requirement under Rule 14A.36 of the Listing Rules; (ii) the reporting and announcement requirements under Rules 14A.35 and 14A.46 of the Listing Rules; and (iii) the annual review requirements of Rules 14A.55 to 14A.59 of the Listing Rules.

### *Loan services*

The provision of loan services by Minmetals Finance under the 2015 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 interest) no less favourable to the Company and its PRC subsidiaries 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 the reporting, announcement and independent shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

### *Settlement services*

The settlement services to be provided by Minmetals Finance to the Company and its PRC subsidiaries under the 2015 Agreement will be free of handling charge. As there will be no consideration for the provision of settlement services, it is regarded as a de minimis transaction, and hence exempt from the reporting, announcement and independent shareholders' approval requirements under Rule 14A.76(1) of the Listing Rules.

## **THE INDEPENDENT BOARD COMMITTEE**

The Independent Board Committee which comprises all three independent non-executive Directors, namely Mr. Selwyn Mar, Ms. Tam Wai Chu, Maria and Mr. Lam Chung Lun, Billy has been established to consider and to give advice and recommendation to the Independent Shareholders as to whether the provision of deposit services by Minmetals Finance under the 2015 Agreement and the Proposed Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and as to how to vote on the resolution to be proposed at the SGM.

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## LETTER FROM ALTUS CAPITAL

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As the independent financial adviser to the Independent Board Committee, our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders as to (i) whether the provision of deposit services by Minmetals Finance under the 2015 Agreement are in the Group's ordinary and usual course of business and together with the Proposed Annual Caps are in the interests of the Company and the Shareholders as a whole; (ii) whether the terms of the 2015 Continuing Connected Transactions and the provision of deposit services by Minmetals Finance under the 2015 Agreement are normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (iii) whether the Proposed Annual Caps have been fairly and reasonably arrived at; and (iv) how the Independent Shareholders should vote in respect of the resolution relating thereto to be proposed at the SGM.

### **BASIS OF OUR ADVICE**

In formulating our opinion, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and/or provided to us by the Company, the Directors and the management of the Company (the "**Management**"). We have assumed that all statements, information, opinions and representations contained or referred to in the Circular and/or provided to us were true, accurate and complete at the time they were made and continued to be so as at the latest practical date of the Circular.

We have no reason to believe that any statements, information, opinions or representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render the statements, information, opinions or representations provided to us untrue, inaccurate or misleading.

We have assumed that all the statements, information, opinions and representations for matters relating to the Group contained or referred to in the Circular and/or provided to us by the Company, the Directors and the Management have been reasonably made after due and careful enquiry. We have relied on such statements, information, opinions and representations and have not conducted any independent investigation into the business, financial conditions and affairs or the future prospects of the Group.

### **PRINCIPAL FACTORS AND REASONS CONSIDERED**

#### **1. Background information of the Group and Minmetals Finance**

##### ***1.1 The Group***

The Group is principally engaged in the businesses of real estate development, specialised construction, property investment and securities investment. Below is a summary of the operating results of the Group for the two years ended 31 December 2013 and 2014 and the six months ended 30 June 2014 and 2015 as extracted from the Company's annual report for the year ended 31 December 2014 (the "**2014 Annual Report**") and interim report for the six months ended 30 June 2015 (the "**2015 Interim Report**") respectively.

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**LETTER FROM ALTUS CAPTIAL**

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	<b>For the year ended</b>		<b>For the six months ended</b>	
	<b>31 December</b>		<b>30 June</b>	
	<b>2013</b>	<b>2014</b>	<b>2014</b>	<b>2015</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)	(unaudited)	(unaudited)
Revenue	5,905,854	5,983,634	1,659,015	2,156,177
Gross profit	1,442,455	1,226,751	486,505	552,895
Finance income	62,404	78,858	29,401	58,879
Finance costs	(107,213)	(65,845)	(28,760)	(23,991)
Profit for the year/period attributable to equity holders of the Company	476,832	425,171	173,330	236,243
				<b>As at</b>
				<b>30 June</b>
				<b>2015</b>
				<i>HK\$'000</i>
				(unaudited)
Total assets		29,408,872	33,175,633	37,393,731
Total liabilities		18,064,680	21,155,170	24,716,454
Net assets		11,344,192	12,020,463	12,677,277
Cash and bank deposits, restricted		115,605	488,315	744,687
Cash and bank deposits, unrestricted		6,102,303	5,240,461	6,620,949

*Source: Company's 2014 Annual Report and 2015 Interim Report*

*For the year ended 31 December 2014*

For the year ended 31 December 2014, the Group's revenue amounted to HK\$5,983.6 million, representing an increase of 1.3% from HK\$5,905.9 million of last year. The overall growth in revenue was attributable to the growth in the real estate development segment and property investment segment of the Group which off-set the decrease in revenue of the specialised construction segment.

