
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for independent advice.

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).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



五礦地產有限公司
MINMETALS LAND LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 230)

MAJOR TRANSACTIONS

FRAMEWORK AGREEMENTS ON FINANCIAL ASSISTANCE

A letter from the Board is set out on pages 4 to 13 of this circular.

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	4
Appendix I — Financial Information of the Group	14
Appendix II — General Information	17

DEFINITIONS

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

“Announcements”	the announcements of the Company dated 30 March 2015 and 4 August 2015;
“associate”, “connected person”, “controlling shareholder”, “subsidiary” and “substantial shareholder”	each shall have the meaning ascribed to it under the Listing Rules;
“Beijing Fortune Garden”	a real estate development project of the Group located at Xibeiwang Town, Haidian District, Beijing, the PRC;
“Beijing Vanke”	北京萬科企業有限公司 (Beijing Vanke Co., Ltd.*), a company established under the laws of the PRC and a wholly-owned subsidiary of China Vanke;
“Beijing Wanhu”	北京萬湖房地產開發有限公司 (Beijing Wanhu Property Development Co., Ltd.*), a company established under the laws of the PRC and a non wholly-owned subsidiary of the Company;
“Board”	the board of Directors;
“China Minmetals”	China Minmetals Corporation, a state-owned enterprise established under the laws of the PRC and the ultimate controlling shareholder of the Company;
“China Vanke”	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 and the Main Board of the Stock Exchange;
“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 direct non wholly-owned subsidiary of China Minmetals;
“Company”	Minmetals Land Limited, a company incorporated in Bermuda with limited liability, whose Shares are listed on the Main Board of the Stock Exchange;
“Directors”	the directors (including independent non-executive directors) of the Company;
“Group”	the Company and its subsidiaries;

DEFINITIONS

“Hanten”	Hanten Investment Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“June Glory”	June Glory International Limited, a company incorporated in the British Virgin Islands with limited liability and the immediate controlling shareholder of the Company holding approximately 61.93% of the issued share capital of the Company as at the Latest Practicable Date;
“Kuangshi Jiye”	廊坊曠世基業房地產開發有限公司 (Langfang Kuangshi Jiye Property Development Co., Ltd.*), a company established under the laws of the PRC and a non wholly-owned subsidiary of the Company;
“Langfang Framework Agreement ”	the loan framework agreement dated 6 December 2016 entered into among Kuangshi Jiye, Hanten and Beijing Vanke;
“Latest Practicable Date”	25 December 2016, 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;
“Minmetals HK”	China Minmetals H.K. (Holdings) Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of CMCL;
“Minmetals Vanke City”	a real estate development project of the Group located at Jingxintun Town, Xianghe County, Langfang City, Hebei Province, the PRC;
“MLIML”	Minmetals Land Investment Management Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company;
“PRC”	the People’s Republic of China (for the purpose of this circular, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan);
“RMB”	Renminbi, the lawful currency of the PRC;

DEFINITIONS

“Second Supplemental Wanhu Framework Agreement”	the second supplemental agreement to the Wanhu Framework Agreement dated 6 December 2016 entered into among Beijing Wanhu, MLIML and Beijing Vanke;
“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 Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Wanhu Framework Agreement”	the framework agreement dated 30 March 2015 entered into among Beijing Wanhu, MLIML and Beijing Vanke as supplemented by a supplemental agreement dated 4 August 2015 entered into by the parties; and
“%”	per cent.

For the purpose of illustration only and unless otherwise stated, conversions of Renminbi into Hong Kong dollars in this circular is calculated at the exchange rate of RMB1.00 to HK\$1.1464. 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*

LETTER FROM THE BOARD



五礦地產有限公司 MINMETALS LAND LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 230)

Non-executive Directors:

Mr. Zhang Yuanrong, *Chairman*
Mr. Cui Hushan

Executive Directors:

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

29 December 2016

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTIONS

FRAMEWORK AGREEMENTS ON FINANCIAL ASSISTANCE

INTRODUCTION

SECOND SUPPLEMENTAL WANHU FRAMEWORK AGREEMENT

References are made to the announcements of the Company dated 30 March 2015 and 4 August 2015 (“**Announcements**”).

