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

If you have sold or transferred all your shares in Minmetals Land Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or 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 AND CONTINUING CONNECTED TRANSACTIONS AND REVISION OF ANNUAL CAPS FOR THE FINANCIAL SERVICES FRAMEWORK AGREEMENT

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

**ABLE CAPITAL
PARTNERS**

A letter from the Board is set out on pages 4 to 13 of this circular. A letter from the Independent Board Committee is set out on pages 14 to 15 of this circular. A letter from Able Capital, the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders, is set out on pages 16 to 32 of this circular.

A notice convening the SGM to be held at Monet Room B, Basement 1, InterContinental Grand Stanford Hong Kong, 70 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Friday, 10 May 2019 immediately after the conclusion of the AGM to be held at the same location on Friday, 10 May 2019 at 2:30 p.m. is set out on pages SGM-1 to SGM-2 of this circular. A form of proxy for use at the SGM is enclosed. Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not later than 2:30 p.m. on Wednesday, 8 May 2019. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

23 April 2019

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DEFINITIONS

In this circular, the following expressions shall have the respective meanings set opposite thereto unless the context requires otherwise:

“2015 Agreement”	the financial services framework agreement dated 3 November 2015 entered into between the Company and Minmetals Finance in relation to the provision of financial services by Minmetals Finance to the Company and its subsidiaries in Mainland China for the three years from 1 January 2016 to 31 December 2018
“2018 Agreement”	the financial services framework agreement dated 20 April 2018 entered into between the Company and Minmetals Finance in relation to the provision of financial services by Minmetals Finance to the Company and its subsidiaries in Mainland China for the three years from 20 April 2018 to 19 April 2021
“2018 Disclosure”	the announcement and circular of the Company dated 20 April 2018 and 14 May 2018 respectively in relation to the 2018 Agreement
“Able Capital” or “Independent Financial Adviser”	Able Capital Partners Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and the independent financial adviser that has been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Supplemental Agreement and transactions contemplated thereunder (including the Proposed New 2019–2021 Annual Caps)
“AGM”	the annual general meeting of the Company to be convened and held at Monet Room B, Basement 1, InterContinental Grand Stanford Hong Kong, 70 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Friday, 10 May 2019 at 2:30 p.m.
“associate(s)”, “connected person(s)”, “controlling shareholder” and “subsidiary”	each has the meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“CBRC”	the China Banking Regulatory Commission
“China Minmetals”	China Minmetals Corporation, a state-owned enterprise established under the laws of the PRC and the ultimate controlling shareholder holding approximately 61.88% of the Shares as at the Latest Practicable Date

DEFINITIONS

“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
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors, which has been formed by the Board to advise the Independent Shareholders in respect of the Supplemental Agreement and transactions contemplated thereunder (including the Proposed New 2019–2021 Annual Caps)
“Independent Shareholders”	Shareholder(s) other than June Glory and its associates, and any Shareholder who has a material interest in the Supplemental Agreement and transactions contemplated thereunder (including the Proposed New 2019–2021 Annual Caps)
“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
“Latest Practicable Date”	16 April 2019, 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
“Mainland China” or “PRC”	the People’s Republic of China (for the purpose of this circular, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan)
“Minmetals Finance”	五礦集團財務有限責任公司 Minmetals Finance Co., Ltd.*, a limited liability company established under the laws of the PRC which is owned as to 92.5% by China Minmetals Corporation Limited and 7.5% by Minmetals Capital Holdings Limited (both are non-wholly owned subsidiaries of China Minmetals)

DEFINITIONS

“Original Annual Cap(s)”	the original annual cap(s) for deposit transactions contemplated under the 2018 Agreement for the three years from 20 April 2018 to 19 April 2021 as set out in the 2018 Disclosure
“PBOC”	the People’s Bank of China, the central bank of the PRC
“Proposed New 2019–2021 Annual Cap(s)”	the proposed revised annual cap(s) for deposit transactions contemplated under the 2018 Agreement from the date on which they are approved by the Independent Shareholders to 19 April 2021, as set out in the paragraph headed “Proposed New 2019–2021 Annual Caps” in the “Letter from the Board” included in this circular
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	special general meeting of the Company to be convened to consider and, if thought fit, approve the Proposed New 2019–2021 Annual Caps
“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)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	the supplemental agreement dated 28 March 2019 entered into between the Company and Minmetals Finance in relation to, among other things, the revision of annual caps and provision of unsecured loan
“US\$”	United States dollar, the lawful currency of the United States
“%”	per cent.

For the purpose of illustration only and unless otherwise stated, conversion of RMB to Hong Kong dollars in this circular is calculated at the exchange rate of RMB1.00 to HK\$1.1618. 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 Zeping, *Deputy Managing Director*
Mr. Chen Xingwu, *Deputy Managing Director*
Mr. Yang Shangping, *Deputy Managing Director*

Registered office:

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Non-executive Director:

Ms. He Xiaoli

*Principal place of business
in Hong Kong:*

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

Independent Non-executive Directors:

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

23 April 2019

To the Shareholders

Dear Sir or Madam,

**MAJOR AND CONTINUING CONNECTED TRANSACTIONS
AND
REVISION OF ANNUAL CAPS
FOR THE FINANCIAL SERVICES FRAMEWORK AGREEMENT**

INTRODUCTION

Reference is made to the announcement and circular of the Company dated 20 April 2018 and 14 May 2018 respectively in relation to the 2018 Agreement whereby Minmetals Finance has agreed to provide current and fixed deposit services, loan services and settlement services to the Company and its subsidiaries in Mainland China for the period from 20 April 2018 to 19 April 2021. The provision of deposit services by Minmetals Finance is subject to the Original Annual Caps, being a daily balance of RMB2,000 million (approximately HK\$2,323.6 million).

LETTER FROM THE BOARD

The Company announced on 28 March 2019 that it entered into the Supplemental Agreement with Minmetals Finance, pursuant to which (i) the Company shall seek approval from the Independent Shareholders to revise the Original Annual Caps to RMB3,000 million (approximately HK\$3,485.4 million) (i.e. the Proposed New 2019–2021 Annual Caps), and (ii) conditional on the approval of the Proposed New 2019–2021 Annual Caps by the Independent Shareholders and upon request by the Company, Minmetals Finance shall grant unsecured loan for an amount of up to RMB3,000 million (approximately HK\$3,485.4 million) to the Company on comparable market terms.

The purpose of this circular is to provide you with, among other things, (i) details of the Supplemental Agreement and transactions contemplated thereunder (including the Proposed New 2019–2021 Annual Caps); (ii) the letter from the Independent Board Committee to the Independent Shareholders in respect of the Supplemental Agreement and transactions contemplated thereunder (including the Proposed New 2019–2021 Annual Caps); (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Supplemental Agreement and transactions contemplated thereunder (including the Proposed New 2019–2021 Annual Caps); and (iv) a notice of the SGM.

SUPPLEMENTAL AGREEMENT

Principal terms of the Supplemental Agreement are summarised as follows.

Date : 28 March 2019

Parties : (i) Company
(ii) Minmetals Finance

Principal terms : *Revision of annual caps*

The Company shall tender the Proposed New 2019–2021 Annual Caps for the Independent Shareholders' approval.

Minmetals Finance's commitment to lend

Provided that the Proposed New 2019–2021 Annual Caps are approved by the Independent Shareholders, Minmetals Finance shall grant unsecured loan of up to RMB3,000 million (equivalent to approximately HK\$3,485.4 million) to the Company upon its request on comparable market terms from the date on which the Proposed New 2019–2021 Annual Caps are approved by the Independent Shareholders to 19 April 2021.

LETTER FROM THE BOARD

Historical Amounts

Historical deposit transaction amounts relating to the provision of deposit services by Minmetals Finance to the Company under the 2015 Agreement and 2018 Agreement, during the last three financial years ended 31 December and during the period from 1 January 2019 to the Latest Practicable Date are as follows:

	For the year ended 31 December 2016	For the year ended 31 December 2017	For the period from 1 January 2018 to 19 April 2018	For the period from 20 April 2018 to 31 December 2018	From the period from 1 January 2019 to the Latest Practicable Date
Maximum daily outstanding balance of deposits (including accrued interests)	approximately RMB1,798 million (equivalent to approximately HK\$2,088.9 million)	approximately RMB1,796 million (equivalent to approximately HK\$2,086.6 million)	approximately RMB1,796 million (equivalent to approximately HK\$2,086.6 million)	approximately RMB1,259 million (equivalent to approximately HK\$1,462.7 million)	approximately RMB1,705.8 million (equivalent to approximately HK\$1,981.8 million)

From 1 January 2019 to the Latest Practicable Date, the maximum daily outstanding balance of deposits has not exceeded the Original Annual Caps.

