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

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

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

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**五礦地產有限公司**  
**MINMETALS LAND LIMITED**

*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 230)**

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

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A letter from the Board is set out on pages 4 to 10 of this circular.

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

22 January 2020

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## DEFINITIONS

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

“Announcements”	the announcement of the Company dated 28 March 2019 in relation to the Memorandum of Intent and the announcement of the Company dated 8 January 2020 in respect of, among other things, the Deemed Disposal
“associate(s)”, “connected person(s)”, “controlling shareholder”, “subsidiary(ies)” and “substantial shareholder(s)”	each has the meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“Capital Injection Agreement”	the capital injection agreement dated 8 January 2020 entered into among Shengshi Guangye, the JV Company and the Investor in relation to the Deemed Disposal
“China Minmetals”	China Minmetals Corporation, a state-owned enterprise established under the laws of the PRC and the ultimate controlling shareholder holding approximately 61.88% of the Shares as at the Latest Practicable Date
“Company”	Minmetals Land Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Deemed Disposal”	the admission of the Investor to contribute 49% of the registered capital and shareholder’s loan of the JV Company under the Memorandum of Intent and the Capital Injection Agreement for a total sum of approximately RMB1,195,685,289 (equivalent to approximately HK\$1,331,515,138)
“Development Project”	the residential development to be constructed on the Land
“Director(s)”	the director(s) of the Company
“Earnest Money”	an earnest money paid by the Investor to the JV Company in the amount of RMB1,152,344,664 (equivalent to approximately HK\$1,283,251,018) pursuant to the Memorandum of Intent, details of which are set out in the Announcements

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## DEFINITIONS

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“Existing Investor’s Loan”	a loan of RMB14,909,253 (equivalent to approximately HK\$16,602,944) provided by the Investor to the JV Company at an interest rate of 6% per annum as at the Latest Practicable Date
“Existing Shareholder’s Loan”	the existing shareholder’s loans owing by the JV Company to Shengshi Guangye in the aggregate outstanding amount of RMB1,254,488,771 (equivalent to approximately HK\$1,396,998,695) as at the Latest Practicable Date, which is interest bearing at a rate of 6% per annum
“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 Third Party”	a party who is not connected person (as defined in the Listing Rules) of the Company and who together with its ultimate beneficial owner(s) are independent of the Company and the connected persons (as defined in the Listing Rules) of the Company
“Investor”	寧波市鄞州協豐房產投資諮詢有限公司 Ningbo Yinzhou Xiefeng Real Estate Investment Consultancy Co., Ltd.*, a company established under the laws of the PRC with limited liability
“June Glory”	June Glory International Limited, a company incorporated in the British Virgin Islands with limited liability, and the Company’s immediate controlling shareholder holding approximately 61.88% of the Shares as at the Latest Practicable Date
“JV Company”	廣州市礦茂房地產開發有限公司 Guangzhou Kuangmao Property Development Co., Ltd.*, a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company as at the Latest Practicable Date
“Land”	the land parcel numbered CPPQ-A-3 situated in Changlingju, Huangpu District, Guangzhou City, Guangdong Province, the PRC
“Latest Practicable Date”	15 January 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein

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## DEFINITIONS

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“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)
“Memorandum of Intent”	the memorandum of intent dated 28 March 2019 entered into by Shengshi Guangye, the Investor and the JV Company in respect of, among other things, the Deemed Disposal
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shengshi Guangye”	五礦盛世廣業(北京)有限公司 Minmetals Shengshi Guangye (Beijing) Co., Ltd.* (formerly known as 北京盛世廣業投資管理有限公司 Beijing Shengshi Guangye Investment Management Co., Ltd.*), a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollar, the lawful currency of the United States
“Vigers”	Vigers Appraisal and Consulting Limited, independent professional property valuers
“%”	per cent.