During the year ended 31 December 2014, overall gross profit margin has noted a decline from 24.4% to 20.5% as a result of a change of product mix of property sold and delivered. The decline in finance costs to HK\$65.9 million (31 December 2013: HK\$107.2 million) was due to a high portion of interest expenses being capitalised as property under development in 2014.

Profit attributable to equity holders of the Company slid 10.8% to HK\$425.2 million from HK\$476.8 million of last year.

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## LETTER FROM ALTUS CAPTIAL

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As at 31 December 2014, the Group's net asset shown an increase of 6.0% to HK\$12,020.5 million (31 December 2013: HK\$11,344.2 million). As at 31 December 2014, cash and cash deposits (excluding restricted cash and bank deposits) of the Group amounted to HK\$5,240.5 million (31 December 2013: HK\$6,102.3 million). The gearing ratio of net debt to total equity of the Group as at 31 December 2014 was 49.2% (31 December 2013: 34.7%). Finance costs charged to the profit and loss for the year ended 31 December 2014 amounted to HK\$65.9 million (31 December 2013: HK\$107.2 million) after capitalisation of HK\$458.7 million (31 December 2013: HK\$381.2 million) into properties under development. The unutilised banking facilities of the Group as at 31 December 2014 amounted to HK\$4,597.5 million (31 December 2013: HK\$3,208.7 million).

### *For the six months ended 30 June 2015*

For the six months ended 30 June 2015, the Group's revenue amounted to HK\$2,156.2 million, representing an increase of 30.0% from HK\$1,659.0 million in the corresponding period last year. The overall growth in revenue was attributable to the growth in the real estate development segment and property investment segment of the Group which off-set the decrease in revenue of the specialised construction segment.

During the six months ended 30 June 2015, overall gross profit margin has noted a decline from 29.3% to 25.6% as a result of a change of product composition and declining gross profit margin in the specialised construction segment. The decline in finance costs to HK\$24.0 million (30 June 2014: HK\$28.8 million) was due to a high portion of interest expenses being capitalised as property under development.

Profit attributable to equity holders of the Company increased by 36.3% to HK\$236.2 million from HK\$173.3 million for the corresponding period last year.

As at 30 June 2015, the Group's net asset shown an increase of 5.5% to HK\$12,677.3 million (31 December 2014: HK\$12,020.5 million) whilst the financial position of the Group remained healthy. As at 30 June 2015, cash and bank deposits (excluding restricted cash and bank deposits) of the Group amounted to HK\$6,620.9 million (31 December 2014: HK\$5,240.5 million). The gearing ratio of net debt to total equity of the Group as at 30 June 2015 was 45.4% (31 December 2014: 49.2%). Finance costs charged to the profit and loss for the six months ended 30 June 2015 amounted to HK\$24.0 million (30 June 2014: HK\$28.8 million) after capitalisation of HK\$248.1 million (30 June 2014: HK\$210.9 million) into properties under development. The unutilised banking facilities of the Group as at 30 June 2015 amounted to HK\$3,297.3 million (31 December 2014: HK\$4,597.5 million).



*Outlook*

On the back of supportive monetary easing and preferential tax policies which China's overall economy has yet to recover fully, the Management believes China's real estate industry is likely to continue with ongoing adjustments into the second half of 2015. However, transaction volume of real estate market in Tier 1 and 2 cities is likely to remain robust. It is yet to be seen whether such revival will spread to Tier 3 cities to ease the current polarisation in the sector. On the other hand, the impact of the stock market turmoil starting in early July 2015 is yet to roll out and surging home prices could lead to new tightening policies, which is a bigger risk for top tier cities in China.

The Group attempted in land bidding auction but did not replenish any land bank in the first half of 2015. The Group will continue to seize opportunities to expand its land bank at reasonable cost in Hong Kong and China in a prudent and rational manner in the future. In terms of financing, the Group will continue to take advantage of its competitive edge in accessing low cost funding over wide range of fundraising channels through its listing platform and State-owned Enterprise background, so as to provide adequate financial resources to support its rapid business development. As the gearing ratio of the Group is relatively low at 45.4%, the Group is hence in a position to secure more funding at suitable times.

**1.2 *Minmetals Finance***

Minmetals Finance, a 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. According to its business licence, it is authorised to provide to the Company and its PRC subsidiaries all services set out in the 2015 Agreement.

**2. The 2015 Agreement**

**2.1 *The principal terms relating to the provision of deposit services by Minmetals Finance under the 2015 Agreement***

Below are the key terms of the provision of deposit services by Minmetals Finance under the 2015 Agreement which we have considered. Details are set out in the "Letter from the Board" of the Circular.

- (i) All transactions contemplated under the 2015 Agreement, including the deposit services, shall be undertaken on normal commercial terms, or on terms no less favourable to the Company and its PRC subsidiaries than those that could be obtained from independent third parties and on terms (including interest) which are most favourable to the Company and its PRC subsidiaries as compared to terms offered by Minmetals Finance to other subsidiaries of China Minmetals.

