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

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五礦地產有限公司
MINMETALS LAND LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 230)

MAJOR TRANSACTION
CAPITAL INJECTION AGREEMENT
DEEMED DISPOSAL OF 49% EQUITY INTEREST
IN THE JV COMPANY

A letter from the Board is set out on pages 4 to 11 of this circular.

The transaction being the subject matter of this circular has been approved by written shareholders' approval pursuant to the Listing Rules and this circular is being despatched to the Shareholders for information only.

23 October 2020

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	4
Appendix I — Financial Information of the Group	I-1
Appendix II — Property Valuation Report	II-1
Appendix III — General Information	III-1

DEFINITIONS

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

“Agreement of Intent”	the agreement of intent dated 2 March 2020 entered into between Shengshi Guangye and the Investor in respect of, among other things, the possible Deemed Disposal, details of which are set out in the March Announcement
“Announcements”	the March Announcement and the September Announcement
“associate(s)”, “connected person(s)” “controlling shareholder” and “subsidiary(ies)”	each has the meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“Capital Increase Certificate”	has the meaning ascribed to it under the sub-section headed “First Capital Injection” in this circular
“Capital Injection Agreement”	the capital injection agreement dated 30 September 2020 entered into among Shengshi Guangye, the Investor and the JV Company in relation to the Deemed Disposal and as part of the transactions contemplated under the Cooperation Framework Agreement
“China Minmetals”	China Minmetals Corporation, a state-owned enterprise established under the laws of the PRC and the ultimate controlling shareholder holding approximately 61.88% of the Shares as at the Latest Practicable Date
“Company”	Minmetals Land Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Cooperation Framework Agreement”	the cooperation framework agreement dated 2 March 2020 entered into between Shengshi Guangye, the Investor and JV Company in respect of, among other things, the Deemed Disposal, the details of which are set out in the March Announcement
“Deemed Disposal”	the admission of the Investor to contribute 49% of the registered capital of the JV Company
“Development Project”	the residential development to be constructed on the Land
“Director(s)”	the director(s) of the Company

DEFINITIONS

“First Capital Injection”	has the meaning ascribed to it under the sub-section headed “First Capital Injection” in this circular
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Investor”	深圳市潤投諮詢有限公司 (Shenzhen Runtou Consulting Co., Ltd.*), a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of China Resources Land Limited
“June Glory”	June Glory International Limited, a company incorporated in the British Virgin Islands with limited liability, and the Company’s immediate controlling shareholder holding approximately 61.88% of the Shares as at the Latest Practicable Date
“JV Company”	深圳市礦潤房地產開發有限公司 (Shenzhen Kuangrun Property Development Co., Ltd.*), a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company as at the Latest Practicable Date
“Land”	the land parcel numbered G11340–8034 and situated at Maluan Subdistrict, Pingshan District, Shenzhen, the PRC
“Latest Practicable Date”	20 October 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“March Announcement”	the announcement of the Company dated 2 March 2020 in relation to, among other things, the Agreement of Intent and the Cooperation Framework Agreement
“PRC”	the People’s Republic of China (for the purpose of this circular, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan)
“RMB”	Renminbi, the lawful currency of the PRC
“Second Capital Injection”	has the meaning ascribed to it under the sub-section headed “Second Capital Injection” in this circular

DEFINITIONS

“September Announcement”	the announcement of the Company dated 30 September 2020 in relation to, among other things, the Capital Injection Agreement and the transactions contemplated thereunder
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shengshi Guangye”	五礦盛世廣業(北京)有限公司 Minmetals Shengshi Guangye (Beijing) Co., Ltd.*, a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollar, the lawful currency of the United States
“Vigers”	Vigers Appraisal and Consulting Limited, independent professional property valuers
“%”	per cent.

For the purpose of illustration only and unless otherwise stated, conversion of Renminbi to Hong Kong dollars in this circular is calculated at the exchange rate of RMB1.00 to HK\$1.1297. Such conversion rate should not be construed as a representation that any amount has been, could have been, or may be, exchanged at this or any other rate.

* For identification purpose only



五礦地產有限公司
MINMETALS LAND LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 230)

Executive Directors:

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

Non-executive Director:

Ms. He Xiaoli

Independent Non-executive Directors:

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

Registered office:

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

*Principal place of business
in Hong Kong:*

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

23 October 2020

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION
CAPITAL INJECTION AGREEMENT
DEEMED DISPOSAL OF 49% EQUITY INTEREST
IN THE JV COMPANY

INTRODUCTION

Reference is made to the Announcements in relation to the Agreement of Intent, the Cooperation Framework Agreement and the Capital Injection Agreement in respect of, among other things, the admission of the Investor as a 49% equity owner of the JV Company which constitutes a deemed disposal of the Group's equity interest in the JV Company (i.e. the Deemed Disposal).

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, further particulars of the Capital Injection Agreement, the Deemed Disposal and other information as required under the Listing Rules.

CAPITAL INJECTION AGREEMENT

Date

30 September 2020

Parties

- (1) Shengshi Guangye (an indirect wholly-owned subsidiary of the Company);
- (2) the Investor; and
- (3) the JV Company.