As previously disclosed in the Announcements, on 30 March 2015 and 4 August 2015, Beijing Wanhu, a non wholly-owned subsidiary of the Company, entered into the Wanhu Framework Agreement as supplemented with MLIML, a wholly-owned subsidiary of the

LETTER FROM THE BOARD

Company holding 51% of the equity interest of Beijing Wanhua, and Beijing Vanke, the holder of the remaining 49% of the equity interest of Beijing Wanhua, pursuant to which Beijing Wanhua may during the term from 1 May 2015 to 30 April 2018 provide loans by way of entrustment loans to MLIML (or its designated wholly-owned subsidiary in the PRC) for an amount not exceeding RMB2,295 million (approximately HK\$2,631 million) and to Beijing Vanke for an amount not exceeding RMB2,205 million (approximately HK\$2,528 million) based on the same terms and conditions and in proportion to their respective shareholding in Beijing Wanhua with interest and on an unsecured basis.

On 6 December 2016, Beijing Wanhua, MLIML and Beijing Vanke entered into the Second Supplemental Wanhua Framework Agreement whereby the term of the Wanhua Framework Agreement was extended to 31 December 2019 and the cap on the total amount of loan that may be lent under the Wanhua Framework Agreement was increased to RMB6,900 million (approximately HK\$7,910 million).

LANGFANG FRAMEWORK AGREEMENT

On 6 December 2016, Kuangshi Jiye, another non wholly-owned subsidiary of the Company owned as to 50% by Hanten and as to the remaining 50% by Beijing Vanke, entered into the Langfang Framework Agreement with Hanten and Beijing Vanke, pursuant to which Kuangshi Jiye may during the term from 1 January 2017 to 31 December 2019 provide loans by way of entrustment loans to Hanten (or its designated fellow subsidiary in the PRC) for an amount not exceeding RMB300 million (approximately HK\$344 million) and to Beijing Vanke for an amount not exceeding RMB300 million (approximately HK\$344 million) based on the same terms and conditions and in proportion to their respective shareholding in Kuangshi Jiye with interest and on an unsecured basis.

The purpose of this circular is to provide you with, among other things, further particulars of the Second Supplemental Wanhua Framework Agreement, Langfang Framework Agreement and other information of the Group as required under the Listing Rules.

SECOND SUPPLEMENTAL WANHUA FRAMEWORK AGREEMENT

Date

6 December 2016

Parties

Lender : Beijing Wanhua, a non wholly-owned subsidiary of the Company;

Borrowers : MLIML, a wholly-owned subsidiary of the Company and the holder of 51% of the equity interest of Beijing Wanhua; and

Beijing Vanke, the holder of 49% of the equity interest of Beijing Wanhua.

LETTER FROM THE BOARD

Revised term

For an extended period from a term from 1 May 2015 to 30 April 2018 to a term from 1 January 2017 to 31 December 2019.

Original cap amount of loans

The original cap amount of loans for the period from 1 May 2015 to 30 April 2018 under the Wanhu Framework Agreement as supplemented are as follows:

MLIML : not exceeding RMB2,295 million (approximately HK\$2,631 million)

Beijing : not exceeding RMB2,205 million (approximately HK\$2,528 million)
Vanke

Revised cap amount of loans

The revised cap amount of loans for the period from 1 January 2017 to 31 December 2019 under the Second Supplemental Wanhu Framework Agreement are as follows:

MLIML : not exceeding RMB3,519 million (approximately HK\$4,034 million)

Beijing : not exceeding RMB3,381 million (approximately HK\$3,876 million)
Vanke

The Directors have considered the following key factors of Beijing Fortune Garden, which is a real estate development project engaged by Beijing Wanhu, in determining such revised cap:

- the satisfactory sales performance with significant increase in selling price of the properties of Beijing Fortune Garden since 2015 which has generated sufficient funding from its operation with significant idle cash; and
- due to significant increase in selling price of the properties of Beijing Fortune Garden, the sales proceed is expected to increase by approximately RMB2,400 million (approximately HK\$2,751 million) which contributes additional idle cash for further distribution to its shareholders by Beijing Wanhu.