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## LETTER FROM ALTUS CAPTIAL

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

The Directors confirm that the Company and its PRC subsidiaries, shall obtain quotation of interest rates from no less than two major PRC commercial banks or financial institutions with which the Company and its PRC subsidiaries have established business relationship before deciding to place deposits with Minmetals Finance. Should the interest rates from the abovementioned PRC commercial banks or financial institutions be more favourable than that offered by Minmetals Finance, the Company and its PRC subsidiaries would not place the deposits with Minmetals Finance.

The treasury management strategy of the Group was put in place to restrict members of the Group to deposit its cash resources among major banks and/or financial institutions in the PRC in order to control risk arising from such deposits. As a result of the treasury management strategy of the Group, we noted that the Company and its PRC subsidiaries have from time to time placed deposits with over 31 commercial banks in the PRC. We therefore reviewed the terms of certain existing deposits of the Group with the commercial banks in the PRC and noted that they were similar. Taking into account the aforesaid and the abovementioned key terms for the provision of the deposit services under the 2015 Agreement, we are of the view that the terms with regard to the provision of deposit services by Minmetals Finance under the 2015 Agreement are normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

### ***2.2 Reasons for and benefits of the 2015 Agreement***

It is noted from the “Letter from the Board” of the Circular that the Company is satisfied with the attentive services provided by Minmetals Finance since November 2013. In consideration of the treasury management of the Company, taking into account the business development plan and financial needs of the Group, as well as the benefits of the Company and the Shareholders as a whole, the Company entered into the 2015 Agreement with Minmetals Finance.

As a regulated financial institution, Minmetals Finance is required to comply with all rules and operational requirements of the regulatory authorities, namely the CBRC. As such, the utilisation of the deposit services provided by Minmetals Finance would

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## LETTER FROM ALTUS CAPTIAL

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not expose the Group to additional financial risk as compared to utilising deposit services provided by similar financial institutions that are governed by the same rule and operational requirements of the CBRC.

Minmetals Finance is restricted under the relevant rules of the CBRC to offer its services only to China Minmetals and its subsidiaries. Accordingly, Minmetals Finance has greater access to financial information of China Minmetals and its subsidiaries, which enables it to carry out more accurate credit assessment than lending to external entities. This in turn lowers its exposure to the potential risk arising from provision of services to external entities.

Furthermore, based on the restriction on offering its services only to China Minmetals and its subsidiaries, Minmetals Finance will have fewer borrowers as compared to independent third party commercial banks in China, which will in turn enable it to focus on monitoring the performance of those loans with China Minmetals and/or its subsidiaries. As such, Minmetals Finance will have a lower default risk than independent third party commercial banks in China (which may be exposed to default risk arising from all types of customers in China). The above restriction together with the Company's right to terminate the 2015 Agreement if Minmetals Finance fails to maintain (i) a capital adequacy ratio of not less than 10%; (ii) a non-performing assets ratio of not more than 4%; or (iii) a non-performing loans ratio of not more than 5%, is, in the view of the Directors (which we concur), able to offer the Group adequate protection on its deposits with Minmetals Finance under the 2015 Agreement.

Among the various rules and regulations of the CBRC, Minmetals Finance as an individual entity is required, from time to time, to maintain, among other things, (i) a capital adequacy ratio of not less than 10%; (ii) a non-performing assets ratio of not more than 4%; and (iii) a non-performing loans ratio of not more than 5%. We have obtained the latest available audited financial statements of Minmetals Finance for the year ended 31 December 2014 and noted that Minmetals Finance fulfilled the abovementioned requirements. In addition, we are not aware that the creditability of Minmetals Finance will be affected by China Minmetals.

In addition, given the status of Minmetals Finance as an intra-group service provider, in comparison to other commercial banks or financial institutions, Minmetals Finance has the advantages of (i) better understanding the operations of the Company and its PRC subsidiaries, which the Directors believe will lead to more expedient and efficient services; and (ii) better communication with the Group.

As described above, the Group is neither obliged nor committed to utilize the deposit services of Minmetals Finance under the 2015 Agreement if the interest rates of deposits are less favourable in comparison to those offered by other major PRC commercial banks or financial institutions with which the Company and its PRC subsidiaries have established business relationship. This allows the Company and its PRC subsidiaries to have the flexibility and discretion to select the appropriate provider for deposit services.

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## LETTER FROM ALTUS CAPTIAL

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Furthermore, the Company or its relevant PRC subsidiaries is required to obtain prior written approval from at least one or two executive Directors (depending on the size of the deposit, i.e. (i) below RMB200 million or (ii) RMB200 million or more) for the placing of deposits by the Company and its PRC subsidiaries with Minmetals Finance. This would ensure that proper internal control procedures will be complied with and will also prevent unauthorised utilisation of the deposit services offered by Minmetals Finance. Further details of the additional internal control procedures to manage the deposit services offered by Minmetals Finance are set out in the “Letter from the Board” of the Circular.