Proposed New 2019–2021 Annual Caps

The annual caps on the maximum daily outstanding balance of deposits (including accrued interests) placed by the Company and its subsidiaries in Mainland China with Minmetals Finance pursuant to the 2018 Agreement are proposed to be revised as follows (i.e. the Proposed New 2019–2021 Annual Caps):

	From the date on which the Proposed New 2019–2021 Annual Caps are approved to 31 December 2019	For the year ending 31 December 2020	For the period from 1 January 2021 to 19 April 2021
Maximum daily outstanding balance of deposits (including accrued interests)	RMB3,000 million (equivalent to approximately HK\$3,485.4 million)	RMB3,000 million (equivalent to approximately HK\$3,485.4 million)	RMB3,000 million (equivalent to approximately HK\$3,485.4 million)

LETTER FROM THE BOARD

The Proposed New 2019–2021 Annual Caps of RMB3,000 million (equivalent to approximately HK\$3,485.4 million) are determined principally by reference to the following bases and assumptions:

- (1) the historical transaction amounts as stated above;
- (2) expected increase in cash flow position of the Group and its contract sales, taking into account the cash inflow expected to be generated from and the costs regarding the construction and launching of its real estate development projects, which mainly include the following projects on hand to be launched for sale from 2019 onwards:
 - (a) Nanjing Enchanté Oasis;
 - (b) Nanjing Enchanté Cove;
 - (c) Wuhan Scenery Cove;
 - (d) Wuhan Enchanté Crest;
 - (e) Huizhou Hallstatt See;
 - (f) Foshan Academic Royale;
 - (g) Guangzhou Changlingju Project;
 - (h) Guangzhou Maoganglu Project; and
 - (i) Hong Kong Yau Tong Project.

Further details in relation to the locations, interests attributable to the Group, information regarding the gross floor areas under development and for future development, and the expected construction completion dates of these projects are disclosed in the section headed “Management Discussion and Analysis” in the Company’s 2018 annual report published on 3 April 2019;

- (3) strategies of the treasury management of the Company taking into account the cash flow requirements and financial needs of the Group for its business development plans;
- (4) the capital efficiency of surplus funds taking into account the favourable interest rates offered by Minmetals Finance; and
- (5) the safety of surplus funds taking into account the centralisation and monitoring of funds.

LETTER FROM THE BOARD

REASONS FOR AND BENEFITS OF THE REVISION OF THE ANNUAL CAPS UNDER THE 2018 AGREEMENT

The Company has been closely monitoring the use of the deposit services provided by Minmetals Finance under the 2018 Agreement.

The main reasons for entering into the Supplemental Agreement are as follows:

- The Company is satisfied with the services provided by Minmetals Finance under the 2018 Agreement. The favourable interest rates offered by Minmetals Finance can enhance return on surplus fund. Revising the Original Annual Caps to the Proposed New 2019–2021 Annual Caps allows the Group to more fully utilise the services provided by Minmetals Finance under the 2018 Agreement in the treasury management of the Company.
- While the Company has no immediate plan to make use of the funds available from Minmetals Finance, the Supplemental Agreement allows the Company to have a direct committed source of funding to serve its needs when required and provides the Company with greater flexibility in its investment planning, which the Board believes is in the interest of the Company and its Shareholders as a whole.

EFFECT ON EARNINGS AND ASSETS AND LIABILITIES

Subject to the approval of the Proposed New 2019–2021 Annual Caps by the Independent Shareholders and unless the Company requests for a loan to be provided by Minmetals Finance pursuant to the Supplemental Agreement (in which case the liabilities of the Company will increase with a corresponding increase in cash held by the Company), the Directors are of the view that the transactions contemplated under the Supplemental Agreement will not have any material financial effects on the net asset value of the Group.

Since the adoption of the Proposed New 2019–2021 Annual Caps would allow the Company and its subsidiaries in Mainland China to place a larger amount of deposits with Minmetals Finance and to continue to receive interest income for such deposits, the earnings of the Group will increase by an amount equivalent to the interest income generated by the additional deposits.

The Directors (excluding the independent non-executive Directors whose views are set out in the “Letter from the Independent Board Committee” contained in this circular) are of the view that the Supplemental Agreement and the transactions contemplated thereunder (including the Proposed New 2019–2021 Annual Caps) were entered into in the ordinary and usual course of business of the Group, on normal commercial terms, and on terms which are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

INTERNAL CONTROL AND RISK MANAGEMENT MEASURES

In order to safeguard the interests of the Shareholders, the Group will continue to adopt, and/or will continue to procure Minmetals Finance to maintain, the following guidelines and principles in monitoring the transactions between the Company and its subsidiaries in Mainland China and Minmetals Finance under the 2018 Agreement and the Proposed New 2019–2021 Annual Caps:

- (1) specifically designated personnel from Minmetals Finance shall be responsible for operations and monitoring of the transactions contemplated under the 2018 Agreement and the Proposed New 2019–2021 Annual Caps;
- (2) Minmetals Finance shall co-ordinate with the internal audit department and/or external auditors of the Company to review the transactions contemplated under the 2018 Agreement and under the Proposed New 2019–2021 Annual Caps and the relevant internal controls;
- (3) Minmetals Finance shall assist the Company to comply with the relevant regulations (including but not limited to the Listing Rules);
- (4) Minmetals Finance shall ensure the safe operation of its settlement management network and safeguard the funds of the Company and its subsidiaries in Mainland China;
- (5) Minmetals Finance shall strictly comply with the applicable risk management specifications issued by the CBRC and the relevant PRC laws and regulations as amended from time to time;
- (6) Minmetals Finance shall adopt control measures in its enterprise resource planning system to ensure effective control of the Proposed New 2019–2021 Annual Caps not to be exceeded;
- (7) the Company or its relevant subsidiaries in Mainland China shall obtain prior written approval from the designated personnel from the finance department of the Company for the placing of any deposits by the Company or its relevant subsidiaries in Mainland China with Minmetals Finance;
- (8) specifically designated personnel from the finance department of the Company will be responsible for regular monitoring of the transactions contemplated under the 2018 Agreement and the Proposed New 2019–2021 Annual Caps and will report to the management of the Company on a monthly basis in relation to such transactions;
- (9) the finance department of the Company will report to the Directors (including the independent non-executive Directors) on a monthly basis in relation to the transactions contemplated under the 2018 Agreement and the Proposed New 2019–2021 Annual Caps;

LETTER FROM THE BOARD

- (10) the Company will review the transactions contemplated under the 2018 Agreement and the Proposed New 2019–2021 Annual Caps on an annual basis, summarise the experience and supplement the inadequacies;
- (11) before making a deposit with or seeking a loan from Minmetals Finance, the Company and its subsidiaries in Mainland China would compare the interest rates offered by Minmetals Finance with the interest rates offered by two or three major commercial banks or financial institutions with which the Company and its subsidiaries in Mainland China have established business relationship;
- (12) the terms of any fixed deposits placed with Minmetals Finance by the Company or any of its subsidiaries in Mainland China shall not exceed three months;
- (13) the arrangement between the Company and Minmetals Finance under the 2018 Agreement and the Proposed New 2019–2021 Annual Caps is non-exclusive, and the Company and its subsidiaries in Mainland China have their own discretion in electing the provider for financial services; and
- (14) the Company may terminate the 2018 Agreement and the Supplemental Agreement if Minmetals Finance fails to satisfy any of the following conditions from time to time:
 - (a) the capital adequacy ratio is not less than 10%;
 - (b) the non-performing assets ratio is not more than 4%; or
 - (c) the non-performing loans ratio is not more than 5%.

INFORMATION ON THE PARTIES

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

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

According to its business licence, it is authorised to provide to the Company and its subsidiaries in Mainland China all services set out in the Supplemental Agreement.