The Investor is a company established under the laws of the PRC with limited liability and is indirectly wholly-owned by China Resources Land Limited (stock code: 1109). The Investor is principally engaged in consultancy services for investment, business information and corporate management. To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the Investor and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

First Capital Injection

Shengshi Guangye and the Investor agreed that the registered capital of the JV Company shall be increased from RMB10 million (approximately HK\$11.3 million) to RMB20 million (approximately HK\$22.6 million), which shall be contributed as to RMB10.2 million (approximately HK\$11.5 million) by Shengshi Guangye and RMB9.8 million (approximately HK\$11.1 million) by the Investor, respectively, (the “**First Capital Injection**”) in the following manner:

- (1) the amount of RMB0.98 million (approximately HK\$1.1 million) paid by the Investor to Shanghai United Assets and Equity Exchange Co., Ltd. (上海聯合產權交易所有限公司) as deposit for the public tender in respect of the Deemed Disposal shall be transferred to the JV Company and converted into equity in the equivalent amount in accordance with the relevant rules and regulations of Shanghai United Assets and Equity Exchange Co., Ltd. (上海聯合產權交易所有限公司); and

LETTER FROM THE BOARD

- (2) within ten (10) business days from the date of the capital increase certificate (增資憑證) issued by Shanghai United Assets and Equity Exchange Co., Ltd. (上海聯合產權交易所有限公司) (the “**Capital Increase Certificate**”):
- (a) the Investor shall pay RMB8.82 million (approximately HK\$9.96 million) and Shengshi Guangye shall pay up and contribute RMB10.2 million (approximately HK\$11.5 million), respectively, as capital of the JV Company; and
 - (b) the Investor and Shengshi Guangye shall contribute approximately RMB8.3 million (approximately HK\$9.38 million) and approximately RMB0.17 million (approximately HK\$0.19 million), respectively, to the capital reserve of the JV Company,

both to be settled in cash.

Upon completion of the First Capital Injection, the total registered capital of the JV Company will be increased to RMB20 million (approximately HK\$22.6 million), of which 51% and 49% of the total equity interests in the JV Company will be owned by Shengshi Guangye and the Investor, respectively.

The injected capital will be used by the JV Company to repay the equivalent amounts of the existing loans to the JV Company as arranged by Shengshi Guangye and the Investor respectively.

Completion

The JV Company shall proceed with the necessary filings for the industrial and commercial registration for the First Capital Injection with the relevant governmental authority within ten (10) business days from the date of the Capital Increase Certificate. The Capital Increase Certificate has been obtained on 13 October 2020. Upon completion of such industrial and commercial registration and all necessary completion procedures, the parties shall sign a completion confirmation to record the completion of the First Capital Injection. Such industrial and commercial registration and the signing of the completion confirmation is expected to take place on or around 23 October 2020.

Future funding

The JV Company will finance its operation as required firstly by bank borrowings based on its own assets, failing which and subject to the unanimous agreement of the general manager and deputy general manager of the JV Company, by shareholders' loan from Shengshi Guangye and the Investor on a pro-rata basis at a rate of 5.7% per annum.

LETTER FROM THE BOARD

SHAREHOLDERS' ARRANGEMENTS

Incidental to completion of the First Capital Injection, Shengshi Guangye and the Investor shall enter into the constitutional document of the JV Company setting out the terms of the operations of the JV Company.

Management of the JV Company

Board composition

The board of directors of the JV Company shall comprise three directors, two of whom shall be nominated by Shengshi Guangye and one by the Investor. The chairman of the board of directors shall be a director nominated by Shengshi Guangye. The principal roles of the board of directors of the JV Company are determining the JV Company's investment strategies, operation plans and annual budget, formulating internal control policies and approving the development and business plans of the Development Project. All board resolutions of the JV Company shall be passed by a simple majority of votes.

The JV Company shall have two supervisors, one of whom shall be appointed by Shengshi Guangye and the other by the Investor. The supervisors shall be responsible for monitoring the board of directors of the JV Company and the operating activities of the JV Company in accordance with PRC laws.

Restriction on transfer of equity interest

Each party shall have a right of first offer to acquire the interests in the JV Company to be sold by the other party.

Investor's exit

In the event that the residential and commercial (excluding car parking spaces) gross floor area (expressed in square metres) sold in respect of the Development Project reaches 95% of the total saleable residential and commercial (excluding car parking spaces) gross floor area (expressed in square metres) offered by the Development Project and the completion check and acceptance filing in respect of the Development Project has been completed (subject to the receipt of completion approval for the final phase of the Development Project), either Shengshi Guangye or the Investor may elect to divest their interest in the JV Company subject to the exit mechanism to be agreed on by the parties and the applicable laws and regulations.

SECOND CAPITAL INJECTION

As disclosed in the March Announcement, pursuant to the Cooperation Framework Agreement, within twenty (20) business days after the industrial and commercial registration for the First Capital Injection is completed, the registered capital of the JV Company shall be increased from RMB20 million (approximately HK\$22.6 million) to RMB900 million (approximately HK\$1,016.7 million), whereby each of the Investor and Shengshi Guangye shall contribute the capital on a pro-rata basis. Shengshi Guangye, the

LETTER FROM THE BOARD

Investor and the JV Company intend to enter into a supplemental agreement to the Capital Injection Agreement to give effect to such increase in registered capital of the JV Company. As at the Latest Practicable Date, such further capital injection has not been completed.

The capital contribution from Shengshi Guangye and the Investor for the Second Capital Injection will be settled in cash, which will then be used by the JV Company to repay the equivalent amounts of the existing loans to the JV Company as arranged by Shengshi Guangye and the Investor respectively.