*For the purpose of illustration only and unless otherwise stated, conversion of Renminbi to Hong Kong dollars in this circular is calculated at the exchange rate of RMB1.00 to HK\$1.1136. 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*

*Non-executive Director:*

Ms. He Xiaoli

*Independent Non-executive Directors:*

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

*Registered office:*

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

*Principal place of business*

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

22 January 2020

*To the Shareholders*

Dear Sir or Madam,

**MAJOR TRANSACTION**  
**CAPITAL INJECTION AGREEMENT**

**DEEMED DISPOSAL OF 49% EQUITY INTEREST IN THE JV COMPANY**

**INTRODUCTION**

Reference is made to the Announcements in relation to the Memorandum of Intent and the Capital Injection Agreement in respect of, among other things, (a) the payment of certain earnest money by the Investor to the JV Company, an indirect wholly-owned company of the Group held through Shengshi Guangye, and (b) the possible admission of the Investor as a 49% equity owner of the JV Company and constituting a deemed disposal of the Group's equity interest in and the formation of the JV Company (i.e. the Deemed Disposal).

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## LETTER FROM THE BOARD

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

### CAPITAL INJECTION AGREEMENT

Principal terms of the Capital Injection Agreement are summarised as follows.

#### Date

8 January 2020

#### Parties

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

The Investor is a company incorporated under the laws of the PRC with limited liability and is indirectly owned by Ping An Real Estate Co., Ltd. for financial investment purpose. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of the Investor and its ultimate beneficial owner(s) is an Independent Third Party.

#### Subject Matter

Shengshi Guangye and the Investor agreed that the registered capital of the JV Company shall be increased from RMB20,000,000 (equivalent to approximately HK\$22,272,000) to RMB2,400,000,000 (equivalent to approximately HK\$2,672,640,000).

Pursuant to the Capital Injection Agreement:

- (1) the registered capital of the JV Company will further be increased to RMB39,215,686 (equivalent to approximately HK\$43,670,588), which shall be contributed as to RMB20,000,000 (equivalent to approximately HK\$22,272,000) by Shengshi Guangye and as to RMB19,215,686 (equivalent to approximately HK\$21,398,588) by the Investor in cash. The Investor shall pay RMB19,215,686 (equivalent to approximately HK\$21,398,588) to the JV Company in stages, the final stage to be paid within 10 working days from the date of signing of the Capital Injection Agreement and at the same time, Shengshi Guangye shall pay to the JV Company in the amount of RMB20,000,000 (equivalent to approximately HK\$22,272,000);
- (2) the parties shall work together to complete the necessary registration with the State Administration for Market Regulation of the PRC in respect of the increase in registered capital of the JV Company within 5 working days of the date of signing of the Capital Injection Agreement; and

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## LETTER FROM THE BOARD

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- (3) within 15 working days after the JV Company has obtained a new business licence reflecting the increase in its registered capital to RMB39,215,686 (equivalent to approximately HK\$43,670,588), each of Shengshi Guangye and the Investor shall make further payment to the JV Company on a pro-rated basis to increase its registered capital further to RMB2,400,000,000 (equivalent to approximately HK\$2,672,640,000), of which approximately RMB1,204,000,000 (equivalent to approximately HK\$1,340,774,400) shall be contributed by Shengshi Guangye and approximately RMB1,156,784,314 (equivalent to approximately HK\$1,288,195,012) shall be contributed by the Investor.

Under the terms of the Memorandum of Intent, the Investor has paid the Earnest Money to the JV Company. Shengshi Guangye will contribute its share of the increased registered capital (namely RMB1,204,000,000 (equivalent to approximately HK\$1,340,774,400)) by converting part of the Existing Shareholder's Loan owed to Shengshi Guangye into equity. The Investor will contribute RMB1,156,784,314 (equivalent to approximately HK\$1,288,195,012) by converting the Earnest Money and part of the Existing Investor's Loan into equity.

The amounts to be contributed by Shengshi Guangye and the Investor were determined after arm's length negotiation among the parties to the Capital Injection Agreement with reference to the funding needs of the JV Company for the acquisition of the land, the operation of the JV Company and the construction of the Development Project, and the amount to be contributed by Shengshi Guangye shall be funded by internal financial resources of the Group. Taking into account the above basis of determining the amounts to be contributed by Shengshi Guangye and the Investor and the reasons for and benefits of entering into the Capital Injection Agreement as set out below, the Directors are of the view that the Capital Injection Agreement is on normal commercial terms which are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

### USE OF THE CAPITAL INJECTED

All capital injected by both Shengshi Guangye and the Investor into the JV Company will be used to fund the acquisition of the Land, and the operation of the JV Company and the construction of the Development Project, being in the amounts of RMB2,247,010,000 (equivalent to approximately HK\$2,502,270,336) and an aggregate of RMB152,990,000 (equivalent to approximately HK\$170,369,664) respectively.

