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**五礦地產**  
MINMETALS LAND

**中國五礦**

**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  
IN RELATION TO RENEWAL OF  
FINANCIAL SERVICES FRAMEWORK AGREEMENT**

Reference are made to the announcement of the Company dated 2 February 2021 and the circular of the Company dated 25 February 2021 in relation to, among others, the 2021 Financial Services Agreement, pursuant to which Minmetals Finance may provide financial services to the Company and its subsidiaries in Mainland China for a term of three years from 20 April 2021 to 19 April 2024. The 2021 Financial Services Agreement will expire on 19 April 2024 and it is expected that the Group will continue to enter into similar transactions from time to time thereafter. Accordingly, on 19 April 2024, the Company and Minmetals Finance entered into the 2024 Financial Services Agreement to renew the 2021 Financial Services Agreement for a further term of three years from 20 April 2024 to 19 April 2027.

As at the date of this announcement, Minmetals Finance is an indirect non-wholly owned subsidiary of China Minmetals which is the controlling shareholder of the Company holding approximately 61.88% issued Shares. Accordingly, Minmetals Finance is a connected person of the Company pursuant to Chapter 14A of the Listing Rules and the Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

### **Deposit Services**

As one of the applicable percentage ratios for the provision of deposit services by Minmetals Finance under the 2024 Financial Services Agreement exceeds 100% but the provision of deposit services does not constitute an acquisition by the Company, the provision of deposit services by Minmetals Finance does not constitute a very substantial acquisition but constitutes a major transaction for the Company and is subject to reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Since one or more of the applicable percentage ratios for the provision of deposit services by Minmetals Finance under the 2024 Financial Services Agreement exceeds 5%, it is subject to reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

### **Loan Services**

The provision of loan services by Minmetals Finance under the 2024 Financial Services Agreement constitutes financial assistance to be provided by a connected person for the benefit of the Group. Since such services shall be on normal commercial terms, on terms (including interests) no less favourable to the Group than those that could be obtained from independent third parties, and no security over the assets of the Group shall be granted in respect of the loans to be provided by Minmetals Finance, it is exempt from reporting, announcement, annual review and independent shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

### **Settlement Services**

As the settlement services to be provided by Minmetals Finance to the Company and its subsidiaries in Mainland China under the 2024 Financial Services Agreement will be free of handling charge, it is exempt from reporting, announcement, annual review and independent shareholders' approval requirements under Rule 14A.76(1) of the Listing Rules.

The Company will convene the SGM to seek the Independent Shareholders' approval for the 2024 Financial Services Agreement and the Transactions (including the Annual Cap Amounts). The Independent Board Committee has been formed to advise the Independent Shareholders in connection with the 2024 Financial Services Agreement and the Transactions (including the Annual Cap Amounts). The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders on the 2024 Financial Services Agreement and the Transactions (including the Annual Cap Amounts).

A circular containing, among others, (i) details of the 2024 Financial Services Agreement, the Transactions and the Annual Cap Amounts; (ii) a letter from the Independent Board Committee to the Independent Shareholders in respect of the 2024 Financial Services Agreement and the Transactions (including the Annual Cap Amounts); (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the 2024 Financial Services Agreement and the Transactions (including the Annual Cap Amounts); and (iv) a notice convening the SGM, will be despatched to the Shareholders on or before 9 May 2024.

## **BACKGROUND**

Reference are made to the announcement of the Company dated 2 February 2021 and the circular of the Company dated 25 February 2021 in relation to, among others, the 2021 Financial Services Agreement, pursuant to which Minmetals Finance may provide financial services to the Company and its subsidiaries in Mainland China for a term of three years from 20 April 2021 to 19 April 2024. The 2021 Financial Services Agreement will expire on 19 April 2024 and it is expected that the Group will continue to enter into similar transactions from time to time thereafter. Accordingly, on 19 April 2024, the Company and Minmetals Finance entered into the 2024 Financial Services Agreement to renew the 2021 Financial Services Agreement for a further term of three years from 20 April 2024 to 19 April 2027.

The principal terms of the 2024 Financial Services Agreement are set out below:

### **Date**

19 April 2024

### **Parties**

- (1) The Company
- (2) Minmetals Finance

### **Term**

20 April 2024 to 19 April 2027

## **Scope**

Minmetals Finance shall provide the following financial services to the Company and its subsidiaries in Mainland China on normal commercial terms, on terms (including interests) no less favourable to the Company and its subsidiaries in Mainland China than those that could be obtained from independent third parties:

### ***(1) Current and fixed deposit services***

Pursuant to the 2024 Financial Services Agreement, Minmetals Finance shall provide deposit services to the Company and its subsidiaries in Mainland China. The interest rate for the deposits placed with Minmetals Finance by the Company and its subsidiaries in Mainland China shall not be lower than (a) the highest interest rate for comparable category of deposits offered by other major PRC commercial banks with which the Company and its 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 a comparable category of deposits, whichever is higher.