LETTER FROM THE BOARD

Revised cap amount of interest

Based on the maximum amount of loan that may be granted by Beijing Wanhu under the Second Supplemental Wanhu Framework Agreement, it is expected that the interest receivable based on the interest rate of 4.75% p.a. which is the current benchmark interest rate announced by the People's Bank of China from each of MLIML (or its designated wholly-owned subsidiary in the PRC) and Beijing Vanke under the Second Supplemental Wanhu Framework Agreement for each of the three years ending 31 December 2019 will not exceed:

	For the year ending 31 December 2017	For the year ending 31 December 2018	For the year ending 31 December 2019
MLIML	RMB167 million (approximately HK\$191 million)	RMB167 million (approximately HK\$191 million)	RMB167 million (approximately HK\$191 million)
Beijing Vanke	RMB161 million (approximately HK\$184 million)	RMB161 million (approximately HK\$184 million)	RMB161 million (approximately HK\$184 million)

REASONS FOR AND BENEFITS OF ENTERING INTO THE SECOND SUPPLEMENTAL WANHU FRAMEWORK AGREEMENT

As at the Latest Practicable Date, the outstanding amount of entrustment loan to MLIML and Beijing Vanke has reached the original cap of RMB2,295 million (approximately HK\$2,631 million) and RMB2,205 million (approximately HK\$2,528 million) respectively under the Wanhu Framework Agreement and therefore, the Board proposed to amend the original cap and the term in relation to the loans that may be provided under the Wanhu Framework Agreement.

The Directors consider that the increase of entrustment loans by Beijing Wanhu to its shareholders will enhance the working capital of the Group and provide flexibility in the planning and management of the Group's liquidity position by releasing the idle cash of Beijing Wanhu as well as increasing the interest income of the Group during the term of the Second Supplemental Wanhu Framework Agreement and therefore, the Directors (including all the independent non-executive Directors) consider that the extended term of the Second Supplemental Wanhu Framework Agreement and the revised cap amount of loans are fair and reasonable, and are on normal commercial terms and in the interests of the Company and the Shareholders as a whole. None of the Directors is regarded as having a material interest in the Second Supplemental Wanhu Framework Agreement, and hence none of the Directors has abstained from voting on the resolution to approve the Second Supplemental Wanhu Framework Agreement.

LETTER FROM THE BOARD

FINANCIAL EFFECTS OF THE SECOND SUPPLEMENTAL WANHU FRAMEWORK AGREEMENT ON THE COMPANY

Since Beijing Wanhu is a non wholly-owned subsidiary of the Company, the entrustment loans provided by Beijing Wanhu to Beijing Vanke will be presented as loans to a non-controlling shareholder of a subsidiary under current assets in the consolidated balance sheet of the Group. The total assets and total liabilities of the Group will remain unchanged. The profit of the Group will increase as the entrustment loans are bearing interest at the benchmark interest rate to be announced by the People's Bank of China from time to time.

THE LANGFANG FRAMEWORK AGREEMENT

Date

6 December 2016

Parties

Lender : Kuangshi Jiye, a non wholly-owned subsidiary of the Company

Borrowers : Hanten, a wholly-owned subsidiary of the Company and the holder of 50% of the equity interest of Kuangshi Jiye; and

Beijing Vanke, the holder of 50% of the equity interest of Kuangshi Jiye.

Term

Three years commencing from 1 January 2017 to 31 December 2019.

Interest

Kuangshi Jiye shall charge interest on loans granted to Hanten (or its designated fellow subsidiary in the PRC) and Beijing Vanke pursuant to the Langfang Framework Agreement with reference to the benchmark interest rate to be announced by the People's Bank of China from time to time.

Provision of entrustment loans

Kuangshi Jiye will depending on the idle cash available to it, entrust financial institutions which are qualified to engage in entrustment loan business to provide entrustment loans to Hanten (or its designated fellow subsidiary in the PRC) for an amount not exceeding RMB300 million (approximately HK\$344 million) and to Beijing Vanke for an amount not exceeding RMB300 million (approximately HK\$344 million) based on the same terms and conditions and in proportion to their respective shareholding in Kuangshi Jiye with interest and on an unsecured basis.