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

The JV Company was established in December 2018 by Shengshi Guangye as a single purpose vehicle to acquire and hold the Land and to carry out the Development Project. As at the Latest Practicable Date, the registered capital of the JV Company amounted to RMB20,000,000 (equivalent to approximately HK\$22,272,000), of which RMB9,215,686 (equivalent to approximately HK\$10,262,588) has been paid up by the Investor.



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## LETTER FROM THE BOARD

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Upon completion of the Deemed Disposal, the equity interest in the JV Company will be owned as to 51% and 49% by Shengshi Guangye and the Investor respectively but the JV Company will remain a subsidiary of the Company and will continue to be accounted for on a consolidated basis in the accounts of the Company.

Based on the management accounts of the JV Company prepared in accordance with generally accepted accounting principles in the PRC, the unaudited net liability of the JV Company as at 31 December 2019 was approximately RMB11,346,711 (equivalent to approximately HK\$12,635,697).

After the conversions of the Earnest Money and loans from the Investor and Shengshi Guangye into equity as mentioned above, and pro-rated partial repayment of the Existing Shareholder's Loan, the remaining balance of the Existing Shareholder's Loans from Shengshi Guangye and the balance of the Investor's loan are expected to be approximately RMB50,488,771 (equivalent to approximately HK\$56,224,295) and approximately RMB19,685,289 (equivalent to approximately HK\$21,921,538) respectively, which shall bear interest at their existing interest rate of 6% per annum.

Any additional funding required by the JV Company beyond its total registered capital as increased above will be sourced by way of bank loan on a non-recourse basis. The Company has no intention nor expectation to provide additional funding beyond its above-mentioned commitment to the registered capital of the JV Company.

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

Upon completion of the Deemed Disposal, the consolidated total assets of the Group would remain the same, the consolidated total liabilities of the Group would decrease by approximately RMB1,156,784,314 (equivalent to approximately HK\$1,288,195,012) and the net assets value of the Group would increase by approximately RMB1,156,784,314 (equivalent to approximately HK\$1,288,195,012).

### **Effect of the Deemed Disposal on earnings of the Group**

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

### **Management of the JV Company**

#### ***Board composition***

The board of directors of the JV Company shall comprise three directors, two of whom shall be nominated by Shengshi Guangye and one by the Investor. All board resolutions of the JV Company shall be passed by a simple majority of votes.

The JV Company shall have two supervisors, one of whom shall be nominated by Shengshi Guangye and the other by the Investor.

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## LETTER FROM THE BOARD

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### *Restriction on transfer of equity interest*

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

### **INFORMATION OF THE LAND**

The JV Company is the owner of the Land, a parcel of land numbered CPPQ-A-3 located in Changlingju, Huangpu District, Guangzhou City, Guangdong Province, the PRC. The site area of the Land is approximately 71,806 square meters, with a plot ratio of 1.0 to 2.5. The Land is permitted for residential development and the term of grant is 70 years.

The Land was acquired through public auction at a purchase price of RMB2,247,010,000 (equivalent to approximately HK\$2,502,270,336) in December 2018, which has been fully settled.

The Land will be developed in one phase comprising 210 duplex and 1,202 high-rise apartments. It is expected that the pre-sale of the duplex and the high-rise apartments will be launched in March 2020 and the third quarter of 2020 respectively. The construction of the Development Project has commenced in September 2019 and is expected to be completed in September 2022 with the property units to be delivered to buyers in the third quarter of 2023. The JV Company will, in accordance with the practical market conditions, make adjustment to the actual arrangements of the construction and development of the Land.

### **REASONS FOR AND BENEFITS OF ENTERING INTO THE CAPITAL INJECTION AGREEMENT**

The Group is principally engaged in real estate development, specialised construction, property investment and securities investment. The Group, through Shengshi Guangye, will be responsible for the day-to-day operation and management of the JV Company and the development of the Development Project. The Investor will be a passive investor holding a non-controlling interest in the JV Company and will not be heavily responsible for the day-to-day operations of the JV Company or the development of the Development Project. It is believed that the Deemed Disposal will bring in investor and hence improve the JV Company's capital efficiency and strengthen its financial position. The Group also believes that it can capitalise on the Investor's experience in real estate development in the PRC real estate market and in cooperating with local governments and leading real estate companies in the PRC with regards to real estate development to expand its brand and current market position in the PRC.