### ***(2) Loan services***

Minmetals Finance shall provide loan services to the Company and its subsidiaries in Mainland China and no security over the assets of the Group shall be granted to Minmetals Finance for any of such loans. Minmetals Finance shall grant unsecured loan(s) of up to RMB3,000,000,000 to the Company and its subsidiaries in Mainland China upon its request on comparable market terms. The interest rate to be charged by Minmetals Finance for the provision of loans to the Company and its subsidiaries in Mainland China shall not be higher than (a) the lowest interest rate for comparable category of loans charged by other major PRC commercial banks with which the Company and its subsidiaries in Mainland China have established business relationship; and (b) the lowest interest rate charged by Minmetals Finance on other subsidiaries of China Minmetals for a comparable category of loans, whichever is lower.

### ***(3) Settlement services***

All settlement services to be provided by Minmetals Finance to the Company and its subsidiaries in Mainland China under the 2024 Financial Services Agreement will be free of handling charge.

### ***Non-exclusivity***

The Company and its subsidiaries in Mainland China have the right to use other financial services providers according to operational needs and to determine the deposit and loan amounts as well as the schedule for withdrawal of deposits (other than fixed deposits with specified deposit terms).

## Historical amount

The approximate historical deposit transaction amounts in relation to the provision of deposit services by Minmetals Finance to the Company and its subsidiaries in Mainland China under the 2021 Financial Services Agreement are as follows:

	For the period from 20 April 2021 to 31 December 2021	For the year ended 31 December 2022	For the year ended 31 December 2023	For the period from 1 January 2024 to 31 March 2024
The maximum daily outstanding balance of deposits (including accrued interests)	RMB2,972,930,374	RMB2,974,578,950	RMB2,995,992,355	RMB1,703,710,465

## Annual Cap Amounts

The Annual Cap Amounts 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 2024 Financial Services Agreement will remain the same as the annual caps under the 2021 Financial Services Agreement as follows:

	For the period from 20 April 2024 to 31 December 2024	For the year ending 31 December 2025	For the year ending 31 December 2026	For the period from 1 January 2027 to 19 April 2027
The maximum daily outstanding balance of deposits (including accrued interests)	RMB3,000,000,000	RMB3,000,000,000	RMB3,000,000,000	RMB3,000,000,000

The Annual Cap Amounts were determined based on arm's length negotiations between the Group and Minmetals Finance having considered, among others, the following factors and assumptions:

- (1) the historical transaction figures as stated above;
- (2) strategies of the treasury management of the Company taking into account the cash flow requirements and financial needs of the Group for its business development plans;
- (3) the expected cash flow position of the Group and its contract sales;
- (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.

## **REASONS AND BENEFITS OF ENTERING INTO THE 2024 FINANCIAL SERVICES AGREEMENT**

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

Minmetals Finance has established a long-standing cooperative relationship with the Group and has been providing financial services to the Group since November 2013. Based on the long-standing relationship, the Group is satisfied with the expedient and efficient services rendered by Minmetals Finance as it has a better understanding of the business operations of the Company and its subsidiaries in Mainland China. Accordingly, the Group intended to continue to procure financial services from Minmetals Finance.

The Company entered into the 2024 Financial Services Agreement with Minmetals Finance taking into account (i) the Group's business development plans, treasury management and financial needs of the Group; (ii) the need to secure a stable provision of financial services under the 2024 Financial Services Agreement given the rising interest rates and the tightening credit market in the near future; (iii) obtaining an additional channel for financing; and (iv) enhancing return on surplus funds and reducing finance costs due to favourable interest rates for deposits and loans as well as utilisation of settlement services free of handling charge.

Minmetals Finance is subject to the supervision of the CBRC and provides its services in accordance with the rules and operational requirements of CBRC. The Company believes that the risk profile of Minmetals Finance, as a financial services provider to the Company and its subsidiaries in Mainland China, is not greater than that of independent commercial banks in the PRC. Under the relevant rules of the PBOC and CBRC, the clients of Minmetals Finance are restricted to China Minmetals and its subsidiaries (including the Group). Minmetals Finance is hence exposed to a lower level of potential risk than if clients included external entities.

The Directors (excluding independent non-executive Directors whose view would be set out in a circular to be despatched to the Shareholders after considering the recommendation from the Independent Financial Adviser) are of the view that the 2024 Financial Services Agreement (including the Annual Cap Amounts) was 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. No Director has a material interest in the 2024 Financial Services Agreement and the Transactions nor is required to abstain from voting on the Board resolution approving the same.