LISTING RULES IMPLICATIONS

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

LETTER FROM THE BOARD

As one of the applicable percentage ratios for the Proposed New 2019–2021 Annual Caps exceeds 25% but all of which are less than 100%, the provision of deposit services by Minmetals Finance under the Proposed New 2019–2021 Annual Caps constitutes a major transaction for the Company under Rule 14.06(3) of the Listing Rules and is subject to reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Since all of the applicable percentage ratios for the Proposed New 2019–2021 Annual Caps exceed 5%, the provision of deposit services by Minmetals Finance under the Proposed New 2019–2021 Annual Caps constitutes a non-exempt continuing connected transaction for the Company and is subject to reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Minmetals Finance's commitment to lend under the Supplemental Agreement constitutes financial assistance to be provided by a connected person for the benefit of the Group. Since such services will be conducted on normal commercial terms and no security over the assets of the Group shall be granted in respect of the loans (if any) to be provided by Minmetals Finance, it is exempt from reporting, announcement and independent shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

SGM

A notice of the SGM to be held at Monet Room B, Basement 1, InterContinental Grand Stanford Hong Kong, 70 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Friday, 10 May 2019 immediately after the conclusion of the AGM to be held at the same location on Friday, 10 May 2019 at 2:30 p.m. is set out on pages SGM-1 to SGM-2 of this circular. At the SGM, ordinary resolution will be proposed and, if thought fit, passed to approve the Supplemental Agreement and the transactions contemplated thereunder (including the Proposed New 2019–2021 Annual Caps).

In view of the connection between China Minmetals and June Glory, June Glory and its associates are required to abstain from voting on the resolution approving the Supplemental Agreement and the transactions contemplated thereunder (including the Proposed New 2019–2021 Annual Caps) at the SGM in accordance with Rule 14A.36 of the Listing Rules. As at the Latest Practicable Date, June Glory and its associates controlled 2,071,095,506 Shares (representing approximately 61.88% of the issued share capital of the Company). To the best of the Directors' knowledge, belief and having made all reasonable enquiries, as at the Latest Practicable Date, save for June Glory, no Director or other Shareholder was or will be required to abstain from voting on the Board or Shareholders resolutions, as the case may be, for approving Supplemental Agreement and the transactions contemplated thereunder (including the Proposed New 2019–2021 Annual Caps) at the SGM.

LETTER FROM THE BOARD

A form of proxy for use at the SGM is attached. Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not later than 2:30 p.m. on Wednesday, 8 May 2019. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

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

RECOMMENDATION

An Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders in respect of the Supplemental Agreement and the transactions contemplated thereunder (including the Proposed New 2019–2021 Annual Caps).

Able Capital has been appointed as independent financial adviser to advise the Independent Board Committee and the Independent Shareholders, *inter alia*, whether Independent Shareholders should vote in favour of the resolution regarding the Supplemental Agreement and the transactions contemplated thereunder (including the Proposed New 2019–2021 Annual Caps).

The Directors (excluding the independent non-executive Directors whose views are set out in the "Letter from the Independent Board Committee" contained in this circular) are of the view that the terms of the Supplemental Agreement are fair and reasonable and the transactions contemplated thereunder (including the Proposed New 2019–2021 Annual Caps) are in the ordinary and usual course of business of the Company, on normal commercial terms and in the interests of the Company and the Shareholders as a whole, and hence recommend the Independent Shareholders to vote in favour of the ordinary resolution in respect of the Supplemental Agreement and the transactions contemplated thereunder (including the Proposed New 2019–2021 Annual Caps, subject to which deposit services will continue to be provided by Minmetals Finance under the 2018 Agreement) at the SGM.

None of the Directors had a material interest in the Supplemental Agreement and the transactions contemplated thereunder (including the Proposed New 2019–2021 Annual Caps) or was required to abstain from voting at the relevant board meeting approving the Supplemental Agreement and the transactions contemplated thereunder (including the Proposed New 2019–2021 Annual Caps).

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee as set out on pages 14 to 15 of this circular which contains its recommendation to the Independent Shareholders as to voting at the SGM and to the letter from the Independent Financial Adviser as set out on pages 16 to 32 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the Supplemental Agreement and the transactions contemplated thereunder (including the Proposed New 2019–2021 Annual Caps).

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

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



五礦地產有限公司
MINMETALS LAND LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 230)

23 April 2019

To the Independent Shareholders

Dear Sir or Madam,

**MAJOR AND CONTINUING CONNECTED TRANSACTIONS
AND
REVISION OF ANNUAL CAPS
FOR THE FINANCIAL SERVICES FRAMEWORK AGREEMENT**

We refer to the circular of the Company dated 23 April 2019 (the “Circular”), of which this letter forms part. Terms defined in the Circular shall have the same meanings when used in this letter unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to consider and to advise the Independent Shareholders in respect of the Supplemental Agreement and the transactions contemplated thereunder (including the Proposed New 2019–2021 Annual Caps), details of which are set out in the “Letter from the Board” in the Circular, taking into account the recommendation of Able Capital, which has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee in this regard.

Your attention is drawn to the “Letter from the Board” set out on pages 4 to 13 of the Circular and the “Letter from the Independent Financial Adviser” set out on pages 16 to 32 of the Circular, which contain, among other things, information and the advice from the Independent Financial Adviser in respect of the Supplemental Agreement and the transactions contemplated thereunder (including the Proposed New 2019–2021 Annual Caps).

Having taking into account the reasons for and benefits of entering into the Supplemental Agreement, the basis for determining the Proposed New 2019–2021 Annual Caps, the principal factors and reasons considered by the Independent Financial Adviser in arriving at its opinion regarding the Supplemental Agreement and transactions contemplated thereunder (including the Proposed New 2019–2021 Annual Caps) as set out in the “Letter from the Independent Financial Adviser” of the Circular, we consider that (i) the entering into of the Supplemental Agreement is in the usual and ordinary course

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

of business of the Company and in the interests of the Company and the Shareholders as a whole; and (ii) the terms of the Supplemental Agreement and the transactions contemplated thereunder (including the Proposed New 2019–2021 Annual Caps) are on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution as set out in the notice of the SGM to be convened and held on Friday, 10 May 2019 and thereby approve the Supplemental Agreement and the transactions contemplated thereunder (including the Proposed New 2019–2021 Annual Caps).

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

Selwyn Mar
*Independent Non-executive
Director*

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

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

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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



ABLE CAPITAL PARTNERS LIMITED
Unit 2201, 22nd Floor
Cosco Tower
183 Queen's Road Central
Hong Kong

23 April 2019

*To: The Independent Board Committee and the Independent Shareholders
of Minmetals Land Limited*

Dear Sirs,

MAJOR AND CONTINUING CONNECTED TRANSACTIONS AND REVISION OF ANNUAL CAPS FOR THE FINANCIAL SERVICES FRAMEWORK AGREEMENT

I. INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the agreement supplemental to the 2018 Agreement (the "Supplemental Agreement") and transactions contemplated thereunder (including the Proposed New 2019–2021 Annual Caps), details of which are set out in the "Letter from the Board" (the "Letter from the Board") contained in the circular issued by the Company to the Shareholders dated 23 April 2019 (the "Circular"), of which this letter forms part. Terms used in this letter shall have the same meaning as those defined in the Circular unless the context requires otherwise.

1. The 2018 Agreement and the Supplemental Agreement

On 20 April 2018, the Company entered into the 2018 Agreement with Minmetals Finance, pursuant to which Minmetals Finance has agreed to provide financial services (including current and fixed deposit, loan and settlement services) to the Company and its subsidiaries in Mainland China for the period from 20 April 2018 to 19 April 2021. The provision of deposit services by Minmetals Finance is subject to the Original Annual Caps, being a daily balance of RMB2,000 million (equivalent to approximately HK\$2,323.6 million).

On 28 March 2019, the Company announced that, in order to allow the Company to have a direct committed source of funding from Minmetals Finance to serve its needs when required and to enhance return on surplus funds due to favourable interest rates for deposits offered by Minmetals Finance, it entered into the Supplemental

Agreement with Minmetals Finance, whereby (i) the Company shall seek approval from the Independent Shareholders to revise the Original Annual Caps to RMB3,000 million (equivalent to approximately HK\$3,485.4 million) (i.e. the Proposed New 2019–2021 Annual Caps), and (ii) conditional on the approval of the Proposed New 2019–2021 Annual Caps by the Independent Shareholders and upon request of the Company, Minmetals Finance shall grant unsecured loan for an amount of up to RMB3,000 million (equivalent to approximately HK\$3,485.4 million) to the Company on comparable market terms.