In view of the above, and that (i) the transactions contemplated under the 2015 Agreement will be conducted on normal commercial terms or on terms no less favourable to the Company and its PRC subsidiaries than those that could be obtained from independent third parties and on terms which are most favourable to the Company and its PRC subsidiaries as compared to the terms offered by Minmetals Finance to subsidiaries of China Minmetals; (ii) the deposit services contemplated under the 2015 Agreement are undertaken in the ordinary and usual course of the Group’s business given the principal businesses of Minmetals Finance; and (iii) the deposits being placed by the Company and its PRC subsidiaries with Minmetals Finance will generate interest at a rate no less favourable than those available from other independent PRC commercial banks and which are the most favourable to the Company and its PRC subsidiaries as compared to the terms offered by Minmetals Finance to subsidiaries of China Minmetals. Accordingly, the Directors believe and we concur that the utilisation of the deposit services under the 2015 Agreement is in the interests of the Company and the Shareholders as a whole.

### ***2.3 Proposed Annual Caps***

As disclosed in the 2013 Circular, the historical annual caps in respect of the 2013 Continuing Connected Transactions for the years ended 31 December 2013, 2014 and 2015 were RMB1,800 million, RMB1,800 million and RMB1,800 million, respectively.

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**LETTER FROM ALTUS CAPTIAL**

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Set out below are the historical transaction amounts between the Company and Minmetals Finance under the financial services framework agreement dated 4 November 2013 entered into between the Company and Minmetals Finance:

	<b>For the year ended 31 December 2013</b>	<b>For the year ended 31 December 2014</b>	<b>For the period from 1 January 2015 to Latest Practicable Date</b>
	<i>RMB (million)</i>	<i>RMB (million)</i>	<i>RMB (million)</i>
Maximum daily outstanding balance of deposits (including accrued interests)	1,798 (approximately HK\$2,212 million)	1,799 (approximately HK\$2,213 million)	1,798 (approximately HK\$2,212 million)
Utilisation rate	99.9%	99.9%	99.9%

The Proposed Annual Caps on the maximum daily outstanding balance of deposits (including accrued interest) placed by the Company and its PRC subsidiaries with Minmetals Finance pursuant to the 2015 Agreement are as follows:

	<b>For the year ending 31 December 2016</b>	<b>For the year ending 31 December 2017</b>	<b>For the year ending 31 December 2018</b>
	<i>RMB (million)</i>	<i>RMB (million)</i>	<i>RMB (million)</i>
Maximum daily outstanding balance of deposits (including accrued interests)	1,800 (approximately HK\$2,214 million)	1,800 (approximately HK\$2,214 million)	1,800 (approximately HK\$2,214 million)

As stated in the “Letter from the Board” of this Circular, the Proposed Annual Caps was arrived at taking into consideration of several factors, including (i) the historical transaction figures as stated above; (ii) the treasury management strategy of the Group taking into account the cash flow requirements and financial needs of the Group for its business development plans; and (iii) the expected increase in sales revenue and the expected amount of cashflow of the Company and its PRC subsidiaries in the three years ending 31 December 2018, taking into account the expected growth of the Group’s business. We have discussed with the Management the basis of the expected increase in sales revenue and the expected amount of cashflow of the Company and its PRC subsidiaries in the three years ending 31 December 2018, in particular, taking into account the development plan of the Group’s real estate development projects and the outlook of the business of the Group (see paragraph 1 above). We are of the view that the basis for the Management to derive the Proposed Annual Caps is justifiable and reasonable.

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## LETTER FROM ALTUS CAPTIAL

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As mentioned in paragraph 2.1 above, we noted that the Company and its PRC subsidiaries have from time to time placed deposits with over 31 commercial banks in the PRC. For the two years ended 31 December 2013 and 2014 and the six months ended 30 June 2015, the Management confirmed that no more than 50% of the aggregate cash balance of the Group had been deposited at any point in time with any single commercial bank or financial institution in the PRC. Also according to the Management, as at 30 June 2015, approximately 32% of the aggregate cash balance of the Company and its PRC subsidiaries was deposited with one single commercial bank in the PRC. Given that:

- (i) the Proposed Annual Caps (being the maximum daily balance of deposits) represent no more than approximately 33.0% of the expected aggregate cash balance of the Company and its PRC subsidiaries for the three years ending 31 December 2018, which is consistent with the Group's existing treasury management strategy;
- (ii) the Company and its PRC subsidiaries have from time to time placed deposits with over 31 commercial banks in the PRC, the provision of deposit services by Minmetals Finance offers the Company and its PRC subsidiaries an additional choice for selection;
- (iii) the Group is neither obliged nor committed to utilise the deposit services of Minmetals Finance under the 2015 Agreement if the interest rates of deposits are less favourable in comparison to those offered by other major PRC commercial banks or financial institutions with which the Company and its PRC subsidiaries have established business relationship (see paragraph 2.2 above); and
- (iv) such maximum amount of daily balance of deposits is justifiable and reasonable since it would provide maximum flexibility to the Group's management of its treasury strategy subject to Minmetals Finance's offer being the most favourable interest rates in comparison to other major PRC commercial banks or financial institutions,

we are of the view that the Proposed Annual Caps (being the maximum daily balance of deposits) to be fair and reasonable.