Taking into account each of the loans provided by Shengshi Guangye and the Investor to the JV Company and the interest contribution paid by the Investor to Shengshi Guangye pursuant to the Cooperation Framework Agreement as disclosed in the March Announcement, and further loans provided by Shengshi Guangye and the Investor to the JV Company, the final total commitments of Shengshi Guangye and the Investor in connection with the participation in the JV Company will be approximately RMB1,357.98 million (approximately HK\$1,534.11 million) comprising approximately RMB459 million (approximately HK\$518.53 million) as capital and approximately RMB898.98 million (approximately HK\$1,015.58 million) as loans, and approximately RMB1,331.73 million (approximately HK\$1,504.46 million) comprising approximately RMB441 million (approximately HK\$498.20 million) as capital, approximately RMB863.73 million (approximately HK\$975.76 million) as loans and approximately RMB27.0 million (approximately HK\$30.50 million) as interest contribution paid by the Investor to Shengshi Guangye, respectively. All loans and capital contributed by the parties into the JV Company will be used to fund the acquisition of the Land, and the operation of the JV Company and the construction of the Development Project, being in the amounts of approximately RMB2,560 million (approximately HK\$2,892.03 million) and an aggregate of approximately RMB102.7 million (approximately HK\$116.02 million). The remaining budget construction cost of the Development Project not financed by the loans and capital contributed by the parties into the JV Company will be financed entirely by the pre-sale proceeds from the sale of the high-rise apartments of the Development Project.

The amounts of commitment of the parties in the JV Company were arrived at after arm's length negotiation among the parties with reference to, among other things, the funding needs of the JV Company of approximately RMB102.7 million (approximately HK\$116.02 million), having taken into account the budget construction cost of the Development Project and estimated pre-sale proceeds from the sale of the high-rise apartments of the Development Project, and the value of the land use rights of the Land of approximately RMB2,560 million (approximately HK\$2,892.03 million).

Shengshi Guangye has funded and will fund its share of the above commitment in the JV Company by the internal resources of the Group.

LETTER FROM THE BOARD

FURTHER INFORMATION ON THE JV COMPANY AND THE FINANCIAL IMPACT OF THE GROUP

The JV Company was established in December 2019 by Shengshi Guangye as a single purpose vehicle to hold the land use rights of the Land and to develop the Land and the Development Project for sale. As at the Latest Practicable Date, the registered capital of the JV Company amounted to RMB10 million (approximately HK\$11.3 million), which has not been paid up.

Upon completion of the Deemed Disposal, the equity interest in the JV Company will be owned as to 51% and 49% by Shengshi Guangye and the Investor respectively but the JV Company will remain as a subsidiary of the Company and will continue to be accounted for on a consolidated basis in the accounts of the Group. It is expected that no material gain or loss will accrue to the Group as a result of the Deemed Disposal.

As the JV Company is a newly established company, no financial information or past performance of the JV Company is available for disclosure in this circular. Based on the management accounts of the JV Company prepared in accordance with generally accepted accounting principles in the PRC, the unaudited net asset value of the JV Company as at 31 August 2020 was negative RMB2.3 million (approximately negative HK\$2.6 million).

Effect of the Deemed Disposal on earnings of the Group

As the effect of the Deemed Disposal will not result in loss of the Company's control over the JV Company, the Deemed Disposal will be accounted for as an equity transaction and will not result in the recognition of any significant gain or loss in the Company's financial results.

Effect of the Deemed Disposal on assets and liabilities of the Group

Upon completion of the Deemed Disposal, the consolidated total assets of the Group would remain the same, the consolidated total liabilities of the Group would decrease by approximately RMB441 million (equivalent to approximately HK\$498.20 million) and the net assets value of the Group would increase by approximately RMB441 million (equivalent to approximately HK\$498.20 million).

INFORMATION OF THE LAND

The Land is a parcel of land numbered G11340-8034 and situated at Maluan Subdistrict, Pingshan District, Shenzhen, the PRC. The site area of the Land is approximately 31,065 square meters, with a plot ratio of not more than 4.5. The Land is permitted for residential development and the term of grant is 70 years.

In November 2019, Shengshi Guangye acquired the land use rights of the Land through public auction at a purchase price of approximately RMB2,560 million (approximately HK\$2,892 million), which has been fully settled by Shengshi Guangye. On 19 January 2020, the land use rights of the Land was transferred to the JV Company.

LETTER FROM THE BOARD

The Land will be developed in one phase comprising 1,063 high-rise apartments. It is expected that pre-sale will be launched in the fourth quarter of 2020. The construction of the Development Project commenced in March 2020 and is expected to be completed and delivered to buyers in the fourth quarter of 2022. The JV Company will make necessary adjustments to the actual arrangements of the construction and development of the Land based on practical market conditions.

REASONS FOR AND BENEFITS OF ENTERING INTO THE CAPITAL INJECTION AGREEMENT

The Group is principally engaged in real estate development, specialised construction, property investment and securities investment. The Group, through Shengshi Guangye, and the Investor will be jointly responsible for the day-to-day operation and management of the JV Company and the development of the Development Project, with the Group being primarily responsible for the construction, development and property management of the Development Project, and the Investor being primarily responsible for the design, sales and procurement in relation to the Development Project. It is believed that the Deemed Disposal will bring in investor and hence improve the JV Company's capital efficiency and strengthen its financial position. The Group also believes that it can capitalise on the Investor's expertise and experience in consultancy for investment, business information and corporate management in the PRC real estate market as the Investor can (i) assist the Company to review and prepare design, sales or business proposals from time to time; and (ii) provide consultation, advice and solutions to operational and decision-making issues and corporate management services as required by the JV Company from time to time.

The Directors (including the independent non-executive Directors) considered that the Deemed Disposal and the Capital Injection Agreement, which has been entered into after arm's length negotiation between the parties, are on normal commercial terms, and the terms thereof are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

None of the Directors has a material interest in the transactions contemplated under the Capital Injection Agreement which requires any of them to abstain from voting on the board resolutions in relation thereto. As Ms. Law Fan Chiu Fun, Fanny is an external director of China Resources (Holdings) Company Limited (the parent company of China Resources Land Limited) and holds 4,000 shares in China Resources Power Holdings Company Limited (a company which is in the same group of companies as China Resources Land Limited), for the avoidance of doubt and possible perceived interest, she has voluntarily abstained from voting on the resolutions passed by the Board in relation to the Capital Injection Agreement and the transactions contemplated thereunder.