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

As one of the applicable percentage ratios for the Proposed New 2019–2021 Annual Caps exceeds 25% but all of which are less than 100%, the provision of deposit services by Minmetals Finance under the Proposed New 2019–2021 Annual Caps constitutes a major transaction for the Company under Rule 14.06(3) of the Listing Rules and is subject to reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Since all of the applicable percentage ratios for the Proposed New 2019–2021 Annual Caps exceed 5%, the provision of deposit services by Minmetals Finance under the Proposed New 2019–2021 Annual Caps constitutes a non-exempt continuing connected transaction for the Company and it is subject to reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Minmetals Finance's commitment to lend under the Supplemental Agreement constitutes financial assistance to be provided by a connected person for the benefit of the Group. Since such services will be conducted on normal commercial terms and no security over the assets of the Group shall be granted in respect of the loans (if any) to be provided by Minmetals Finance, it is exempt from reporting, announcement and independent shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

2. The Independent Board Committee

The Independent Board Committee which comprises all three independent non-executive Directors, namely Mr. Selwyn Mar, Mr. Lam Chung Lun, Billy and Ms. Law Fan Chiu Fun, Fanny, has been established to consider and to give advice and recommendation to the Independent Shareholders as to whether the terms of the Supplemental Agreement and transactions contemplated thereunder (including the Proposed New 2019–2021 Annual Caps) are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and as to how to vote on the resolution

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to be proposed at the SGM. As the independent financial adviser to the Independent Board Committee, our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders in such regard.

Save for our previous engagement as the independent financial adviser to the then independent board committee and independent shareholders of the Company in respect of the renewal of continuing connected transaction under the 2018 Agreement as detailed in the circular of the Company dated 14 May 2018 (the “2018 Circular”), we have not acted, within the last two years, as an independent financial adviser or a financial adviser to the Company, Minmetals Finance or any of their respective associates.

As at the Latest Practicable Date, we did not have any relationships or interests with the Company, its subsidiaries and Minmetals Finance that could reasonably be regarded as relevant to our independence. Apart from normal professional fees paid or payable to us in connection with this appointment as the independent financial adviser, no arrangements exist whereby we had received any fees or benefits from the Company, its subsidiaries and Minmetals Finance. Accordingly, we are qualified to give independent advice in respect of the Supplemental Agreement and transactions contemplated thereunder (including the Proposed New 2019–2021 Annual Caps).

II. BASIS OF OUR ADVICE

In formulating our opinion, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and/or provided to us by the Company, the Directors and the management of the Company (the “Management”). We have assumed that all statements, information, opinions and representations contained or referred to in the Circular and/or provided to us were true, accurate and complete in all respects as at the date thereof and may be relied upon.

We have also assumed that all views, opinions and statements of intention provided by the Directors and the Management have been arrived at after due and careful enquiry. The Directors have confirmed to us that no material facts have been withheld or omitted from the information supplied and opinions expressed. We consider that we have been provided with, and have reviewed, all currently available information and documents which are available under present circumstances to enable us to reach an informed view and to provide a reasonable basis for our opinion. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any facts or circumstances which would render the information provided and representations made to us untrue, inaccurate or misleading. We consider that we have performed all the necessary steps to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our opinion. We have not, however, carried out any independent verification of the information provided, nor have we conducted any form of in-depth investigation into the businesses, affairs, operations, financial position, plans, projections or future prospects of the Group. Our opinion is necessarily based on the financial, economic, market and other conditions in effect, and the information made available to us, as at the Latest Practicable Date.

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The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the information contained in the 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 in the Circular misleading.

This letter is issued for the information of the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Supplemental Agreement and transactions contemplated thereunder (including the Proposed New 2019–2021 Annual Caps), and, except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

III. PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion in respect of the Supplemental Agreement and transactions contemplated thereunder (including the Proposed New 2019–2021 Annual Caps), we have considered the following principal factors and reasons:

1. Background of the Supplemental Agreement

As disclosed in the 2018 Circular, the Company and Minmetals Finance entered into the 2018 Agreement on 20 April 2018 to, among other things, renew and extend the terms of the provision of financial services (including the provision of deposit services) by Minmetals Finance for three years commencing from 20 April 2018 to 19 April 2021.

As advised by the Management, the Directors have been closely monitoring the use of deposit services provided by Minmetals Finance under the 2018 Agreement, in particular the maximum daily outstanding balance of deposits placed with Minmetals Finance. In light of the latest anticipation of contracted sales of the Group and the growth in the Group's business, the Directors are of the view that the Original Annual Caps may no longer be sufficient to cover the maximum daily outstanding balance of deposits that the Group may wish to place with Minmetals Finance during the remaining term of the 2018 Agreement.

Moreover, as stated in the Letter from the Board, the entering into of the Supplemental Agreement could allow the Company to have a direct committed source of funding from Minmetals Finance to serve its needs when required and to enhance return on surplus funds due to favourable interest rates for deposits offered by Minmetals Finance. As such, the Company and Minmetals Finance entered into the Supplemental Agreement on 28 March 2019 whereby (i) the Company shall revise the Original Annual Caps from RMB2,000 million (equivalent to approximately HK\$2,323.6 million) to RMB3,000 million (equivalent to approximately HK\$3,485.4 million) (i.e. the Proposed New 2019–2021 Annual Caps), and (ii) upon request of the

Company, Minmetals Finance shall grant unsecured loan for an amount up to RMB3,000 million (equivalent to approximately HK\$3,485.4 million) to the Company on comparable market terms, subject to the approval by the Independent Shareholders.

2. Information of the Group, China Minmetals and Minmetals Finance

2.1 Background and recent developments of the Group

The Group is principally engaged in the businesses of real estate development, specialised construction, property investment and securities investment. According to the annual report of the Company for the year ended 31 December 2018 (the “2018 Annual Report”), as at the end of 2018, the Group had a land bank with an aggregate developable gross floor area of approximately 4,560,000 square metres across 22 real estate development projects in 11 cities and since 2016, the Group had embarked on the development of its first Hong Kong based residential project located in Yau Tong, which is expected to complete in 2022.

As further disclosed in the 2018 Annual Report, the Company has successfully broadened its financing channels in 2018, which include (i) the issuance of US\$200 million of senior perpetual capital securities with initial distribution rate of 7.0% per annum in May 2018; (ii) the issuance of US\$300 million of senior notes with interest rate of 6.4% per annum in September 2018; (iii) the loan agreements entered into with commercial banks amounting to HK\$5.78 billion in aggregate; and (iv) the quota of RMB5 billion asset-backed notes in the PRC. We understand from the Management that these developments form part of the Company’s ongoing strategy to secure long term financing to enable the Group to take advantage of land acquisition and auction opportunities at the time of a less competitive market environment.

Further information on the recent financial history of the Group is set out in this letter under the section headed “4.3. The Proposed New 2019–2021 Annual Caps” which sets out the historical trends of the Group’s revenue, profit, property inventories as well as its liquidity and financing positions.

2.2 Background of China Minmetals

China Minmetals is a state-owned enterprise established under the laws of the PRC principally engaged in the business of exploration, mining, smelting, processing and trading for metals and minerals, finance, real estate development, and mining and metallurgic technology. The inclusion of property development and operation to the core business of China Minmetals was approved by the State-owned Assets Supervision and Administration Commission of the State Council in 2007. China Minmetals through its Hong Kong subsidiary, China Minmetals H.K. (Holdings) Limited, holds approximately 61.88% equity interest in the Company.

2.3 Background of Minmetals Finance

Minmetals Finance, a subsidiary of China Minmetals, is a non-banking financial institution established in the PRC on 26 May 1993 under the approval of the PBOC. It is principally engaged in the provision of financial services to China Minmetals and its subsidiaries (including the Group) and is subject to the supervision of the CBRC. According to its business licence, it is authorised to provide to the Company and its subsidiaries in Mainland China all services set out in the Supplemental Agreement.