LETTER FROM THE BOARD

Term of the entrustment loans and early repayment

The entrustment loans shall be of a term of not more than three years commencing no earlier than 1 January 2017 and ending no later than 31 December 2019. Kuangshi Jiye may, at any time by giving 15 working days advance written notice to both Hanten (or its designated fellow subsidiary in the PRC) and Beijing Vanke, request for early repayment of part or all of the entrustment loans made to each of Hanten (or its designated fellow subsidiary in the PRC) and Beijing Vanke under the Langfang Framework Agreement on a prorated basis.

Cap amount of loans

Hanten : not exceeding RMB300 million (approximately HK\$344 million)

Beijing : not exceeding RMB300 million (approximately HK\$344 million)
Vanke

The Directors have considered the following key factors of Minmetals Vanke City, which is a real estate development project engaged by Kuangshi Jiye, in determining such cap:

- the proportional equity interest of Hanten and Beijing Vanke in Kuangshi Jiye;
- the total sales amount of Minmetals Vanke City is expected to reach RMB2,107 million (approximately HK\$2,415 million) in which approximately 84% have been sold and the remaining sales programme will be scheduled in 2017. It is expected that its total development cost will be amounted to RMB1,529 million (approximately HK\$1,753 million) and the construction of Minmetals Vanke City will be totally completed in late 2018; and
- the expected idle cash balance of Kuangshi Jiye available for use after payment of development cost and related expenses and construction loan (if any).

LETTER FROM THE BOARD

Cap amount of interest

Based on the maximum amount of loan that may be granted by Kuangshi Jiye under the Langfang Framework Agreement, it is expected that the interest receivable based on the interest rate of 4.75% p.a. which is the current benchmark interest rate announced by the People's Bank of China from each of Hanten (or its designated fellow subsidiary in the PRC) and Beijing Vanke under the Langfang Framework Agreement for each of the three years ending 31 December 2019 will not exceed:

	For the year ending 31 December 2017	For the year ending 31 December 2018	For the year ending 31 December 2019
Hanten	RMB14 million (approximately HK\$16 million)	RMB14 million (approximately HK\$16 million)	RMB14 million (approximately HK\$16 million)
Beijing Vanke	RMB14 million (approximately HK\$16 million)	RMB14 million (approximately HK\$16 million)	RMB14 million (approximately HK\$16 million)

REASONS FOR AND BENEFITS OF ENTERING INTO THE LANGFANG FRAMEWORK AGREEMENT

Kuangshi Jiye is engaged in the development of Minmetals Vanke City and has generated sufficient funding from its operation to meet its development needs. Based on the planned development schedule, sales programme and costing of Minmetals Vanke City, it is expected that a significant amount of idle cash will be accumulated in the next three years.

The Directors consider that the provision of entrustment loans by Kuangshi Jiye to its shareholders will enhance the working capital of the Group and provide flexibility in the planning and management of the Group's liquidity position by releasing the idle cash of Kuangshi Jiye as well as increasing the interest income of the Group during the term of the Langfang Framework Agreement. Therefore, the Directors (including all the independent non-executive Directors) consider that the terms of the Langfang Framework Agreement, including the cap amount of loans, are fair and reasonable, and are on normal commercial terms and in the interests of the Company and the Shareholders as a whole. None of the Directors is regarded as having a material interest in the Langfang Framework Agreement, and hence none of the Directors has abstained from voting on the resolution to approve the Langfang Framework Agreement.

FINANCIAL EFFECTS OF THE LANGFANG FRAMEWORK AGREEMENT ON THE COMPANY

Since Kuangshi Jiye is a non wholly-owned subsidiary of the Company, the entrustment loans provided by Kuangshi Jiye to Beijing Vanke will be presented as loans to a non-controlling shareholder of a subsidiary under current assets in the consolidated balance sheet of the Group. The total assets and total liabilities of the Group will remain

LETTER FROM THE BOARD

unchanged. The profit of the Group will increase as the entrustment loans are bearing interest at the benchmark interest rate to be announced by the People's Bank of China from time to time.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios in respect of the proposed revised cap amount of loans that may be provided by Beijing Wanhua to Beijing Vanke at any time during the term of the Wanhua Framework Agreement as supplemented by the Second Supplemental Wanhua Framework Agreement is more than 25% but less than 100%, the entering into of the Second Supplemental Wanhua Framework Agreement constitutes a major transaction for the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