### **3. Continuing connected transactions requirements under the Listing Rules**

Pursuant to Rule 14A.55 of the Listing Rules, the independent non-executive Directors are required to review the Group's continuing connected transactions annually and confirm in the Company's annual report that they have been carried out (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms; and (iii) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM ALTUS CAPITAL

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In compliance with the Listing Rules, the Company will engage auditors to report on the Group's continuing connected transactions in relation to the 2015 Agreement for each of the three years ending 31 December 2018. Given the above, we consider that there exist appropriate procedures and arrangements to ensure that the continuing connected transactions contemplated under the 2015 Agreement will be conducted on terms in compliance with the provisions of the Listing Rules.

### RECOMMENDATION

Having considered the above principal factors, we are of the view that (i) (1) the 2015 Continuing Connected Transactions; and (2) the deposit services to be provided by Minmetals Finance under the 2015 Agreement are in the Group's ordinary and usual course of business and together with the Proposed Annual Caps are in the interests of the Company and the Shareholders as a whole; (ii) the terms of the 2015 Continuing Connected Transactions and the transactions contemplated by the provision of deposit services under the 2015 Agreement are normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (iii) the Proposed Annual Caps have been fairly and reasonably arrived at.

Accordingly, we recommend the Independent Shareholders, as well as the Independent Board Committee to advise the Independent Shareholders, to vote in favour of the resolution approving the 2015 Continuing Connected Transactions, the provision of deposit services by Minmetals Finance under the 2015 Agreement and the Proposed Annual Caps related thereto at the SGM.

Yours faithfully,  
For and on behalf of  
**Altus Capital Limited**  
**Jeanny Leung**  
*Responsible Officer*

*Ms. Jeanny Leung ("Ms. Leung") is a Responsible Officer of Altus Capital Limited licensed to carry on Type 6 (advising on corporate finance) regulated activity under the SFO. She is also a Responsible Officer of Altus Investments Limited licensed to carry on Type 1 (dealing in securities) regulated activity under the SFO. Ms. Leung has over 25 years of experience in corporate finance advisory and commercial field in Greater China.*

*With the exception of the transactions relating to the (i) renewal of continuing connected transactions in respect of 2014 to 2016 (construction agreement) and (ii) major and continuing connected transactions (financial services framework agreement) as described in the circular of the Company dated 25 November 2013, Altus Capital Limited has not acted as an independent financial adviser of the Company's other transactions in the last two years from the date of the Circular. Pursuant to Rule 13.84 of the Listing Rules, and given that remuneration for our engagement to opine on this is at a market level and is not conditional upon successful passing of the resolution and that our engagement is on normal commercial terms, Altus Capital Limited is independent of the Company.*

## 1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the three years ended 31 December 2012, 2013 and 2014 are disclosed in the following documents which have been published on the websites of the Stock Exchange (www.hkexnews.hk) and of the Company (www.minmetalsland.com):

- the Company's annual report for the year ended 31 December 2012 published on 25 April 2013 (pages 63 to 129);
- the Company's annual report for the year ended 31 December 2013 published on 24 April 2014 (pages 83 to 161); and
- the Company's annual report for the year ended 31 December 2014 published on 22 April 2015 (pages 75 to 199).

## 2. INDEBTEDNESS

### Borrowings

As at the close of business on 30 September 2015, 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 borrowings of approximately HK\$10,153.06 million, details of which are set out below:

	<i>HK\$ million</i>
Long-term bank borrowing, secured and guaranteed	5,232.75
Long-term bank borrowings, secured and unguaranteed	928.36
Short-term bank borrowing, secured and guaranteed	3,784.64
Short-term bank borrowings, unsecured and guaranteed	177.27
Short-term other borrowing, unsecured and unguaranteed	<u>30.04</u>
	<u><u>10,153.06</u></u>

### Amounts due to associated companies

As at the close of business on 30 September 2015, the Group had outstanding amounts due to associated companies of approximately HK\$1,340.07 million, which are unsecured and unguaranteed.

### Amounts due to the non-controlling shareholders of subsidiaries

As at the close of business on 30 September 2015, the Group had outstanding amounts due to the non-controlling shareholders of subsidiaries of approximately HK\$157.63 million, which are unsecured and unguaranteed.