We noted that Minmetals Finance, as a regulated financial institution, is required to comply with all rules and operational requirements of the CBRC, including but not limited to maintaining certain financial ratios at all times, and regular reporting to the CBRC, etc. Minmetals Finance is also restricted to provide financial services to China Minmetals and its subsidiaries only, it would therefore have fewer borrowers as compared to the typical PRC commercial banks. This restricted and defined client base enables Minmetals Finance to focus on monitoring the performance of those loans with China Minmetals and/or its subsidiaries. As such, Minmetals Finance's loan book and credit exposure are restricted to members of China Minmetals only whereas the PRC commercial banks typically conduct their banking business with a more diversified range of customers, and hence are exposed to a broader credit risk of its customers. We understand from the Management that Minmetals Finance has been serving members of China Minmetals to support their treasury management needs with the view to achieving better utilisation of their cash balances.

Furthermore, Minmetals Finance, as an intra-group service provider compared to the PRC commercial banks, is better positioned to understand the Group's operations, and has better access to financial information of China Minmetals and its subsidiaries. This in turn allows Minmetals Finance to perform insightful credit assessments and to deliver more expedient and efficient services. The Management advised that since the inception of the provision of services by Minmetals Finance under the financial services framework agreement in November 2013, the Company is satisfied with the attentive services provided by Minmetals Finance. The Directors believe that the Group could continue to enjoy efficient and high quality of financial services from Minmetals Finance.

In respect of the use of deposit services provided by Minmetals Finance, the Management has confirmed that the Company is adhering to its past policy that any fixed deposits placed with Minmetals Finance by the Company or any of its subsidiaries in Mainland China shall not exceed 3 months, and the Company has the right to terminate the 2018 Agreement if Minmetals Finance from time to time, fails to maintain (i) a capital adequacy ratio of not less than 10%; (ii) a non-performing assets ratio of not more than 4%; or (iii) a non-performing loans ratio of not more than 5%. The above control measures have been in place to ensure the safety of the Group's capital as well as its liquidity of resources. We were advised

by the Directors that, to the best of their knowledge and up to the Latest Practicable Date, there is no record of non-compliance with the relevant laws, rules and regulations in the PRC applicable to Minmetals Finance.

3. Reasons for and benefits of the revision of annual caps under the 2018 Agreement

As disclosed in the Letter from the Board, the Company has been closely monitoring the use of the deposit services provided by Minmetals Finance under the 2018 Agreement. During the terms of the 2018 Agreement, the Company is satisfied with the services provided by Minmetals Finance. The favourable interest rates offered by Minmetals Finance can enhance return on surplus fund. Revising the Original Annual Caps to the Proposed New 2019–2021 Annual Caps would allow the Group to more fully utilise the services provided by Minmetals Finance under the 2018 Agreement as part of the treasury functionality of the Company.

Compatible with the Group's strategy to broaden its funding channels and although the Company has no immediate plan to make use of the funds available from Minmetals Finance, the Supplemental Agreement allows the Company to have a direct committed source of funding to serve its needs when required and provides the Company with greater flexibility in its investment planning. The proposed increase in the annual cap limit, together with the corresponding increase in the maximum loan facility to RMB3,000 million (equivalent to approximately HK\$3,485.4 million) would provide such additional flexibility. Accordingly, the Board considers that the entering into of the Supplemental Agreement is in the interests of the Company and the Shareholders as a whole.

As advised by the Management, the arrangements under the 2018 Agreement and the maintenance of accounts with Minmetals Finance by the Company and its subsidiaries in Mainland China, would allow the Group to enhance the overall efficiency of Group's cash and treasury management, with the view to achieving better utilisation of its liquidity resources and mitigating the impact of funding mismatch by members of the Group. Through the Group's accounts with Minmetals Finance (a registered non-banking financial institution regulated by the CBRC), the Group can direct its members to make timely fund transfer from time to time as appropriate, and receive competitive interest income on the deposits placed with Minmetals Finance, as well as to achieve finance cost savings on the Group's external borrowings.

In the context of the Group's land bank acquisition initiatives, the Group has added two projects in Guangzhou to its real estate development portfolio through land auctions during the year of 2018 to enhance its strategic positioning in southern China. These acquisitions will further advance the Group's leading position in the Greater Bay Area market with enhancing brand penetration that continue to promote rapid expansion of the Group. In 2019, the Management expects the Group will focus on the existing major areas where it has advantageous position and will strive to capture more high quality land parcels at reasonable cost.

Since the fourth quarter of 2018, the Management noticed certain signs of relaxation of control policies and price restrictions in cities including Guangzhou, Wuhan and Nanning. For example, many cities have lowered upward adjustments in mortgage rates and certain small cities even began to relax their controls towards the year-end. As such, the Management believes that, despite no fundamental change in central government's housing policy, the fine-tuning of the control policies could begin to occur in mid-2019. In December 2018, the National Development and Reform Commission announced that high-quality real estate enterprises which have met certain qualifications will be allowed to issue bonds under certain conditions, and in January 2019, the PBOC announced a cut in the reserve requirement ratio to counteract a potential economic downturn with the view to providing more support to the real economy. In the light of these developments, the Management remains positive on the long-term prospect of the property market in the PRC whilst recognising the challenges posed by the changes in market sentiments and government policies from time to time.

To cope with the future development of the Group, it is expected that the Group will from time to time conduct fund raising activities if and when appropriate to further strengthen the financial base of the Group. By entering into the Supplemental Agreement, the provision of deposit services by Minmetals Finance allows the Group not only to enjoy more flexibility but also to benefit from the increase in interest income on terms no less favourable than those PRC commercial banks offered to the Group. It also helps the Company further enhance its bargaining power in negotiating more favourable terms with external parties for deposits and loans.

The Directors are also mindful of the inherent risks that macro and geopolitical issues such as the ongoing Sino-US trade negotiations and Brexit can have on the world economy as a whole, and the possible negative impact that may have on general economic growth, monetary policies and banking liquidity of the affected countries, including Mainland China. In this regard, the Board considers that the above-mentioned conditional offer of an unsecured loan amounting to RMB3,000 million (equivalent to approximately HK\$3,485.4 million) to the Company on comparable market terms is a valuable standby commitment from Minmetals Finance that the Group can draw on up to the expiry of the term of the Supplemental Agreement in 2021.

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Having considered the abovementioned reasons for and benefits of the entering into of the Supplemental Agreement and noting the fact that the 2018 Agreement is non-exclusive and does not limit the Group's choice in engaging any other financial services providers, and taking into account the potential cost saving to the Group as described above, we consider that the entering into of the Supplemental Agreement is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

4. Principal terms of the Supplemental Agreement

Date : 28 March 2019

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

Principal terms : *Revision of annual caps*

The Company shall tender the Proposed New 2019–2021 Annual Caps for the Independent Shareholders' approval.

Minmetals Finance's commitment to lend

Provided that the Proposed New 2019–2021 Annual Caps are approved by the Independent Shareholders, Minmetals Finance shall grant unsecured loan of up to RMB3,000 million (equivalent to approximately HK\$3,485.4 million) to the Company upon its request on comparable market terms from the date on which the Proposed New 2019–2021 Annual Caps are approved by the Independent Shareholders to 19 April 2021.

The Supplemental Agreement shall be effective from the date of obtaining the Independent Shareholders' approval at the SGM. Save and except for the subject matter as mentioned above, all other terms and conditions under the 2018 Agreement shall remain effective and unchanged.

4.1 Pricing policy

According to the 2018 Agreement, all transactions contemplated thereunder including the deposit services, shall be undertaken on normal commercial terms, or on terms no less favourable to the Company and its subsidiaries in Mainland China than those that could be obtained from independent third parties, and on terms (including interest) which are most favourable to the Company and its subsidiaries in Mainland China as compared to terms offered by Minmetals Finance to other subsidiaries of China Minmetals.

For the pricing policy of the provision of deposit services under the 2018 Agreement, interest rates on deposits placed with Minmetals Finance by the Company and its subsidiaries in Mainland China shall not be lower than (a) the highest interest rates for comparable category of deposits offered by major PRC commercial banks with which the Company and its subsidiaries in Mainland China have established business relationship; and (b) the highest interest rate offered by Minmetals Finance to other subsidiaries of China Minmetals for comparable category of deposits, whichever is the higher.

As part of our due diligence work, we have obtained from the Management samples of the Group's deposit transactions placed with Minmetals Finance and the PRC commercial banks during the period from 20 April 2018 up to the Latest Practicable Date and compared the terms of deposit offered by Minmetals Finance with those offered by the PRC commercial banks, including but not limited to the interest rate of demand deposit, which is the term of deposit that the Company and its subsidiaries in Mainland China would normally place with Minmetals Finance, and noted that the interest rates offered by Minmetals Finance to the Group were not lower than the relevant benchmark interest rates for the same term of deposits, nor those offered by the PRC commercial banks for comparable deposits. On this basis, we consider that the Group has complied with the aforesaid pricing policy and the interest rates of deposit offered by Minmetals Finance are more favourable than those offered by the PRC commercial banks and are fair and reasonable.