While only one of the applicable percentage ratios in respect of the cap amount of loans that may be provided by Kuangshi Jiye to Beijing Vanke at any time during the term of the Langfang Framework Agreement is more than 5% but less than 25%, when aggregated with the cap amount of loans that may be provided by Kuangshi Jiye and Beijing Wanhua to Beijing Vanke under the Wanhua Framework Agreement as supplemented by the Second Supplemental Wanhua Framework Agreement, one of the applicable percentage ratios in aggregate will exceed 25%. Accordingly, the provision of loan under the Wanhua Framework Agreement as supplemented by the Second Supplemental Wanhua Framework Agreement and the Langfang Framework Agreement together constitute major transactions for the Company and are subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

In addition, Beijing Vanke is a substantial shareholder of each of Beijing Wanhua and Kuangshi Jiye and is therefore a connected person at the subsidiary level of the Company. The provision of loans by the Group to Beijing Vanke under the Wanhua Framework Agreement as supplemented and the Langfang Framework Agreement also constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. As the independent non-executive Directors have confirmed that the terms of the Wanhua Framework Agreement as supplemented by the Second Supplemental Wanhua Framework Agreement and the Langfang Framework Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole, the Second Supplemental Wanhua Framework Agreement and the Langfang Framework Agreement are only subject to the reporting and announcement requirements, but exempt from the circular (including independent financial advice) and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

Written approval for the Second Supplemental Wanhua Framework Agreement and the Langfang Framework Agreement has been obtained from June Glory, the controlling shareholder holding approximately 61.93% of the issued share capital of the Company as at the Latest Practicable Date. Therefore, as all the conditions under Rule 14.44 of the Listing Rules have been met, no general meeting will be convened to consider and approve the Second Supplemental Wanhua Framework Agreement and the Langfang Framework Agreement pursuant to Rule 14.44 of the Listing Rules. To the best of the knowledge,

LETTER FROM THE BOARD

information and belief of the Directors, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Second Supplemental Wanhu Framework Agreement and the Langfang Framework Agreement.

INFORMATION ON THE PARTIES

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

Beijing Wanhu is a non wholly-owned subsidiary of the Company undertaking the development of Beijing Fortune Garden, a residential development project located at Xibeiwang Town, Haidian District, Beijing, the PRC.

Kuangshi Jiye is a non wholly-owned subsidiary of the Company undertaking the development of Minmetals Vanke City, a residential development project located at Jingxintun Town, Xianghe County, Langfang City, Hebei Province, the PRC.

MLIML is a wholly-owned subsidiary of the Company and its principal activity is investment holding.

Hanten is a wholly-owned subsidiary of the Company and its principal activity is investment holding.

Beijing Vanke is a substantial shareholder of each of Beijing Wanhu and Kuangshi Jiye and is therefore a connected person at the subsidiary level of the Company. Beijing Vanke is principally engaging in real estate development business in the PRC and is a wholly-owned subsidiary of China Vanke whose shares are listed on the Shenzhen Stock Exchange and the Main Board of the Stock Exchange.

RECOMMENDATION

The Directors (including all the independent non-executive Directors) considered that the Second Supplemental Wanhu Framework Agreement and the Langfang Framework 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 Second Supplemental Wanhu Framework Agreement and the Langfang Framework Agreement if a physical meeting were to be held.

LETTER FROM THE BOARD

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
Deputy Chairman and Managing Director

FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the three years ended 31 December 2013, 2014 and 2015 and the interim report of the Company for the six months ended 30 June 2016 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 annual report of the Company for the year ended 31 December 2013 (pages 83 to 161);
- the annual report of the Company for the year ended 31 December 2014 (pages 75 to 199);
- the annual report of the Company for the year ended 31 December 2015 (pages 75 to 199);
- the interim report of the Company for the six months ended 30 June 2016 (pages 40 to 72).

INDEBTEDNESS**Borrowings**

As at the close of business on 31 October 2016, 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\$8,815.89 million, details of which are set out below:

	<i>HK\$ million</i>
Long-term bank borrowings, secured and guaranteed	8,613.40
Short-term bank borrowings, unsecured and guaranteed	<u>202.49</u>
	<u><u>8,815.89</u></u>

As at the close of business on 31 October 2016, the long-term bank borrowings were secured by 100% equity interest in a subsidiary.