The Directors (including the independent non-executive Directors) considered that the Capital Injection Agreement, which has been entered into after arm's length negotiation between the parties, is on normal commercial terms, and the terms thereof are fair and reasonable and in the interests of the Company and the Shareholders as a whole. None of the Directors has a material interest in the transactions contemplated under the Capital

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## LETTER FROM THE BOARD

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Injection Agreement and none of them is required to abstain, or has abstained, from voting on the relevant board resolutions approving the transactions contemplated under the Capital Injection Agreement.

### INFORMATION ON THE PARTIES

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

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

The JV Company was established in December 2018 by Shengshi Guangye as a single purpose vehicle to acquire and hold the Land and to carry out the Development Project.

The Investor is principally engaged in real estate investment consultancy, real estate sales agency and property management businesses.

### LISTING RULES IMPLICATIONS

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

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in relation to the admission of the Investor to contribute 49% of the registered capital of the JV Company exceeds 25% but all applicable percentage ratios are below 75%, the Deemed Disposal constitutes a major transaction for the Company subject to reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

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

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## LETTER FROM THE BOARD

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### RECOMMENDATION

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

### ADDITIONAL INFORMATION

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

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

**INDEBTEDNESS****Bank borrowings**

As at the close of business on 30 November 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\$14,282 million, details of which are set out below:

<b>Bank borrowings</b>	<i>HK\$' million</i>
Short term bank loans, secured and guaranteed	7,784
Short term bank loans, unsecured and unguaranteed	289
Long term bank loans, secured and guaranteed	2,405
Long term bank loan, secured and unguaranteed	341
Long term bank loans, unsecured and guaranteed	<u>3,463</u>
	<u><u>14,282</u></u>

**Amounts due to an associate**

As at the close of business on 30 November 2019, the Group had outstanding amounts due to an associate of approximately HK\$938 million, which are unsecured and unguaranteed.

**Amount due to a non-controlling shareholder of subsidiaries**

As at the close of business on 30 November 2019, the Group had outstanding amounts due to a non-controlling shareholder of subsidiaries of approximately HK\$266 million, which are unsecured and unguaranteed.

**Amount due to a fellow subsidiary**

As at the close of business on 30 November 2019, the Group had outstanding amount due to a fellow subsidiary of approximately HK\$1,503 million, which is unsecured and unguaranteed.

**Charges on the Group's assets**

As at the close of business on 30 November 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 properties under development and 100% equity interest in a subsidiary.

**Guaranteed bonds**

As at the close of business on 30 November 2019, the Group had guaranteed bonds of approximately HK\$2,341 million and HK\$972 million which will be matured on 18 September 2021 and 26 April 2023, respectively. The principal amounts of the guaranteed bonds are US\$0.3 billion and US\$0.125 billion, 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 30 November 2019, the Group, as a lessee, has outstanding unpaid contractual lease payments for the remainder of the relevant lease terms amounting to HK\$89 million, which are neither secured nor guaranteed.

**Contingent liabilities**

As at the close of business on 30 November 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\$2,776 million.

**General**

Save as aforesaid and apart from intra-group liabilities, the Group did not have any debt securities, issued and outstanding, and authorised or otherwise created but unissued, any other outstanding loan capital, any other borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptance (other than normal trade bills) or similar indebtedness, debentures, mortgages, charges, loans, acceptance credits, hire purchase commitments, guarantees or other material contingent liabilities at the close of business on 30 November 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 to satisfy its requirements for at least the next 12 months from the date of publication of this circular, in the absence of unforeseeable circumstances.

**FINANCIAL AND TRADING PROSPECTS**

Under the overall principle of "Housing for Livelihood not Speculation", promoted by the central government, the year 2019 saw a string of continuous policy regulations, a slowdown of industry growth and the continuation of market uncertainties.

In respect of the land market, it experienced a temporary recovery in the second quarter of 2019; however, in the second half of the year, against a backdrop of tightening financing channels, property developers adopted a more rational investment strategy and the market entered a stage of more segmented competition. Looking forward to 2020, the Group expects property developers to remain cautious when making investments, while the long-term adjustment mechanism of the real estate market will keep influencing the land market as the latter continue to operate at a low level.