4.2 Internal control and risk management measures

We understood from the Directors that the Company has adhered to the internal control procedures relating to the deposit services provided by Minmetals Finance as disclosed in the Letter from the Board. In addition to regular monitoring of the transactions contemplated under the 2018 Agreement, we were advised by the Management that Minmetals Finance shall adopt a new enterprise resource planning system to ensure effective control of the Proposed New 2019–2021 Annual Caps not to be exceeded. The Directors have confirmed to us that

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since the date of the 2018 Agreement, the internal control procedures relating to the deposits placed with Minmetals Finance are properly implemented and remain sound.

As part of our work, we have reviewed a selected sample of the relevant documents and noted that a designated personnel from the finance department of the Company has been responsible for monitoring of the transactions contemplated under the 2018 Agreement and deposits were placed with Minmetals Finance when it offered the highest interest rate among those comparable deposits offered by the PRC commercial banks. We have also reviewed sample of monthly report prepared by the finance department of the Company and noted that prior approval has been obtained from senior management of the Company to prevent unauthorised utilisation of the deposit services by Minmetals Finance.

We further noted that the auditors of the Company have issued an unqualified letter containing their finding and conclusions in respect of the continuing connected transactions (including but not limited to transactions under the 2018 Agreement) for each of the two years ended 31 December 2018 in accordance with Rule 14A.56 of the Listing Rules. On the basis of the above, we are of the view that the Group has adopted and adhered to the approved internal control measures under the 2018 Agreement to safeguard the interests of the Company so far as the Independent Shareholders are concerned.

4.3 The Proposed New 2019–2021 Annual Caps

The annual caps on the maximum daily outstanding balance of deposits (including accrued interests) placed by the Company and its subsidiaries in Mainland China with Minmetals Finance pursuant to the 2018 Agreement are proposed to be revised as follows (i.e. the Proposed New 2019–2021 Annual Caps):

	From the date on which the Proposed New 2019–2021 Annual Caps are approved to 31 December 2019	For the year ending 31 December 2020	For the period from 1 January 2021 to 19 April 2021
Maximum daily outstanding balance of deposits (including accrued interests)	RMB3,000 million (equivalent to approximately HK\$3,485.4 million)	RMB3,000 million (equivalent to approximately HK\$3,485.4 million)	RMB3,000 million (equivalent to approximately HK\$3,485.4 million)

As stated in the Letter from the Board, the Proposed New 2019–2021 Annual Caps of RMB3,000 million (equivalent to approximately HK\$3,485.4 million)

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were determined principally by reference to the following bases and assumptions:

- (i) the historical transaction amounts relating to the provision of deposit services by Minmetals Finance to the Company and its subsidiaries in Mainland China under the 2015 Agreement and the 2018 Agreement;
- (ii) expected increase in cash flow position of the Group and its contract sales, taking into account the cash inflow expected to be generated from and the costs regarding the construction and launching of its real estate development projects, which mainly include the following projects on hand to be launched for sale from 2019 onwards:
 - (a) Nanjing Enchanté Oasis;
 - (b) Nanjing Enchanté Cove;
 - (c) Wuhan Scenery Cove;
 - (d) Wuhan Enchanté Crest;
 - (e) Huizhou Hallstatt See;
 - (f) Foshan Academic Royale;
 - (g) Guangzhou Changlingju Project;
 - (h) Guangzhou Maoganglu Project; and
 - (i) Hong Kong Yau Tong Project.

Further details in relation to the locations, interests attributable to the Group, information regarding the gross floor areas under development and for future development, and the expected construction completion dates of these projects are disclosed in the section headed “Management Discussion and Analysis” in the 2018 Annual Report;

- (iii) strategies of the treasury management of the Company taking into account the cash flow requirements and financial needs of the Group for its business development plans;
- (iv) the capital efficiency of surplus funds taking into account the favourable interest rates offered by Minmetals Finance; and
- (v) the safety of surplus funds taking into account the centralisation and monitoring of funds.

For the purpose of assessing the fairness and reasonableness of the Proposed New 2019–2021 Annual Caps, we have summarised certain relevant financial data (i) for the year ended 31 December 2015, being the latest available full-year

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financial information immediately prior to the date of the 2015 Agreement; (ii) for the years ended 31 December 2016 and 2017, being the latest available full-year financial information immediately prior to the date of the 2018 Agreement; and (iii) for the year ended 31 December 2018, being the latest available full-year financial information immediately prior to the date of the Supplemental Agreement (i.e. 28 March 2019), as follows:

Table A

	For the year ended 31 December			
	2015	2016	2017	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)	(audited)	(audited)
Revenue	7,253,266	11,576,345	11,935,505	10,930,824
Profit for the year	619,607	997,179	1,448,801	1,747,143
	As at 31 December			
	2015	2016	2017	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)	(audited)	(audited)
<i>Borrowings</i>				
Classified as				
non-current	8,126,450	11,314,859	10,770,064	14,039,272
Classified as current	<u>4,452,038</u>	<u>299,564</u>	<u>3,978,151</u>	<u>1,015,365</u>
	12,578,488	11,614,423	14,748,215	15,054,637
<i>Cash and bank deposits</i>				
Restricted	293,551	242,201	623,774	201,353
Unrestricted	<u>10,672,861</u>	<u>5,431,519</u>	<u>5,631,889</u>	<u>3,607,776</u>
	10,966,412	5,673,720	6,255,663	3,809,129
<i>Inventories</i>				
Under development	15,317,171	16,057,230	21,754,561	18,864,844
Held for sale	<u>5,403,293</u>	<u>2,861,910</u>	<u>3,598,682</u>	<u>6,922,177</u>
	20,720,464	18,919,140	25,353,243	25,787,021
Total assets	39,621,377	40,862,081	49,018,381	47,252,777
Total liabilities	27,974,484	32,312,209	35,415,843	32,442,326
Net assets	11,646,893	8,549,872	13,602,538	14,810,451

We were advised by the Management that the Company has been actively participating in land bidding exercise since 2016, with the view to better utilising the Group's cash on hand and achieving return from its PRC real estate

development business. As a result, the Group took part in numerous land auctions and tapped into the Guangzhou, Foshan and Hong Kong property markets. The above development strategies led to a gradual depletion of the Group's cash and bank balances from approximately HK\$10,966.4 million in 2015 to HK\$3,809.1 million in 2018 but at the same time, the Group's land bank was boosted by a surge in aggregate developable floor area which eventually started to generate higher sales revenue from 2018 onwards. In order for us to better assess the fairness and reasonableness of the Proposed New 2019–2021 Annual Caps, we have reviewed the Company's cash flow budget for the coming three years ending 31 December 2021 (the "Cash Flow Budget") together with the underlying assumptions made by the Management, and have carried out the following:

- In respect of the sales revenue in each year under the Cash Flow Budget, we have generally matched the sales revenue projection with the Group's existing land bank and projects under development and enquired with the Management about their expectation of the progress of such developments, including the expected timing of the pre-completion sales;
- In respect of the development costs and expenses, we have identified significant monetary amounts in each year under the Cash Flow Budget and discussed with the Management on any specific land acquisition opportunities identified or general strategy to support such expenditures; and
- In respect of the financing activities, we have discussed with Management on the assumptions of significant fund raising plans including the drawdown/repayments of bank loans during the period of the Cash Flow Budget and the Management has confirmed that the projected bank loan utilisation is within the Group's available facilities.

We have also reviewed the sensitivity analysis of the Cash Flow Budget and noted that taking into account certain assumed downward adjustments of sales revenue and expected land premium payable, the resultant month end cash positions of the Group generally support the need for the Proposed New 2019–2021 Annual Caps.