**Charges on Group assets**

As at the close of business on 30 September 2015, certain assets of the Group were pledged as securities for the Group's banking facilities and mortgage loans granted to buyers of sold properties and these pledged assets of the Group included properties under development, bank deposits and 100% equity interest in a subsidiary.

**Guaranteed bonds**

As at the close of business on 30 September 2015, the Group had guaranteed bonds of approximately HK\$1,728.79 million and HK\$957.25 million, which will be matured on 26 April 2018 and 26 April 2023, respectively. The principal amounts of the guaranteed bonds are US\$225 million and US\$125 million, respectively. The guaranteed bonds were unsecured and guaranteed by the Company and have the benefit of a keepwell deed from China Minmetals, the ultimate controlling shareholder of the Company.

**Contingent liabilities**

As at the close of business on 30 September 2015, the Group has provided guarantees to certain banks relating to mortgage facilities arranged for certain buyers of properties developed by the Group and the outstanding mortgage loans under these guarantees amounted to HK\$6,578.17 million.

**General**

Save as aforesaid and apart from intra-group liabilities, the Group did not have any debt securities, issued and outstanding, and authorised or otherwise created but unissued, any other outstanding loan capital, any other borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptance (other than normal trade bills) or similar indebtedness, debentures, mortgages, charges, loans, acceptance credits, hire purchase commitments, guarantees or other material contingent liabilities at the close of business on 30 September 2015.

**3. WORKING CAPITAL**

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

**4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP**

On the back of supportive monetary easing and preferential tax policies, transaction volume of real estate market in Tier 1 and Tier 2 cities is likely to remain robust. It is yet to be seen whether such revival will spread into Tier 3 cities to ease the current polarization in the sector.

The Group will seize opportunities to expand our land bank at reasonable cost in Hong Kong and China in a prudent and rational manner over the coming year. We will make further efforts to strengthen our brand and improve sales under stringent costs control since achieving a higher turnover and margin have always been the Group's top priority. We will target gaps in our product offering, identify customers' preferences in accordance with rapid market changes and offer appropriate products to fill this gaps and to satisfy these customers' preferences. In terms of financing, we will continue to take advantage of our competitive edge in accessing low cost funding over wide range of fundraising channels through our listing platform and state-owned enterprise background, so as to provide adequate financial resources to support our rapid business development.

The Group will continue uphold our core values of "Integrity, Innovation, Practicality and Excellence" to serve and create value for our Shareholders and stakeholders whilst contributing to the well-being of our community.

## 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 position of the Directors and the chief executive of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of the SFO), which have been 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 are taken or deemed to have under such provisions of the SFO), or pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, or as recorded in the register kept by the Company pursuant to section 352 of the SFO, were as follows:

### Long Position in Shares

Name of Director	Type of interest	Number of Shares held	Approximate percentage of total issued Shares
Mr. He Jianbo	Personal	2,040,000	0.06%
Mr. Yin Liang	Personal	1,360,000	0.04%
Ms. He Xiaoli	Personal	1,163,333	0.03%

**Interests in underlying Shares***Interests in share options of the Company*

As at the Latest Practicable Date, the following Directors had interests in the share options granted by the Company under the share option scheme of the Company adopted on 29 May 2003:

<b>Name of Director</b>	<b>Date of grant</b>	<b>Exercisable period</b>	<b>Exercise price HK\$</b>	<b>Number of share options outstanding</b>
Mr. He Jianbo	30.11.2012	30.11.2014 to 29.11.2022 <sup>(Note)</sup>	1.20	2,900,000
Mr. Yin Liang	30.11.2012	30.11.2014 to 29.11.2022 <sup>(Note)</sup>	1.20	2,200,000
Ms. He Xiaoli	30.11.2012	30.11.2014 to 29.11.2022 <sup>(Note)</sup>	1.20	2,100,000
Mr. Liu Zeping	30.11.2012	30.11.2014 to 29.11.2022 <sup>(Note)</sup>	1.20	1,470,000

*Note:*

These share options are exercisable in three tranches: the maximum percentage of share options of each tranche exercisable within the periods from 30 November 2014 to 29 November 2022, from 30 November 2015 to 29 November 2022 and from 30 November 2016 to 29 November 2022 are 30%, 30% and 40%, respectively.

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 and 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 are 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 of the Listing Rules, 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) Mr. Zhang Yuanrong, Mr. He Jianbo, Mr. Yin Liang, Ms. He Xiaoli and Mr. Liu Zeping are employees of China Minmetals;
- (b) Mr. Zhang Yuanrong is a director of CMCL;
- (c) Mr. He Jianbo is a director of Minmetals HK; and
- (d) Mr. Yin Liang is a director of June Glory.