As regards the industry landscape, the growth of the real estate industry in 2019 experienced a significant slowdown as compared with that in the previous two years. The overall target level of property developers declined year by year, with a significant drop of the number of new 100 billion-level property developers. In general, it appears to be certain that a market environment which enables the industry to keep a stable and long-term development has currently emerged, and it is expected that in 2020, the overall scale of developers will continue to grow steadily while the industry remains polarized. With the ongoing policy regulations, slowdown of industry growth and presence of market uncertainties, the overall strategy of property developers will lay emphasis on prudence and stability, while their target growth rates are further scaled down. Fierce competition in the industry imposes higher demands on property developers' ability to organize, control, and operate business. Many property developers and investors have ceased to pursue a full-caliber sales mode. Instead, they have placed more emphasis on high quality growth in their results. In such circumstance, city layout, brand effect, project quality and product value will become major components of the core competitiveness of property developers.

In terms of financial management, the Group will adhere to prudent financial management principles to closely monitor gearing ratio and operating expenses, strengthen capital market capability, optimize capital structure, and fully utilize capital raising capability in our Hong Kong listed platform.

*The following is the text of a letter and valuation report prepared for the purpose of incorporation in this circular received from Vigers Appraisal and Consulting Limited, an independent professional valuer, in connection with the valuation of the Property to be disposed of by the Group as at 31st December 2019.*

**Vigers Appraisal and Consulting Limited**

General Practice Sector

27/F Standard Chartered Tower,

Millennium City 1, 388 Kwun Tong Road,

Kowloon, Hong Kong

T: +852 6651-5330 E: GP@Vigers.com W: www.Vigers.com



22 January 2020

The Board of Directors

**Minmetals Land Limited**

18th Floor, China Minmetals Tower,

No. 79 Chatham Road South,

Tsim Sha Tsui,

Kowloon,

Hong Kong

Dear Sirs,

We refer to the recent instruction from “Minmetals Land Limited” (referred to as the “Company”) and/or its subsidiary(ies) (together referred to as the “Group”) to us to value the property interest(s) of “Minmetals Yi Yun Tai, Lot No. CPPQ-A-3, East of Ling Tou New Village, North of Zhang Ling Road, Zhang Ling Ju, Huangpu District, Guangzhou, Guangdong Province, the People’s Republic of China” (the “Property”) to be disposed of by the Group, we confirm that we have inspected the Property, made relevant enquiries and investigations as well as obtained such further information as we consider necessary for the purpose of providing our opinion of value of the Property as at 31st December 2019 (the “Date of Valuation”).

**BASIS OF VALUE**

Our valuation is our opinion of market value of the Property which is defined as intended to mean “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”. Our valuation has been prepared in accordance with “The HKIS Valuation Standards (2017 Edition)” published by “The Hong Kong Institute of Surveyors” (“HKIS”), “RICS Valuation — Global Standards 2017” published by the “Royal Institution of Chartered Surveyors” (“RICS”), relevant provisions in the Companies Ordinance and the “Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited” (Main Board) published by “The Stock Exchange of Hong Kong Limited” (“HKEx”). Market value is the best price reasonably obtainable in the market by the seller and the most advantageous price reasonably obtainable in the market by the buyer. This estimate specifically excludes an estimated price inflated or deflated by



special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of special value. The market value of a property is also estimated without regard to cost(s) of sale and purchase, and without offset for any associated tax(es).

### **APPROACH TO VALUE**

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

### **TITLE INVESTIGATION**

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

### **VALUATION CONSIDERATION**

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

We had carried out on-site inspection to the Property and surrounding environment, but not in any form of a building survey, in January 2020. But we must stress that we have not carried out any structural survey nor have we inspected the woodwork or other part(s)

of the structure(s) of the Property which were covered, unexposed or inaccessible to us. We are therefore unable to report whether such part(s) of the Property is free from any structural or non-structural defect.

### **VALUATION ASSUMPTION**

Our valuation(s) has/have been made on the assumption that the Property could be sold in the prevailing market in existing state assuming sale with vacant possession and without the effect of any deferred term contract, leaseback, joint venture or any other similar arrangement which may serve to affect the value of the Property unless otherwise noted or specified. In addition, no account has been taken into of any option or right of pre-emption concerning or affecting the sale of the Property.