INFORMATION ON THE GROUP AND SHENGSHI GUANGYE

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

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

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

The joint venture arrangement in respect of the JV Company, being a single purpose vehicle to develop the Land and the Development Project for sale, was, among other things, made on an arm's length basis on normal commercial terms, and accordingly, the formation of joint venture will be exempt from reporting, announcement and shareholders' approval requirements under Rule 14.04(1)(f) of the Listing Rules.

As the highest applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Deemed Disposal exceeds 25% but all applicable percentage ratios are below 75%, the Deemed Disposal constitutes a major transaction for the Company subject to reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

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

RECOMMENDATION

The Directors (including all the independent non-executive Directors) considered that the Deemed Disposal and the Capital Injection Agreement are on normal commercial terms, and the terms thereof are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Directors would recommend the Shareholders to vote in favour of the Deemed Disposal and the Capital Injection Agreement if a physical meeting were to be held.

ADDITIONAL INFORMATION

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

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

1. INDEBTEDNESS**Bank borrowings**

As at the close of business on 31 August 2020, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the Group had aggregate outstanding bank borrowings of approximately HK\$15,457.08 million, details of which are set out below:

Bank borrowings	<i>HK\$' million</i>
Short term bank loans, secured and unguaranteed	153.64
Short term bank loans, unsecured and guaranteed	2,207.23
Short term bank loans, unsecured and unguaranteed	18.08
Long term bank loans, secured and guaranteed	2,620.38
Long term bank loan, unsecured and guaranteed	9,635.01
Long term bank loans, secured and unguaranteed	135.88
Long term bank loans, unsecured and unguaranteed	<u>686.86</u>
	<u><u>15,457.08</u></u>

Loans from fellow subsidiaries

As at the close of business on 31 August 2020, the Group had outstanding loans from fellow subsidiaries of approximately HK\$79.08 million, which are unsecured and unguaranteed.

Loans from non-controlling shareholders of subsidiaries

As at the close of business on 31 August 2020, the Group had outstanding loans from non-controlling shareholders of subsidiaries of approximately HK\$50.48 million, which are unsecured and unguaranteed.

Other borrowings

As at the close of business on 31 August 2020, the Group had other borrowings of approximately HK\$975.75 million, which are unsecured and unguaranteed.

Amounts due to an associate

As at the close of business on 31 August 2020, the Group had outstanding amounts due to an associate of approximately HK\$941.69 million, which are unsecured and unguaranteed.

Amounts due to non-controlling shareholders of subsidiaries

As at the close of business on 31 August 2020, the Group had outstanding amounts due to non-controlling shareholders of subsidiaries of approximately HK\$283.61 million, which are unsecured and unguaranteed.

Amount due to a fellow subsidiary

As at the close of business on 31 August 2020, the Group had outstanding amount due to a fellow subsidiary of approximately HK\$600.03 million, which is unsecured and unguaranteed.

Charges on the Group's assets

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

Guaranteed bonds

As at the close of business on 31 August 2020, the Group had guaranteed bonds of approximately HK\$2,320.80 million and HK\$963.37 million respectively. The principal amounts of the guaranteed bonds are US\$300 million and US\$125 million, respectively. The guaranteed bonds are unsecured and guaranteed by the Company and have the benefit of a keepwell deed from China Minmetals, the ultimate controlling shareholder of the Company.

Lease obligations

As at 31 August 2020, the Group, as a lessee, has outstanding unpaid contractual lease payments for the remainder of the relevant lease terms amounting to HK\$85.33 million, which are neither secured nor guaranteed.

Financial guarantees and contingent liabilities

As at the close of business on 31 August 2020, the Group had provided guarantees to certain banks relating to mortgage facilities arranged for certain buyers of properties developed by the Group and the outstanding mortgage loans under these guarantees amounted to HK\$3,595.51 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 31 August 2020.

2. WORKING CAPITAL

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

3. FINANCIAL AND TRADING PROSPECTS

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

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

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

The following is the text of a letter and valuation report prepared for the purpose of incorporation in this circular received from “Vigers Appraisal and Consulting Limited”, an independent professional valuer, in connection with the valuation of the property interest of the property to be disposed of by the Group as at 31 August 2020 in relation to the Deemed Disposal.

Vigers Appraisal and Consulting Limited
General Practice Sector
27/F Standard Chartered Tower,
Millennium City 1, No. 388 Kwun Tong Road,
Kowloon, Hong Kong



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23 October 2020

The Board of Directors
Minmetals Land Limited

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

Dear Sirs,

We refer to the recent instruction from “Minmetals Land Limited” (referred to as the “Company”) and/or its subsidiary(ies) (together referred to as the “Group”) to us to value the property interest(s) of “The Greenville, Lot No. G11340-8034, Maluan Subdistrict, Pingshan District, Shenzhen, Guangdong Province, the People’s Republic of China” to be disposed of by the Group in relation to the admission of “Shenzhen Runtou Consulting Co., Ltd.” (the “Investor”) to contribute 49% of the registered capital of “Shenzhen Kuangrun Property Development Co., Ltd.” (the “JV Company”) (referred to as the “Deemed Disposal”), we confirm that we have inspected the property, made relevant enquiries and investigations as well as obtained such further information as we consider necessary for the purpose of providing our opinion of value of the property as at 31 August 2020 (the “Date of Valuation”).