### 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 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:

Name of Shareholder	Interest in Shares	Approximate percentage of total issued Shares
China Minmetals	2,071,095,506 <sup>(Note 1)</sup>	61.93%
CMCL	2,071,095,506 <sup>(Note 1)</sup>	61.93%
Minmetals HK	2,071,095,506 <sup>(Note 1)</sup>	61.93%
June Glory	2,071,095,506 <sup>(Note 1)</sup>	61.93%
Mr. Osbert Lyman	170,139,862 <sup>(Note 2)</sup>	5.09%
Strategic Power International Limited (“SPI”)	170,139,862 <sup>(Note 2)</sup>	5.09%

Notes:

1. June Glory is a wholly-owned subsidiary of Minmetals HK, which in turn is wholly owned by CMCL. CMCL is owned as to approximately 88.4% by China Minmetals. Accordingly China Minmetals, CMCL and Minmetals HK were deemed as interested in the 2,071,095,506 Shares held by June Glory.
2. SPI is owned as to 70% by Mr. Osbert Lyman. In view that SPI had direct and indirect interests in 19,290,000 Shares and 150,849,862 Shares respectively, each of SPI and Mr. Osbert Lyman was deemed as interested in an aggregate of 170,139,862 Shares.

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. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter into, a service contract with any member of the Group which is not terminable by the Group within one year without payment of compensation, other than statutory compensation.

#### 5. COMPETING BUSINESS

Mr. He Jianbo, the Deputy Chairman, Managing Director and an executive Director of the Company, is also a director of 五礦(營口)產業園發展有限公司 (Minmetals (Yingkou) Industrial Park Real Estate Development Co., Ltd.\*) (“**Yingkou Industrial Park**”, a non wholly-owned subsidiary of China Minmetals), 五礦置業有限公司 (Minmetals Real Estate Co., Ltd.\*) (“**Minmetals Real Estate**”, a non wholly-owned subsidiary of China Minmetals) and 五礦二十三冶建設集團有限公司 (The 23rd Metallurgical Construction Group Co., Ltd. of Minmetals\*) (“**23rd Metallurgical**”, a non wholly-owned subsidiary of China Minmetals).

Mr. Liu Zeping, a non-executive Director of the Company, is also a director and the president of 23rd Metallurgical, and a director of Yingkou Industrial Park and Minmetals Real Estate.

All of Yingkou Industrial Park, Minmetals Real Estate and 23rd Metallurgical are enterprises established under the laws of the PRC. Yingkou Industrial Park is engaged in the development of Minmetals (Yingkou) Industrial Park. Minmetals Real Estate is engaged in real estate development and operation, construction, property management, real estate agency, real estate advertising and exhibition and other real estate related business. 23rd Metallurgical is engaged in construction engineering, mining development and operations, real estate and related industries business.

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

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

## 6. DIRECTORS' INTERESTS IN ASSETS AND CONTRACTS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been, since 31 December 2014 (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 any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

There is no contract or arrangement subsisting as at the Latest Practicable Date in which any of the Directors is materially interested and which is significant in relation to the business of the Group. However, Mr. Tsui Ki Ting, who is a director of a subsidiary of the Company — 龍建(南京)置業有限公司 (Dragon Construction (Nanjing) Property Co., Ltd.\*) (“**DCNP**”), was interested in the shareholders’ agreement in respect of Oriental Dragon Construction Limited (“**ODCL**”) (the immediate holding company of DCNP) dated 11 April 2006 entered into amongst Karman Industries Limited (“**KIL**”), Stillpower Limited (both being wholly-owned subsidiaries of the Company), World Ocean Development Limited (“**WODL**”) and ODCL in respect of the transfer of a 29% equity interest in ODCL from KIL to WODL at a total consideration of HK\$2,900 and the management and operations of ODCL which is engaged in the Laguna Bay Project. As at the Latest Practicable Date, Mr. Tsui Ki Ting had a controlling interest in WODL which in turn owned 29% equity interest in ODCL, and the remaining 71% equity interest in ODCL was owned indirectly by the Company.

## 7. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claims of material importance nor was any litigation or claims of material importance known to the Directors to be pending or threatened against any member of the Group.

## 8. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Group within the two years immediately preceding the date of this circular and are or may be material:

- (a) on 5 May 2014, 廊坊曠世基業房地產開發有限公司 (Langfang Kuangshi Jiye Property Development Co., Ltd.\*) (a non wholly-owned subsidiary of the Company), 廊坊萬恒盛業房地產開發有限公司 (Langfang Wanheng Shengye Property Development Co., Ltd.\*) (an associated company of the Company) and a company established in the PRC designated by the local government of Hebei Province, the PRC to organise the relocation and other preparation work in respect of certain land in Hebei Province for development as co-organiser, entered into the second co-operation agreement in relation to the delivery of certain land situated in Xianghe County, Langfang City of Hebei Province, the PRC for a consideration of approximately RMB334.29 million (approximately HK\$422.88 million);