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

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

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

### **REMARKS**

As confirmed by the Group,

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

We hereby confirm that:

- (1) we have no present or prospective interest in the Property; and are not a related corporation of nor having a relationship with the Group or other party/parties who the Group is contracting with;
- (2) we are authorised to practise as external valuer and have the necessary expertise and experience in valuing similar types of properties;

- (3) our valuation has been prepared on a fair and unbiased basis;
- (4) the valuer's compensation is not contingent upon reporting of a predetermined value or direction in value(s) that favours the cause of the vendor(s) or purchaser(s), the amount(s) of the value estimate, the attainment of a stipulated result, or occurrence of subsequent event(s); and
- (5) we are independent of the Group.

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

We enclose herewith the core content of our valuation report.

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

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

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

## PROPERTY VALUATION REPORT

## Property held by the Group under Construction

Property	Description and Tenure	Occupancy Status	Market Value in Existing State as at the Date of Valuation																
Minmetals Yi Yun Tai, Lot No. CPPQ-A-3, East of Ling Tou New Village, North of Zhang Ling Road, Zhang Ling Ju, Huangpu District, Guangzhou, Guangdong Province, the People's Republic of China	<p>To be completed in 2022, the Property is being developed into a large-scale residential development with provision of commercial and other ancillary facilities such as primary school, kindergarten, wet market, public toilet and so on provided therein upon completion.</p> <p>The Property has a site area of about 71,806 square metres and a total planned gross floor area of about 256,764 square metres with breakdown below.</p>	<p>The Property was in its progress of development that several public facilities were almost topped-up and majority of the substructure was to be carried out having an estimated completion percentage of about 9.09% based on the construction work budget and work done as of the Date of Valuation.</p>	<p>RMB2,620,000,000 (RENMINBI TWO BILLION SIX HUNDRED TWENTY MILLION ONLY)</p> <p>(100% interest attributable to the Company: RMB2,620,000,000 (RENMINBI TWO BILLION SIX HUNDRED TWENTY MILLION ONLY))</p>																
	<table><tr><th>Use</th><th>Gross Floor Area</th></tr><tr><td>High-rise Residential</td><td>119,015 square metres</td></tr><tr><td>Low-rise Residential</td><td>31,209 square metres</td></tr><tr><td>Other Residential*</td><td>8,246 square metres</td></tr><tr><td>Commercial</td><td>1,610 square metres</td></tr><tr><td>Public Facilities*</td><td>18,625 square metres</td></tr><tr><td>Carpark</td><td><u>78,059 square metres</u></td></tr><tr><td>Total</td><td><u>256,764 square metres</u></td></tr></table>	Use	Gross Floor Area	High-rise Residential	119,015 square metres	Low-rise Residential	31,209 square metres	Other Residential*	8,246 square metres	Commercial	1,610 square metres	Public Facilities*	18,625 square metres	Carpark	<u>78,059 square metres</u>	Total	<u>256,764 square metres</u>		
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Carpark	<u>78,059 square metres</u>																		
Total	<u>256,764 square metres</u>																		
	<i>* To be surrendered to Government upon completion</i>																		
	The Property will also provide a total of 1,922 car parking space on basement upon completion.																		
	The Property is held under granted land-use rights with a term of 70 years from 19th June 2019 to 18th June 2089 for other typical commodity housing use.																		

## Notes

- Pursuant to "State-owned Land-use Rights Grant Contract" (Document No.: 4401122018B00706) and its Supplementary Agreement(s), the land-use rights of the Property has been granted to "廣州市礦茂房地產開發有限公司 (Guangzhou Kuangmao Property Development Co., Ltd.\*)" at the land-use rights grant premium of RMB2,247,010,000 plus Deed Tax and related expenses amounting to RMB83,860,293 for other typical commodity housing use having a maximum plot ratio of 2.50 times with construction work to be completed by 30th June 2022.