BASIS OF VALUE

Our valuation is our opinion of market value of the property which is defined as intended to mean “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”. Our valuation has been prepared in accordance with “The HKIS Valuation Standards (2017 Edition)” published by “The Hong Kong Institute of Surveyors” (“HKIS”), “RICS Valuation — Global Standards” published by the “Royal Institution of Chartered Surveyors” (“RICS”), relevant provisions in the Companies

Ordinance and the “Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited” (Main Board) published by “The Stock Exchange of Hong Kong Limited” (“HKEx”). Market value is the best price reasonably obtainable in the market by the seller and the most advantageous price reasonably obtainable in the market by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special consideration or concession granted by anyone associated with the sale, or any element of special value. The market value of a property is also estimated without regard to cost(s) of sale and purchase, and without offset for any associated tax(es).

APPROACH TO VALUE

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

TITLE INVESTIGATION

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

VALUATION CONSIDERATION

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

We had carried out on-site inspection to the property and surrounding environment, but not in any form of a building survey, on 18 August 2020. But we must stress that we have not carried out any structural survey nor have we inspected the woodwork or other part(s) of the structure(s) of the property which were covered, unexposed or inaccessible to us. We are therefore unable to report whether such part(s) of the property is free from any structural or non-structural defect.

VALUATION ASSUMPTION

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

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

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

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

REMARKS

As confirmed by the Group,

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

We hereby confirm that:

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

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

We enclose herewith the core content of our valuation report.

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

Sr Franky C. H. WONG
MSc(RealEst) MCIM FRICS MHKIS RPS(GP)
China Registered Real Estate Appraiser
RICS Registered Valuer
Director

Note: Graduated from The University of Hong Kong with a Master of Science in Real Estate, Sr Franky C. H. WONG is a “Registered Professional Surveyor in General Practice Division” (“RPS(GP)”) under the “Surveyors Registration Ordinance” (Cap. 417) in Hong Kong, and is a “RICS Registered Valuer” under the “Valuer Registration Scheme” regulated by the RICS with over 19 years’ valuation experience on properties in various regions including Hong Kong, Macao, the PRC, Taiwan, Japan, Southeast Asia countries, United Kingdom and United State of America. Sr WONG has been vetted on the “List of Property Valuers for Undertaking Valuations for Incorporation of Reference in Listing Particulars and Circulars and Valuations in connection with Takeovers and Mergers” published by the HKIS and “List of Property Valuers for Undertaking Valuations for Incorporation or Reference in Listing Particulars and Circulars and Valuations in connection with Takeovers and Mergers” published by RICS Hong Kong, and is suitably qualified for undertaking valuations relating to listing exercises. Sr WONG has been employed by “Vigers Appraisal and Consulting Limited” as a valuer since 2006 and as a qualified surveyor since 2009.

PROPERTY VALUATION REPORT

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

Property	Description and Tenure	Occupancy Status	Market Value in Existing State as at the Date of Valuation														
The Greenville, Lot No. G11340-8034, Maluan Subdistrict, Pinghan District, Shenzhen, Guangdong Province, the People's Republic of China	<p>To be completed in 2022, the property is being developed into a large-scale residential development with provision of commercial and other ancillary facilities such as kindergarten, wet market, elderly day care centre, community health centre and so on provided therein upon completion.</p> <p>The property has a site area of about 31,065.17 square metres, including road(s) of about 2,362.67 square metres which shall be surrendered to the Government without compensation upon completion.</p> <p>The property has a total planned gross floor area of about 177,613.34 square metres with breakdown below.</p>	As inspected and advised by the Client, the property was in its early stage of development.	<p>RMB2,800,000,000 (RENMINBI TWO BILLION EIGHT HUNDRED MILLION ONLY)</p> <p>(51% interest attributable to the Company after the Deemed Disposal: RMB1,428,000,000 (RENMINBI ONE BILLION FOUR HUNDRED TWENTY EIGHT MILLION ONLY))</p>														
	<table border="1"> <thead> <tr> <th>Use</th> <th>Gross Floor Area</th> </tr> </thead> <tbody> <tr> <td>High-rise Residential</td> <td>99,480.00 square metres</td> </tr> <tr> <td>Talents' Housing*</td> <td>11,080.00 square metres</td> </tr> <tr> <td>Commercial</td> <td>8,000.00 square metres</td> </tr> <tr> <td>Ancillary Facilities*</td> <td>11,527.32 square metres</td> </tr> <tr> <td>Underground Facilities #</td> <td><u>47,526.02 square metres</u></td> </tr> <tr> <td>Total</td> <td><u>177,613.34 square metres</u></td> </tr> </tbody> </table>	Use	Gross Floor Area	High-rise Residential	99,480.00 square metres	Talents' Housing*	11,080.00 square metres	Commercial	8,000.00 square metres	Ancillary Facilities*	11,527.32 square metres	Underground Facilities #	<u>47,526.02 square metres</u>	Total	<u>177,613.34 square metres</u>		
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	<p>* Note Talents' Housing and Ancillary Facilities are to be surrendered to the Government without compensation upon completion.</p> <p># Note A total of 1,393 car parking spaces will be provided on basement of Underground Facilities upon completion.</p> <p>The property is held under granted land-use rights with a term of 70 years from 15 January 2020 to 14 January 2090 for "Category Two Residential" land-use.</p>																

Notes

1. Pursuant to “Shenzhen City Land-use Rights Grant Contract” (Document No.: Shen De He Zi No. 2019-9012) and its “Supplementary Agreement(s)”, the land-use rights of the property was granted to “Shenzhen Kuangrun Property Development Co., Ltd.” on 15 January 2020 at a total land price of RMB2,560,000,000 inclusive of land-use rights grant premium, land development amount and urban ancillary facilities’ costs but exclusive of Deed Tax; and is subject to the following salient development conditions.