Amounts due to associated companies

As at the close of business on 31 October 2016, the Group had outstanding amounts due to associated companies of approximately HK\$1,096.90 million, which are unsecured and unguaranteed.

Amounts due to the non-controlling shareholder of subsidiaries

As at the close of business on 31 October 2016, the Group had outstanding amounts due to the non-controlling shareholder of subsidiaries of approximately HK\$140.07 million, which are unsecured and unguaranteed.

Charges on Group assets

As at the close of business on 31 October 2016, 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 bank deposits and 100% equity interest in a subsidiary.

Guaranteed bonds

As at the close of business on 31 October 2016, the Group had guaranteed bonds of approximately HK\$1,737.77 million and HK\$959.05 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 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.

Contingent liabilities

As at the close of business on 31 October 2016, 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\$12,679.21 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 October 2016.

WORKING CAPITAL

The Directors are of the opinion that, taking into account the effect of the Second Supplemental Wanhu Framework Agreement and the Langfang Framework Agreement, and the Group's available financial resources including internally generated cash flows, the available 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.

FINANCIAL AND TRADING PROSPECTS OF THE GROUP

Many developers remain at robust liquidity position to replenish land bank throughout the year. “Land Kings” continued to arise and land cost remained very high. The sector risk has gradually risen at the back of such high land premium. The Group actively participated in land bidding auctions in tier 1 and core tier 2 cities with a prudent manner in the second half of the year. The Group eventually seized opportunities to acquire two parcels of land in Nanjing and two parcels of land in Guangdong with land premium in the total amount of RMB6.87 billion. Such acquisitions contributed gross floor area of approximately 444,829 square meters to our land bank. Apart from the Mainland China market, the Group successfully acquired a residential land in Hong Kong in August by public tender for a land premium of approximately HK\$4 billion. The land has a maximum gross floor area of approximately 566,700 square feet. In order to achieve sustainable growth in the coming future, the Group will capture every opportunity to expand our land bank in Hong Kong and the Mainland China.

With the support of our parent company, the Group has been reviewing the feasibility of further integration of the entrusted assets from China Minmetals with a view to enhance the Group’s profitability and operating scale as well as reinforcing the Group’s positioning as the sole listed real estate platform of China Minmetals.

Based on the preliminary information available to the Group, the revenue and net profit of the Group for the ten months ended 31 October 2016 have recorded a significant increase of approximately 180% and 260% respectively when compared to the corresponding period of last year. However, it is expected that the growth rate in the Group’s revenue and net profit for the entire year ending 31 December 2016 will be substantially lower than that for the first ten months of 2016. For details, please refer to the Company’s announcement made on 30 November 2016.

1. RESPONSIBILITY STATEMENT

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

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

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company and 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 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 of the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Interests in Shares

Name of Director	Nature 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:

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

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, Mr. Liu Zeping and Mr. Cui Hushan are employees of China Minmetals;
- (b) Mr. Zhang Yuanrong is a director of CMCL; and
- (c) 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 ^(Note)	61.93%
CMCL	2,071,095,506 ^(Note)	61.93%
五礦有色金屬控股有限公司 (China Minmetals Non-Ferrous Holding Company Limited*) ("CMNH")	2,071,095,506 ^(Note)	61.93%
五礦有色金屬股份有限公司 (China Minmetals Non-Ferrous Metals Company Limited*) ("CMN")	2,071,095,506 ^(Note)	61.93%
Album Enterprises Limited ("Album Enterprises")	2,071,095,506 ^(Note)	61.93%
Minmetals HK	2,071,095,506 ^(Note)	61.93%
June Glory	2,071,095,506 ^(Note)	61.93%

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

Save as disclosed above, as at the Latest Practicable Date, the Company has not been notified by any persons (other than Directors or chief executives of the Company) who had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

4. SERVICE CONTRACTS

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, the Deputy Chairman, Managing Director and an executive Director of the Company, is also a director and the president 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) and 五礦置業有限公司 (Minmetals Real Estate Co., Ltd.*) (**“Minmetals Real Estate”**), a non wholly-owned subsidiary of China Minmetals).