2. Pursuant to “Real Estate Title Certificate” (Document Nos.: Yue (2019) Guang Zhou Shi Bu Dong Chan Quan No. 06860208), the granted land-use rights of the Property is vested in the name of “廣州市礦茂房地產開發有限公司 (Guangzhou Kuangmao Property Development Co., Ltd.\*)”.
3. Pursuant to “Construction Land-use Planning Permit” (Document No.: Di Zi Di Sui Gui Hua Zi Yuan Di Zheng (2019) No. 64), the land-use of the Property complies with urban and rural planning requirements.
4. Pursuant to “Construction Work Planning Permits” (Document Nos.: Jian Zi Di Sui Gui Hua Zi Yuan Jian Zheng (2019) Nos. 3375, 3643, 3659 and 4255), part of the construction work of the Property having an aggregate gross floor area of about 15,777.3 square metres complies with urban and rural planning requirements.
5. Pursuant to “Construction Work Commencement Permits” (Document Nos.: 440112201909100101, 440112201909170201 and 440112201910120101), part of the construction work of the Property having an aggregate gross floor area of about 15,777.3 square metres complies with construction work commencement condition and has been approved for construction.
6. As advised by the Group, the budgeted construction cost and construction payment of the Property (both exclusive of professional fee(s), interest(s), contingency(ies), finance charge(s) and legal cost(s)) as of the Date of Valuation are RMB1,328,090,000 and RMB108,994,010 respectively which have been duly considered in our valuation(s) shown above to reflect the quality and existing state of the Property.
7. The gross development value of the Property, as intended to mean “the market value of the Property assuming that the proposed development has been newly completed as at the Date of Valuation pursuant to the prevailing development control parameters under the relevant regulatory frameworks as well as the latest hypothetical development proposal made available to us”, is assessed at RMB5,190,000,000 (RENMINBI FIVE BILLION ONE HUNDRED NINETY MILLION ONLY) as at the Date of Valuation.
8. As advised by the Group, “廣州市礦茂房地產開發有限公司 (Guangzhou Kuangmao Property Development Co., Ltd.\*)” is an indirect wholly-owned subsidiary of the Company as at the Latest Practicable Date established in accordance with the laws of the PRC.
9. The PRC Legal Adviser has provided certain advice in her legal opinion, including but not limited to, that:
  - (1) the land-use rights of the Property is legally vested in “廣州市礦茂房地產開發有限公司 (Guangzhou Kuangmao Property Development Co., Ltd.\*)”;
  - (2) “廣州市礦茂房地產開發有限公司 (Guangzhou Kuangmao Property Development Co., Ltd.\*)” has the rights to develop, use, operate, transfer, let, mortgage or use for other economic activities during the land-use rights’ term subject to compliance of laws and regulations, State-owned Land-use Rights Grant Contract and urban planning requirements; and
  - (3) The rights of the Property pursuant to the “Real Estate Title Certificate”, “Construction Land-use Planning Permit”, “Construction Work Planning Permits” and “Construction Work Commencement Permits” are vested in the name of “廣州市礦茂房地產開發有限公司 (Guangzhou Kuangmao Property Development Co., Ltd.\*)”.
  - (4) the Property is not subject to mortgage.
10. An inspection to the property and surrounding environment, but not in any form of a building survey, was carried out by Ms Rachel R. C. DAI *MSc(Sustainable Development)* under the direct supervision of Sr Franky C. H. WONG *MSc(RealEst) MCIM FIPA FRICS MHKIS RPS(GP) China Registered Real Estate Appraiser RICS Registered Valuer* on 7th January 2020.

11. The property is located in a newly developed residential area in Guangzhou where is mainly comprised of mass residential development. Unit selling prices of typical residential units in the area vary from RMB29,440 to RMB35,789 per square metre on gross floor area basis; while accommodation values of comparable site transactions vary from RMB10,995 to RMB19,575 per square metre on plot ratio gross floor area basis. The assumed unit rate(s) and accommodation value to the Property are in line with the aforesaid unit selling prices and comparable accommodation values.
12. As advised by the Company, the Property is recorded as an inventory in the consolidated balance sheet of the Company.