Plot Ratio	:	≤ 4.5
Site Coverage	:	≤ 40%
Gross Floor Area	:	≤ 129,160 square metres, including: <ul style="list-style-type: none"> I. ≤ 110,810 square metres for residential use (including Talents’ Housing of not less than 11,080 square metres and property service room of 250 square metres) II. ≤ 8,000 square metres for commercial use III. 10,350 square metres for other ancillary facilities <ul style="list-style-type: none"> Northern Land Parcel with Site Area of 8,434.80 square metres <ul style="list-style-type: none"> i. 650 square metres for party service centre ii. ≥ 400 square metres for convenient services station Southern Land Parcel with Site Area of 20,267.70 square metres <ul style="list-style-type: none"> i. 3,000 square metres for public transport terminal ii. 300 square metres for community management house iii. 50 square metres for community police room iv. 3,600 square metres (with site area of 3,200 square metres) for kindergarten having 12 classes v. ≥ 750 square metres for elderly day care centre vi. ≥ 1,000 square metres for community health service centre vii. 1,000 square metres for community wet market
Building Covenants		<ul style="list-style-type: none"> I. To commence construction work within 1 year from the signing date of “Shenzhen City Land-use Rights Grant Contract” II. To complete construction work within 4 years from the signing date of “Shenzhen City Land-use Rights Grant Contract”
Greenery Coverage	:	≥ 40%
No. of Car Parking Space	:	≥ 1,400 car parking spaces
Others	:	<ul style="list-style-type: none"> I. Commodity housing not to be further transferred in 3 years upon obtaining individual “Real Estate Title Certificate” II. Talents’ Housing be leased but not for sale and title to be freely surrendered to Government upon completion III. Average unit selling price of commodity housing ≤ RMB38,750 per square metre IV. Required to have not less than 70% of total gross floor area of Commodity Housing and 70% of number of units of Commodity Housing with saleable area of not more than 90 square metres

2. Pursuant to “Real Estate Title Certificate” (Document No.: Yue (2020) Shen Zhen Shi Bu Dong Chan Quan No. 0092043), the granted land-use rights of the property is vested in the name of “Shenzhen Kuangrun Property Development Co., Ltd.” with construction work to be completed by 14 January 2024.
3. Pursuant to “Real Estate Title Information Computer Inquiry Result Table”, the land-use rights of the property is not subject to mortgage as of the date of inquiry on 27 September 2020.
4. Pursuant to “Shenzhen City Construction Land-use Planning Permit” (Document No.: Shen Gui Hua Zi Yuan Xu No. PS-2020-0006), the land-use of the property complies with urban planning requirements.
5. Pursuant to “Shenzhen City Construction Work Planning Permits” (Document Nos.: Shen Gui Hua Zi Yuan Jian Xu Zi No. PS-2020-0038 and Shen Gui Hua Zi Yuan Jian Xu Zi No. PS-2020-0039), the construction work of the property having an aggregate gross floor area of about 177,613.34 square metres complies with urban planning requirements.
6. Pursuant to “Construction Work Commencement Permits” (Document Nos.: 2020-1174, 2020-1175, 2020-1176 and 2020-1177), the substructure work and construction work of the property having an aggregate gross floor area of about 177,613.34 square metres complies with construction work commencement condition and has been approved for construction.
7. As advised by the Group, the budget construction cost and construction work payment of the property, both exclusive of indirect cost(s), capitalized interest(s) and project management fee(s), as of the Date of Valuation are RMB706,555,785 and RMB79,215,197 respectively which have been duly considered in our valuation shown above to reflect the quality and existing state of the property.
8. The gross development value of the property (i.e. the estimated market value on completion) based on the hypothetical development scheme to be erected on the property with the defined plan(s) and specification as at the Date of Valuation on current value by market approach is assessed at RMB4,040,000,000 (RENMINBI FOUR BILLION FORTY MILLION ONLY) as at the Date of Valuation exclusive of those portion(s) to be surrendered to the Government or carpark without full legal rights but the rights to use and lease.
9.
 - (1) Upon the Deemed Disposal, “Shenzhen Kuangrun Property Development Co., Ltd.” (the “JV Company”) will become a 51% indirect owned subsidiary of the Company, of which profit sharing will be based on equity holding stake.
 - (2) As advised by the Company, upon completion of the “First Capital Injection” (as defined in this Circular), the total registered capital of the JV Company will be increased to RMB20,000,000 only, of which 51% and 49% of the total equity interests in the JV Company will be owned by “Minmetals Shengshi Guangye (Beijing) Co., Ltd.” (“Shengshi Guangye”), an indirect wholly-owned subsidiary of the Company, and “Shenzhen Runtou Consulting Co., Ltd.” (the “Investor”), respectively.
 - (3) As advised by the Company, within 20 business days after the industrial and commercial registration for the First Capital Injection is completed, the registered capital of the JV Company shall be increased from RMB20,000,000 only to RMB900,000,000 only, whereby each of the Investor and Shengshi Guangye shall contribute the capital on a pro-rata basis.
10. The PRC Legal Adviser has provided certain advice in her legal opinion, including but not limited to, that:
 - (1) the land-use rights of the property is legally vested in “Shenzhen Kuangrun Property Development Co., Ltd.”;