Based on the above summary under Table A, the Group has, over the period of the last four financial years as a whole, achieved significant increase in revenue, profitability as well as property inventories. Despite the trend of increases in these business benchmark numbers and the nearly full utilisation of the annual cap limits for most of the time during the period under review as shown under Table B below, the Management was prudent in setting the annual caps renewal amount in 2018 and only sought a modest increase of a 11% increase from the previous annuals caps of RMB1,800 million under the 2015 Agreement to the Original Annual Caps of RMB2,000 million under the 2018 Agreement. Having considered the Group's latest cash flow budget and taking into account the expected budget increase in contracted sales for the next two financial years, the Management

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considers it appropriate to seek approval for the Proposed New 2019–2021 Annual Caps of RMB3,000 million (equivalent to approximately HK\$3,485.4 million) which represents a 50% increase in the Original Annual Cap of RMB2,000 million (equivalent to approximately HK\$2,323.6 million) under the 2018 Agreement.

Summarised in Table B below is a comparison of the utilisation of the relevant annual caps for the period under review:

Table B

	For the year ended 31 December 2016	For the year ended 31 December 2017	For the period from 1 January 2018 to 19 April 2018	For the period from 20 April 2018 to 31 December 2018	For the period from 1 January 2019 to the Latest Practicable Date
Maximum daily outstanding balance of deposits (including accrued interests)	approximately RMB1,798 million	approximately RMB1,796 million	approximately RMB1,796 million	approximately RMB1,259 million	approximately RMB1,706 million
Annual caps	RMB1,800 million	RMB1,800 million	RMB1,800 million	RMB2,000 million	RMB2,000 million
Utilisation rate	99.9%	99.8%	99.8%	63.0%	85.3%

We have discussed the history of utilisation rates with the Management, and they advised that the lower utilisation rate of 63.0% for the period from 20 April 2018 to 31 December 2018 was primarily due to the deployment of cash for the deposit payment for land bidding in Guangzhou in the fourth quarter of 2018. At the same time, the needs to maintain certain level of deposit with its relation commercial banks as well as to preserve cash for the Group's business operations have resulted in lower utilisation rate in the last period in 2018 as shown above.

As disclosed in the 2018 Annual Report, the Company's properties held for sale amounted to approximately HK\$6,922.2 million as at 31 December 2018, representing an increase of 92.4% as compared to 2017 (31 December 2017: HK\$3,598.7 million), the Management expects that the pre-completion sales (pre-sale) of majority of the ongoing projects would be launched by end of 2019 and based on the latest sales plan of the Group's property inventories, the expected cash to be generated from contracted sales (including pre-sale) will be gradually increased over the coming three years. Accordingly, the Management expects that the Original Annual Caps would likely be insufficient to accommodate the Group's expected increase in demand for deposit services by Minmetals Finance.

As mentioned above, we have reviewed the Cash Flow Budget and discussed this with the Management, with cross reference to the sales schedule of the Group's property inventories and developments. We observed that the Group is budgeted to accumulate cash surplus for most of the three years period under review, which can potentially be available to utilise the capacity of the Proposed New 2019–2021 Annual Caps under the Supplemental Agreement.

Having considered (i) the historical high utilisation of the applicable annual caps; (ii) the historical expansion of the Group's business activities and financial performance; (iii) the current size of the Group's property inventories and development pipeline; and (iv) the net cash that the Group expects to generate, we are satisfied that the Proposed New 2019–2021 Annual Caps is reasonable and acceptable.

Independent Shareholders' attention is drawn to the fact that it is a term of the 2018 Agreement that the Company is neither obliged nor committed to utilise the deposit services by Minmetals Finance unless the relevant pricing policies (as described in paragraph 4.1 of this letter) is fulfilled and that the applicable internal control measures are fulfilled.

5. Continuing connected transactions requirements under the Listing Rules

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

In compliance with the Listing Rules, the Company will continue to engage auditors to report on the Group's continuing connected transactions in relation to the 2018 Agreement and the Supplemental Agreement for the year ending 31 December 2019, the year ending 31 December 2020 and the period from 1 January 2021 to 19 April 2021. Given the above, we consider that there exist appropriate procedures and arrangements to ensure that the continuing connected transactions contemplated under the 2018 Agreement and the Supplemental Agreement will be conducted on terms in compliance with the provisions of the Listing Rules.

IV. RECOMMENDATION

We have considered the principal factors outlined in this letter, including in particular:

- (a) the expected increase in cash to be generated by the Group's planned pipeline of property sales and the Cash Flow Budget for the periods up to 31 December 2021;
- (b) the pricing policy of the provision of deposit services by Minmetals Finance as described in paragraph 4.1 of this letter which is designed to ensure the Company to receive the most favourable terms for any deposits placed with Minmetals Finance;
- (c) the proposed provision of committed unsecured loan of up to RMB3,000 million to be available to the Company on comparable market terms which would provide the Group with additional flexibility to its funding source;
- (d) the Company is neither obliged or committed to utilise the deposit services by Minmetals Finance; and
- (e) the Company's past track record and compliance history in monitoring and control of transactions under the financial services framework agreement since its inception in November 2013.

In conclusion, we are of the view that the Supplemental Agreement is on normal commercial terms which are fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole; and (iii) the Proposed New 2019–2021 Annual Caps have been fairly and reasonably arrived at.

Accordingly, we recommend the Independent Shareholders, as well as the Independent Board Committee to advise the Independent Shareholders, to vote in favour of the resolution approving the Supplemental Agreement and transactions contemplated thereunder (including the Proposed New 2019–2021 Annual Caps) at the SGM.

Yours faithfully,
For and on behalf of
Able Capital Partners Limited
Ambrose Lam
Director

Mr. Ambrose Lam is a licensed person registered with the SFC and a responsible officer of Able Capital Partners Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO (Chapter 571 of the Laws of Hong Kong). He has over 30 years of experience in corporate finance industry.

FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the three years ended 31 December 2016, 2017 and 2018 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 2016 (pages 101 to 235);
- the annual report of the Company for the year ended 31 December 2017 (pages 145 to 277); and
- the annual report of the Company for the year ended 31 December 2018 (pages 151 to 321).

INDEBTEDNESS

Bank borrowings

As at the close of business on 28 February 2019, 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\$12,494.46 million, details of which are set out below:

HK\$' million

Bank borrowings	
Short term bank loans, secured and unguaranteed	251.41
Short term bank loans, unsecured and guaranteed	831.51
Long term bank loans, secured and guaranteed	9,942.07
Long term bank loan, unsecured and guaranteed	494.11
Long term bank loans, secured and unguaranteed	975.36
	12,494.46
	12,494.46

Amounts due to an associate

As at the close of business on 28 February 2019, the Group had outstanding amounts due to an associate of approximately HK\$993.06 million, which are unsecured and unguaranteed.

Amounts due to a non-controlling shareholder of subsidiaries

As at the close of business on 28 February 2019, the Group had outstanding amounts due to a non-controlling shareholder of subsidiaries of approximately HK\$225.22 million, which are unsecured and unguaranteed.

Amount due to a fellow subsidiary

As at the close of business on 28 February 2019, the Group had outstanding amount due to a fellow subsidiary of approximately HK\$1,767.22 million, which is unsecured and unguaranteed.

Charges on the Group's assets

As at the close of business on 28 February 2019, 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, properties under development and 100% equity interest in a subsidiary.

Guaranteed bonds

As at the close of business on 28 February 2019, the Group had guaranteed bonds of approximately HK\$2,344.78 million and HK\$973.01 million, which will be matured on 18 September 2021 and 26 April 2023, 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 liabilities

As at 28 February 2019, the Group, as a lessee, has outstanding unpaid contractual lease payments for the remainder of the relevant lease terms amounting to HK\$52.42 million, which are neither secured nor guaranteed.

Contingent liabilities

As at the close of business on 28 February 2019, 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\$5,811.02 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 28 February 2019.

WORKING CAPITAL

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

FINANCIAL AND TRADING PROSPECTS OF THE GROUP**Financial and trading prospects of the Group**

Upon a comprehensive assessment of sector prospect and the Company's current position, our operational and management principle for 2019 is "adhering to strategic leadership, improving turnover efficiency, continuously improving professional capacity and innovating and implementing quality strategies". In order to minimize market risks while ensuring cash flow generation, shortening development cycle and improving sales turnover will be our top operational priority.

We will focus on the existing four major districts and Chengdu-Chongqing metropolitan area that we have given special attention to, and continue to adopt joint venture development strategies and seize opportunities to increase our high-quality land resources when appropriate. Moreover, we will strengthen our real estate development expertise, improve the value-add in our products and services, improve our integrated competitiveness and provide all-round support to our business growth. In terms of financial management, we 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.