- (b) on 30 March 2015, (i) 北京萬湖房地產開發有限公司 (Beijing Wanhu Property Development Co., Ltd.\*) (“**Beijing Wanhu**”, a non wholly-owned subsidiary of the Company), (ii) Minmetals Land Investment Management Limited (“**MLIML**”, a wholly-owned subsidiary of the Company) and (iii) 北京萬科企業有限公司 (Beijing Vanke Co., Ltd.\*) (“**Beijing Vanke**”, a wholly-owned subsidiary of 萬科企業股份有限公司 (China Vanke Co., Ltd.\*), a company established under the laws of the PRC, the shares of which are listed on the Shenzhen Stock Exchange) entered into a loan framework agreement (the “**Loan Framework Agreement**”) in relation to the provision of loans by way of entrustment loans by Beijing Wanhu to MLIML and Beijing Vanke for a term commencing from 1 May 2015 to 30 April 2018;
- (c) on 4 August 2015, Beijing Wanhu, MLIML and Beijing Vanke entered into a supplemental agreement in relation to the Loan Framework Agreement; and
- (d) the 2015 Agreement, the terms of which are set out in this circular.

## 9. 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 2014, the date to which the latest published audited financial statements of the Company were made up.

## 10. EXPERT

- (a) Altus Capital is a corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO.
- (b) Altus Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter, reports and references to its name in the form and context in which they are included. The letter and recommendations therein given by Altus Capital are given as of the date of this circular for incorporation herein.
- (c) As at the Latest Practicable Date, Altus Capital 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.
- (d) As at the Latest Practicable Date, Altus Capital did not have any interest, directly or indirectly, in any asset which had since 31 December 2014, being the date to which the latest published audited financial statements of the Company were made up, been acquired or disposed of by, or leased to, any member of the Group, or was proposed to be acquired or disposed of by, or leased to, any member of the Group.



**11. MISCELLANEOUS**

- (a) The registered office of the Company is at Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda, and the head office and the principal place of business in Hong Kong is at 18th Floor, China Minmetals Tower, 79 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong.
- (b) The branch share registrar of the Company is Computershare Hong Kong Investor Services Limited located at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (c) The secretary of the Company is Ms. Chung Wing Yee who is an associate member of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators.
- (d) The English text of this circular shall prevail over the Chinese text.

**12. DOCUMENTS AVAILABLE FOR INSPECTION**

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

- (a) the memorandum of association and bye-laws of the Company;
- (b) the annual reports of the Company for the three years ended 31 December 2012, 2013 and 2014;
- (c) the material contracts as referred to in the paragraph headed "8. Material Contracts" in this appendix;
- (d) the letter from the Independent Board Committee, the text of which is set out in the section headed "Letter from the Independent Board Committee" of this circular;
- (e) the letter from Altus Capital, the text of which is set out in the section headed "Letter from Altus Capital" of this circular;
- (f) the written consent referred to in paragraph 10 in this appendix; and
- (g) the circular issued by the Company dated 23 April 2015 in relation to the framework agreement on financial assistance; and
- (h) this circular.

\* *For identification purpose only*



**五礦建設有限公司\***  
**MINMETALS LAND LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 230)**

**NOTICE IS HEREBY GIVEN** that a special general meeting of the shareholders of Minmetals Land Limited (the “**Company**”) will be held at Monet Room B, Basement 1, InterContinental Grand Stanford Hong Kong, 70 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Thursday, 10 December 2015 at 10:30 a.m. for the purposes of considering and, if thought fit, passing the following resolution as an ordinary resolution:

**ORDINARY RESOLUTION**

“**THAT:**

- (a) the deposit services to be provided by 五礦集團財務有限責任公司 (Minmetals Finance Co., Ltd.\*) (“**Minmetals Finance**”) to the Company and its PRC subsidiaries for the three financial years ending 31 December 2018 under the financial services framework agreement dated 3 November 2015 entered into between the Company and Minmetals Finance (the “**2015 Agreement**”) (including the proposed annual caps for the three financial years ending 31 December 2018) (details of which are described in the circular of the Company dated 24 November 2015 and a copy of which has been produced to this meeting marked “**A**” and signed by the Chairman of this meeting for the purpose of identification) be and are hereby approved and confirmed; and
- (b) any one of the directors of the Company be and is 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 2015 Agreement and the transactions contemplated thereunder.”

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

*Deputy Chairman and Managing Director*

Hong Kong, 24 November 2015

\* *For identification purpose only*

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## NOTICE OF SGM

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**Notes:**

1. A member entitled to attend and vote at the abovementioned meeting is entitled to appoint one or more proxies to attend and vote on his/her 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 less than 48 hours before the time appointed for holding the meeting or any adjournment thereof (as the case maybe). Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting or any adjournment thereof should they so wish.
3. The register of members of the Company will be closed from Tuesday, 8 December 2015 to Thursday, 10 December 2015, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending the above mentioned meeting, all share certificates with completed transfer forms must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, 7 December 2015.
4. The votes at the above mentioned meeting will be taken by poll.