- (2) “Shenzhen Kuangrun Property Development Co., Ltd.” has the rights to develop, use, operate, transfer, lease, mortgage or use for other economic activities during the land-use rights’ term subject to compliance of laws and regulations, State-owned Land-use Rights Grant Contract and urban planning requirements;
 - (3) the rights of the property pursuant to “Real Estate Title Certificate”, “Construction Land-use Planning Permit”, “Construction Work Planning Permits” and “Construction Work Commencement Permits” are vested in the name of “Shenzhen Kuangrun Property Development Co., Ltd.”; and
 - (4) the property is not subject to mortgage.
11. An inspection to the property and surrounding environment, but not in any form of a building survey, was carried out by Mr Ken GUO *BSc (Real Estate Operation and Management)* under the supervision of Sr Franky C. H. WONG *MSc(RealEst) MCIM FIPA FRICS MHKIS RPS(GP) China Registered Real Estate Appraiser RICS Registered Valuer* on 18 August 2020.
 12. The property is located in a fast developing residential and commercial mixed-user area in Pingshan district of Shenzhen where comprises various mass residential estates, shopping arcades and office buildings with ancillary facilities such as landscaped garden, schools and government offices nearby. Accommodation values of comparable site transactions vary from RMB18,159 per square metre to RMB21,239 per square metre on plot ratio gross floor area basis.
 13. As advised by the Company, the property will be recorded as an inventory in the consolidated balance sheet of the Company upon the Deemed Disposal.

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

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

Interests in the Shares

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

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

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

3. DIRECTORS' POSITIONS IN SUBSTANTIAL SHAREHOLDERS

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

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

4. DIRECTORS' SERVICE CONTRACT

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

5. DIRECTORS' INTERESTS IN COMPETING BUSINESS

Mr. He Jianbo, being the Chairman of the Board and an executive Director of the Company, is also a director of 五礦(營口)產業園發展有限公司 Minmetals (Yingkou) Industrial Park Real Estate Development Co., Ltd.* (“**Yingkou Industrial Park**”, a non-wholly owned subsidiary of China Minmetals), 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 五礦地產控股有限公司 Minmetals Land Holdings Co., Ltd.* (“**Minmetals Land Holdings**”, a non-wholly owned subsidiary of China Minmetals).

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

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

Mr. Yang Shangping, being a Deputy Managing Director and an executive Director of the Company, is also a director of Yingkou Industrial Park.

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

and sub-contracting, property management, surveying and designing of construction projects, project investment, provision of technical services, investment consultancy and corporate management consultancy.

Ms. Law Fan Chiu Fun, Fanny, being an independent non-executive Director of the Company, is also a director of China Resources (Holdings) Co., Ltd., the holding company of China Resources Land Limited which engages in real estate development operation in the PRC.

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

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

6. DIRECTORS' INTERESTS IN ASSETS AND CONTRACTS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been, since 31 December 2019 (being the date to which the latest published audited financial statements of the Company were made up), acquired or disposed of by or leased to or were proposed to be acquired or disposed of by or leased to any member of the Group.

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

7. LITIGATION

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

8. MATERIAL CONTRACTS

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

- (a) a joint venture agreement dated 14 December 2018 entered into among Shengshi Guangye, 桐鄉市安豪投資管理有限公司 Tongxiang City Anhao Investment Management Co., Ltd.*, the three other parties to the joint venture agreement, as joint venture parties, and 廣州安合房地產開發有限公司 Guangzhou Anhe Real Estate Development Co., Ltd.* (“**Guangzhou Anhe**”) as the target company, in relation to the formation of a joint venture and the operation of the target company (i.e. Guangzhou Anhe), whereby Shengshi Guangye shall contribute the total investment amount of RMB216,489,000, which comprises RMB5,000,000 to subscribe for 10% equity interest in Guangzhou Anhe and up to RMB211,489,000 as shareholder’s loan to Guangzhou Anhe. Further details of the joint venture agreement are set out in the announcement of the Company dated 14 December 2018;
- (b) a memorandum of intent dated 28 March 2019 (the “**Guangzhou Kuangmao Memorandum of Intent**”) entered into among Shengshi Guangye, 寧波市鄞州協豐房產投資諮詢有限公司 Ningbo Yinzhou Xiefeng Property Investment Consulting Co., Ltd.* (“**Xiefeng**”) as an investor and 廣州市礦茂房地產開發有限公司 Guangzhou Kuangmao Property Development Co., Ltd.* (“**Guangzhou Kuangmao**”) as the target company, in relation to the possible formation of a joint venture and the operation of the target company (i.e. Guangzhou Kuangmao), whereby Shengshi Guangye shall contribute an amount of approximately RMB1.24 billion if the transactions contemplated thereunder materialise. Further details of the Guangzhou Kuangmao Memorandum of Intent are set out in the announcement of the Company dated 28 March 2019;
- (c) an agreement of intent dated 11 April 2019 (the “**Guangzhou Kuangrong Agreement of Intent**”) entered into among Shengshi Guangye, 廣州招商房地產有限公司 Guangzhou Merchants Property Development Limited* (“**Guangzhou Merchants**”) as an investor and 廣州礦榮房地產開發有限公司 Guangzhou Kuangrong Property Development Co., Ltd.* (“**Guangzhou Kuangrong**”) as the target company, in relation to the possible formation of joint venture and the operation of the target company (i.e. Guangzhou Kuangrong), whereby Shengshi Guangye shall contribute an amount of approximately RMB588 million if the transactions contemplated thereunder materialise. Further details of the Guangzhou Kuangrong Agreement of Intent are set out in the announcement of the Company dated 11 April 2019;