Mr. Liu Zeping, a Deputy Managing Director and an executive Director of the Company, is also a director and the president of 五礦二十三冶建設集團有限公司 (The 23rd Metallurgical Construction Co., Ltd. Of Minmetals*) (**“23rd Metallurgical”**), a non wholly-owned subsidiary of China Minmetals) and a director of Yingkou Industrial Park and Minmetals Real Estate.

All of Yingkou Industrial Park, Minmetals Real Estate and 23rd Metallurgical are companies established under the laws of the PRC. Yingkou Industrial Park is principally engaging in the development of Minmetals (Yingkou) Industrial Park. Minmetals Real Estate is principally engaging 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 principally engaging 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 close 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 2015 (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 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. MATERIAL CONTRACTS

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

- (a) On 30 March 2015 and 4 August 2015, Beijing Wanhu entered into a framework agreement as supplemented by a subsequent supplemental agreement (“**Wanhu Framework Agreement**”) with MLIML and Beijing Vanke pursuant to which Beijing Wanhu may during the term from 1 May 2015 to 30 April 2018 provide loans by way of entrustment loans to MLIML (or its designated wholly-owned subsidiary in the PRC) for an amount not exceeding RMB2,295 million (approximately HK\$2,631 million) and to Beijing Vanke for an amount not exceeding RMB2,205 million (approximately HK\$2,528 million) with interest and on an unsecured basis;
- (b) On 27 May 2016, 北京盛世廣業投資管理有限公司 (Beijing Shengshi Guangye Investment Management Co., Ltd.*) (“**Shengshi Guangye**”, an indirect wholly-owned subsidiary of the Company) and, among other parties, entered into a framework agreement with 深圳泛華工程集團有限公司 (Shenzhen Pan-China Engineering Co., Ltd.*) (the “**JV Partner**”) and 博羅縣碧華房地產開發有限公司 (Boluo County Bihua Property Development Company Limited*) (the “**Project Company**”) pursuant to which (i) the JV Partner conditionally agreed to sell its 20% equity interest in the Project Company to Shengshi Guangye at a consideration of RMB89,430,348.19 (approximately HK\$107,316,417.83); (ii) the Project Company conditionally agreed to repay a shareholder’s loan and interests in an aggregate amount of RMB41,391,948.29 (approximately HK\$49,670,337.95) to the JV Partner, (iii) the Project Company conditionally agreed to repay the outstanding construction fees in an aggregate amount of RMB105,267,033.88 (approximately HK\$126,320,440.66) to the JV Partner; and (iv) waive certain claims against each other;

- (c) On 6 December 2016, the 五礦建設投資管理(北京)有限公司 (Minmetals Land Investment Management (Beijing) Co., Ltd.*) (“**Minmetals Investment Beijing**”, an indirect wholly-owned subsidiary of the Company) entered into an equity transfer agreement with China Resources Sztic Trust Co., Ltd. (“**Chinese Resources**”) pursuant to which Chinese Resources has conditionally agreed to sell, and Minmetals Investment Beijing has conditionally agreed to acquire approximately 33.33% of the equity interest of 礦濟地產(南京)有限公司 (Kuangji Properties (Nanjing) Co., Ltd.*) at the consideration of RMB2,238,158,520 (approximately HK\$2,565,824,927);
- (d) the Second Supplemental Wanhua Framework Agreement, the terms of which are set out in this circular; and
- (e) the Langfang Framework Agreement, the terms of which are set out in this circular.

8. LITIGATION

As at the Latest Practicable Date, none of the members of the Group has 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 member of the Group.

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 2015, the date to which the latest published audited financial statements of the Company were made up.

10. 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.

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 referred to in the paragraph headed “Material Contracts” in this appendix;
- (c) the annual reports of the Company for the two financial years ended 31 December 2014 and 2015;
- (d) the interim report of the Company for the six months ended 30 June 2016; and
- (e) the circular of the Company dated 29 December 2016 in relation to the acquisition of equity interest in 礦濟地產(南京)有限公司 (Kuangji Properties (Nanjing) Co., Ltd.*) of the Group; and
- (f) this circular.

* For identification purpose only