## 1. RESPONSIBILITY STATEMENT

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

## 2. DISCLOSURE OF INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

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

### Interests in the Shares

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

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

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



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

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

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

Ms. Law Fan Chiu Fun, Fanny, being an independent non-executive Director of the Company, is also a director of China Resources (Holdings) Co., Ltd., 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) the financial services framework agreement dated 20 April 2018 (the “**2018 Agreement**”) entered into between the Company and 五礦集團財務有限責任公司 Minmetals Finance Co., Ltd.\* (“**Minmetals Finance**”) in relation to the provision of financial services by Minmetals Finance to the Company and its subsidiaries in the Mainland China for the three years from 20 April 2018 to 19 April 2021. Further details of the 2018 Agreement are set out in the announcement and the circular of the Company dated 20 April 2018 and 14 May 2018 respectively;

- (b) 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, 11 May 2018 and 17 May 2018;
- (c) 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;
- (d) a joint venture agreement dated 14 December 2018 entered into among Shengshi Guangye, 桐鄉市安豪投資管理有限公司 Tongxiang City Anhao Investment Management Co., Ltd.\*, the three other parties to the joint venture agreement, as joint venture parties, and 廣州安合房地產開發有限公司 Guangzhou Anhe Real Estate Development Co., Ltd.\* (**“Guangzhou Anhe”**) as the target company, in relation to the formation of a joint venture and the operation of the target company (i.e. Guangzhou Anhe), whereby Shengshi Guangye shall contribute the total investment amount of RMB216,489,000, which comprises RMB5,000,000 to subscribe for 10% equity interest in Guangzhou Anhe and up to RMB211,489,000 as shareholder’s loan to Guangzhou Anhe. Further details of the joint venture agreement are set out in the announcement of the Company dated 14 December 2018;
- (e) the Memorandum of Intent;

- (f) an agreement of intent dated 11 April 2019 (the “**Guangzhou Kuangrong Agreement of Intent**”) entered into among Shengshi Guangye, 廣州招商房地產有限公司 Guangzhou Merchants Property Development Limited\* (“**Guangzhou Merchants**”) as an investor and 廣州礦榮房地產開發有限公司 Guangzhou Kuangrong Property Development Co., Ltd.\* (“**Guangzhou Kuangrong**”) as the target company, in relation to the possible formation of joint venture and the operation of the target company (i.e. Guangzhou Kuangrong), whereby Shengshi Guangye shall contribute an amount of approximately RMB588 million if the transactions contemplated thereunder materialize. Further details of the Guangzhou Kuangrong Agreement of Intent are set out in the announcement of the Company dated 11 April 2019;
- (g) an earnest money agreement dated 11 April 2019 entered into by the Company, Guangzhou Merchants as an investor and Guangzhou Kuangrong as the target company in respect of, among other things, the payment of an earnest money by Guangzhou Merchants to Guangzhou Kuangrong in the amount of approximately RMB548.91 million in relation to the Guangzhou Kuangrong Agreement of Intent. Further details of the earnest money agreement are set out in the announcement of the Company dated 11 April 2019;
- (h) a supplemental agreement dated 28 March 2019 entered into between the Company and Minmetals Finance in relation to, among other things, the revision of the original annual caps for deposit transactions contemplated under the 2018 Agreement to RMB3,000 million and the provision of unsecured loan by Minmetals Finance to the Company for an amount of up to RMB3,000 million on comparable market terms. Further details of the supplemental agreement are set out in the announcement of the Company dated 28 March 2019 and the circular of the Company dated 23 April 2019 (the “**April Circular**”);
- (i) a capital injection agreement dated 8 January 2020 entered into among Shengshi Guangye, Guangzhou Merchants as an investor and Guangzhou Kuangrong as the target company in relation to the admission of Guangzhou Merchants to contribute 49% of the registered capital and shareholder’s loan of Guangzhou Kuangrong for a total sum of approximately RMB593 million as contemplated under the Guangzhou Kuangrong Agreement of Intent. Further details of the capital injection agreement are set out in the announcement of the Company dated 8 January 2020; and
- (j) the Capital Injection Agreement.

**8. EXPERT**

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

<b>Name</b>	<b>Qualification</b>
Vigers	independent professional property valuers

*Note:* For details of the qualification of the expert above, please refer to page II-4 of this circular.

As at the Latest Practicable Date, Vigers:

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

**9. MISCELLANEOUS**

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

**10. 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 property valuation report, the text of which is set out in Appendix II to this circular;
- (d) the written consent referred to in the paragraph headed “8. EXPERT” in this appendix;
- (e) the annual reports of the Company for the two financial years ended 31 December 2017 and 2018;
- (f) the April Circular; and
- (g) this circular.