- (d) an earnest money agreement dated 11 April 2019 entered into by the Company, Guangzhou Merchants as an investor and Guangzhou Kuangrong as the target company in respect of, among other things, the payment of an earnest money by Guangzhou Merchants to Guangzhou Kuangrong in the amount of approximately RMB548.91 million in relation to the Guangzhou Kuangrong Agreement of Intent. Further details of the earnest money agreement are set out in the announcement of the Company dated 11 April 2019;
- (e) a supplemental agreement to the financial services framework agreement dated 20 April 2018 (the “**2018 Agreement**”) entered into between the Company and 五礦集團財務有限責任公司 Minmetals Finance Co., Ltd.* (“**Minmetals Finance**”) dated 28 March 2019 entered into between the Company and Minmetals Finance in relation to, among other things, the revision of the original annual caps for deposit transactions contemplated under the 2018 Agreement to RMB3,000 million and the provision of unsecured loan by Minmetals Finance to the Company for an amount of up to RMB3,000 million on comparable market terms. Further details of the supplemental agreement are set out in the announcement of the Company dated 28 March 2019 and the circular of the Company dated 23 April 2019;
- (f) a capital injection agreement dated 8 January 2020 entered into among Shengshi Guangye, Xiefeng as an investor and Guangzhou Kuangmao as the target company in relation to the admission of Xiefeng to contribute 49% of the registered capital and shareholder’s loan of Guangzhou Kuangmao for a total sum of approximately RMB1,196 million as contemplated under the Guangzhou Kuangmao Memorandum of Intent. Further details of the capital injection agreement are set out in the announcement of the Company dated 8 January 2020 and the circular of the Company dated 22 January 2020 (the “**January Circular**”);
- (g) a capital injection agreement dated 8 January 2020 entered into among Shengshi Guangye, Guangzhou Merchants as an investor and Guangzhou Kuangrong as the target company in relation to the admission of Guangzhou Merchants to contribute 49% of the registered capital and shareholder’s loan of Guangzhou Kuangrong for a total sum of approximately RMB593 million as contemplated under the Guangzhou Kuangrong Agreement of Intent. Further details of the capital injection agreement are set out in the announcement of the Company dated 8 January 2020;
- (h) the Agreement of Intent, further details which are set out in the March Announcement;
- (i) the Cooperation Framework Agreement, further details which are set out in the March Announcement;
- (j) an equity transfer agreement dated 18 March 2020 entered into between 五礦地產湖南開發有限公司 Minmetals Land Hunan Development Co., Ltd.* (“**Minmetals Land Hunan**”) as seller and 泰安漢和置業有限公司 Taian Hanhe Property Development Co., Ltd.* as purchaser in relation to the acquisition of the entire

equity interest of 五礦地產(萊蕪)開發有限公司 Minmetals Land Laiwu Development Ltd.* and the shareholders' loan for a total sum of approximately RMB84 million;

- (k) an equity transfer agreement dated 1 June 2020 entered into between Minmetals Land Hunan and CITIC Trust Co., Ltd. 中信信託有限責任公司 (“**CITIC Trust**”) in relation to the transfer of 51% equity interest of 五礦地產(西寧)開發有限公司 Minmetals Land (Xining) Development Co., Ltd.* (“**Minmetals Land Xining**”), such equity interest being held by CITIC Trust as security in relation to certain sum due by Minmetals Land Xining to CITIC Trust, to Minmetals Land Hunan for nil consideration upon repayment of the aforementioned sum;
- (l) an equity transfer agreement dated 18 June 2020 entered into between Shengshi Guangye and Minmetals Real Estate in relation to the acquisition of 49% of the equity interests of 天津市億嘉合置業有限公司 Tianjin Yijiahe Real Estate Company Limited* by Shengshi Guangye from Minmetals Real Estate for a total sum of approximately RMB1,475.45 million. Further details of the equity transfer agreement are set out in the announcement of the Company dated 18 June 2020 (the “**June Announcement**”) and the circular of the Company dated 21 July 2020 (the “**July Circular**”);
- (m) a capital injection agreement dated 18 June 2020 entered into among 五礦二十三冶建設集團有限公司 The 23rd Metallurgical Construction Group Co., Ltd. of Minmetals*, Shengshi Guangye as the investor and Minmetals Land Hunan as the target company in relation to the admission of Shengshi Guangye to contribute 51% of the equity interest in Minmetals Land Hunan for a total sum of RMB1,327.32 million. Further details of the capital injection agreement are set out in the June Announcement and the July Circular; and
- (n) the Capital Injection Agreement.

9. EXPERT

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

Name	Qualification
Vigers	independent professional property valuer

Note: For details of the qualification of the expert above, please refer to page II-1 of this circular.

As at the Latest Practicable Date, Vigers:

- (a) had given and had not withdrawn its written consent to the issue of this circular with the inclusion of its letter, statements and references to its name in the form and context in which they are included. The letter, statements, reports and recommendations therein given by Vigers are given as of the date of this circular for incorporation herein.
- (b) did not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.
- (c) did not have any interest, directly or indirectly, in any assets which had been, since 31 December 2019 (being the date to which the latest published audited financial statements of the Company were made up), acquired or disposed of by, or leased to or were proposed to be acquired or disposed of by, or leased to, any member of the Group.

10. MISCELLANEOUS

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

11. DOCUMENTS AVAILABLE FOR INSPECTION

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

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

- (c) the property valuation report, the text of which is set out in Appendix II to this circular;
- (d) the written consent referred to in the paragraph headed “9. EXPERT” in this appendix;
- (e) the annual reports of the Company for the two financial years ended 31 December 2018 and 2019 and the interim report of the Company for the six months ended 30 June 2020;
- (f) the January Circular, the circular of the Company dated 12 May 2020 in relation to the construction framework agreement entered into between the Company and China Minmetals on 17 April 2020 and the July Circular; and
- (g) this circular.

* *For identification purpose only*