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	1,206,667	0.04%
Ms. He Xiaoli	Personal	1,163,333	0.03%

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.

Saved as disclosed above, as at the Latest Practicable Date, no other 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.

3. 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.

4. DIRECTORS' INTERESTS IN COMPETING BUSINESS

Mr. He Jianbo, being the chairman 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 Zeping, being a deputy managing Director and an executive Director of the Company, is also a director of Yingkou Industrial Park, Minmetals Real Estate and Minmetals Land Holdings.

Ms. He Xiaoli, being a non-executive Director of the Company, is also a director of Minmetals Land Holdings.

All of Yingkou Industrial Park, Minmetals Real Estate and Minmetals Land Holdings are companies established under the laws of the PRC. Yingkou Industrial Park is engaged in the development of Minmetals (Yingkou) Industrial Park. Minmetals Real Estate is engaged in real estate development and operation, construction, property management, real estate agency, real estate advertising and exhibition and other real estate related business. Minmetals Land Holdings is engaged in real estate development, construction contracting and sub-contracting, property management, surveying and designing of construction projects, project investment, provision of technical services, investment consultancy and corporate management consultancy.

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

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

5. 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 2018 (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. 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.

6. 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.

7. 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 capital increase agreement dated 14 December 2017 entered into between 五礦建設(營口)恒富置業有限公司 Minmetals Land (Yingkou) Hengfu Properties Co., Ltd*. (“Hengfu Properties”, a wholly-owned subsidiary of the Company), 金地集團南京置業發展有限公司 Gemdale Corporation Nanjing Properties Development Limited*, 保利江蘇房地產發展有限公司 Poly Jiangsu Real Estate Development Co., Ltd.* (“Poly Jiangsu”) and 嘉興金廣投資合夥企業(有限合夥) Jiaxing Jinguang Investment Partnership (L.P.), pursuant to which each of the parties

agreed to make cash contributions of RMB0.144 million, RMB8.400 million, RMB19.400 million and RMB0.056 million respectively (approximately HK\$0.165 million, HK\$9.609 million, HK\$22.191 million and HK\$0.064 million respectively) into the registered capital of 南京礦利金房地產開發有限公司 Nanjing Kuanglijing Property Development Co., Ltd.* (the “JV Company”) in which the Group originally owned as to 50.8% of its registered capital. Upon completion of the increase of the registered capital of the JV Company, Hengfu Properties’ interest in the registered capital of the JV Company would reduce from 50.8% to 39.8% and Poly Jiangsu’s interest in the registered capital of the JV Company would increase from 19% to 30%. Further details of the capital increase agreement are set out in the announcement of the Company dated 14 December 2017;

- (b) the 2018 Agreement;
- (c) a subscription agreement dated 10 May 2018 entered into among the Company, Excel Capital Global Limited (a wholly-owned subsidiary of the Company) as the issuer, and Deutsche Bank AG, Hong Kong Branch, UBS AG Hong Kong Branch, Morgan Stanley & Co. International plc, BOCI Asia Limited, Haitong International Securities Company Limited, CLSA Limited, United Overseas Bank Limited and Orient Securities (Hong Kong) Limited as joint lead managers, whereby the issuer agreed to issue, and each of the joint lead managers severally agreed to subscribe or procure subscribers to subscribe and pay for, the senior perpetual capital securities issued by the issuer and guaranteed by the Company, in an aggregate principal amount of US\$200,000,000. Further details of the issuance of the senior perpetual capital securities are set out in the announcements of the Company dated 4 May 2018, 14 May 2018 and 17 May 2018;
- (d) a subscription agreement dated 10 September 2018 entered into between the Company, Expand Lead Limited (a wholly-owned subsidiary of the Company) as issuer, and BOCI Asia Limited, DBS Bank Ltd., Haitong International Securities Company Limited, The Hongkong and Shanghai Banking Corporation Limited, China Everbright Bank Co., Ltd., Hong Kong Branch, CLSA Limited, Industrial Bank Co., Ltd. Hong Kong Branch, Orient Securities (Hong Kong) Limited, Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch and Silk Road International Capital Limited as joint lead managers, whereby the issuer agreed to issue, and each of the joint lead managers severally agreed to subscribe or procure subscribers to subscribe and pay for, the US\$300,000,000 6.40% senior guaranteed bonds due 2021 issued by the issuer and guaranteed by the Company, in an aggregate principal amount of US\$300,000,000. Further details of the issuance of the senior guaranteed bonds are set out in the announcements of the Company dated 6 September 2018, 10 September 2018 and 18 September 2018;

- (e) a joint venture agreement dated 14 December 2018 entered into among 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), 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 the 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;
- (f) a memorandum of intent dated 28 March 2019 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.*) 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 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 materialize. Further details of the agreement are set out in the announcement of the Company dated 28 March 2019; and
- (g) an agreement of intent dated 11 April 2019 entered into among Shengshi Guangye, 廣州招商房地產有限公司 (Guangzhou Merchants Property Development Limited*) 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 materialize. Further details of the agreement are set out in the announcement of the Company dated 11 April 2019.

8. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2018, being the date to which the latest published audited financial statements of the Company were made up.

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
Able Capital Partners Limited	a licensed corporation under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, Able Capital:

- (a) had given and had not withdrawn its written consent to the issue of this circular with the inclusion of its letter, statements and references to its name in the form and context in which they are included. The letter, statements and recommendations therein given by Able Capital 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 2018 (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 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, 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 “7. MATERIAL CONTRACTS” in this appendix;
- (c) the Supplemental Agreement;
- (d) the 2015 Agreement;
- (e) the 2018 Agreement;
- (f) the letter from the Independent Board Committee, the text of which is set out in the section headed “Letter from the Independent Board Committee” of this circular;
- (g) the letter from Independent Financial Adviser, the text of which is set out in the section headed “Letter from the Independent Financial Adviser” of this circular;
- (h) the written consent referred to in paragraph headed “9. EXPERT” in this appendix;
- (i) the annual reports of the Company for the two financial years ended 31 December 2017 and 2018; and
- (j) this circular.

* *For identification purpose only*



五礦地產有限公司
MINMETALS LAND LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 230)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting of the shareholders of Minmetals Land Limited (the “Company”) will be held at Monet Room B, Basement 1, InterContinental Grand Stanford Hong Kong, 70 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Friday, 10 May 2019 immediately after the conclusion of the annual general meeting to be held at the same location on Friday, 10 May 2019 at 2:30 p.m. (the “Meeting”) for the purposes of considering and, if thought fit, passing (with or without modifications) the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“THAT:

- (a) the Supplemental Agreement (as defined in the circular of the Company dated 23 April 2019 (the “Circular”), a copy of which has been produced to this meeting marked “A” and signed by the chairman of the Meeting for the purpose of identification) entered into between the Company and Minmetals Finance Co., Ltd. and the transactions contemplated thereunder be hereby approved, ratified and confirmed;
- (b) the Proposed New 2019–2021 Annual Caps (as defined in the Circular) in relation to the revision of the original annual caps under the 2018 Agreement (as defined in the Circular) be hereby approved, ratified and confirmed; and
- (c) any one director of the Company, or any two directors of the Company if affixation of the common seal is necessary, be and is/are hereby authorised to execute and deliver all such documents, instruments or agreements and to do all such acts or things which he/she/they may in his/her/their discretion consider

NOTICE OF SGM

necessary, desirable or expedient to implement and/or give effect to the Supplemental Agreement and the transactions contemplated thereunder (including the Proposed New 2019–2021 Annual Caps).”

By Order of the Board
Minmetals Land Limited
He Jianbo
Chairman

Hong Kong, 23 April 2019

Notes:

1. A member entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote on his/her behalf. A member who is a recognized clearing house within the meaning of the Securities and Futures Ordinance is entitled to appoint one or more proxies to attend and vote on its behalf. A proxy need not be a member of the Company.
2. To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be deposited at the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible, and in any event not later than 2:30 p.m. on Wednesday, 8 May 2019. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the Meeting or any adjournment thereof should they so wish.
3. The register of members of the Company will be closed from Tuesday, 7 May 2019 to Friday, 10 May 2019 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for attending the Meeting, all share certificates with completed transfer forms must be lodged with the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 4:30 p.m. on Monday, 6 May 2019 for registration of share transfer.
4. The votes at the Meeting will be taken by poll.