## **INTERNAL CONTROL PROCEDURES 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 2024 Financial Services Agreement:

- (1) Minmetals Finance shall coordinate with the internal audit department and/or external auditors of the Company to review the transactions contemplated under the 2024 Financial Services Agreement and the relevant internal controls. The auditors and the independent non-executive Directors shall conduct an annual review of the transactions contemplated under the 2024 Financial Services Agreement and provide annual confirmations in accordance with the Listing Rules that Transactions are conducted in accordance with the terms of the 2024 Financial Services Agreement, on normal commercial terms and are in the interest of the Company and the Shareholders as a whole;
- (2) Minmetals Finance shall assist the Company in complying with the relevant regulations (including but not limited to the Listing Rules);
- (3) 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;
- (4) 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;
- (5) Minmetals Finance shall adopt control measures in its enterprise resource planning system to ensure effective control of the Annual Caps Amounts such that they shall not be exceeded;
- (6) specifically designated personnel from the finance department of the Company will be responsible for regular monitoring of the Transactions and will report to the management of the Company on a monthly basis in relation to the Transactions;
- (7) 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;
- (8) 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 PRC commercial banks or financial institutions with which the Company and its subsidiaries in Mainland China have established business relationship; and

- (9) the arrangement between the Company and Minmetals Finance under the 2024 Financial Services Agreement is non-exclusive, and the Company and its subsidiaries in Mainland China have their discretion in selecting the provider for financial services.

## **INFORMATION OF THE PARTIES**

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

Minmetals Finance, an indirect non-wholly owned 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.

China Minmetals is a state-owned enterprise established under the laws of the PRC and the ultimate controlling shareholder of the Company which is indirectly interested in approximately 61.88% of the issued share capital of the Company as at the date of this announcement. It is principally engaged in exploration, mining, smelting, processing and trading for metals and minerals, finance, real estate, and mining and metallurgic technology.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Minmetals Finance is an indirect non-wholly owned subsidiary of China Minmetals which is the controlling shareholder of the Company holding approximately 61.88% issued Shares. Accordingly, Minmetals Finance is a connected person of the Company pursuant to Chapter 14A of the Listing Rules and the Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

### **Deposit Services**

As one of the applicable percentage ratios for the provision of deposit services by Minmetals Finance under the 2024 Financial Services Agreement exceeds 100% but the provision of deposit services does not constitute an acquisition by the Company, the provision of deposit services by Minmetals Finance does not constitute a very substantial acquisition but constitutes a major transaction for the Company and is subject to reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Since one or more of the applicable percentage ratios for the provision of deposit services by Minmetals Finance under the 2024 Financial Services Agreement exceeds 5%, it is subject to reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.



## **Loan Services**

The provision of loan services by Minmetals Finance under the 2024 Financial Services Agreement constitutes financial assistance to be provided by a connected person for the benefit of the Group. Since such services shall be on normal commercial terms, on terms (including interests) no less favourable to the Group than those that could be obtained from independent third parties, and no security over the assets of the Group shall be granted in respect of the loans to be provided by Minmetals Finance, it is exempt from reporting, announcement, annual review and independent shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

## **Settlement Services**

As the settlement services to be provided by Minmetals Finance to the Company and its subsidiaries in Mainland China under the 2024 Financial Services Agreement will be free of handling charge, it is exempt from reporting, announcement, annual review and independent shareholders' approval requirements under Rule 14A.76(1) of the Listing Rules.

The Company will convene the SGM to seek the Independent Shareholders' approval for the 2024 Financial Services Agreement and the Transactions (including the Annual Cap Amounts). The Independent Board Committee has been formed to advise the Independent Shareholders in connection with the 2024 Financial Services Agreement and the Transactions (including the Annual Cap Amounts). The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders on the 2024 Financial Services Agreement and the Transactions (including the Annual Cap Amounts).

A circular containing, among others, (i) details of the 2024 Financial Services Agreement, the Transactions and the Annual Cap Amounts; (ii) a letter from the Independent Board Committee to the Independent Shareholders in respect of the 2024 Financial Services Agreement and the Transactions (including the Annual Cap Amounts); (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the 2024 Financial Services Agreement and the Transactions (including the Annual Cap Amounts); and (iv) a notice convening the SGM, will be despatched to the Shareholders on or before 9 May 2024.

## **DEFINITIONS**

“2021 Financial Services Agreement”	the financial services framework agreement dated 2 February 2021 entered into between the Company and Minmetals Finance in relation to the financial services to be provided by Minmetals Finance to the Company and its subsidiaries in Mainland China for the three years from 20 April 2021 to 19 April 2024;
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“2024 Financial Services Agreement”	the financial services framework agreement dated 19 April 2024 entered into between the Company and Minmetals Finance in relation to the financial services to be provided by Minmetals Finance to the Company and its subsidiaries in Mainland China for the three years from 20 April 2024 to 19 April 2027;
“Annual Cap Amounts”	the proposed caps for deposit transactions contemplated under the 2024 Financial Services Agreement for the three years from 20 April 2024 to 19 April 2027, as set out in the section headed “Annual Cap Amounts” in this announcement;
“Board”	the board of Directors;
“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 of the Company indirectly interested in approximately 61.88% of the issued share capital of the Company as at the date of this announcement;
“Company”	Minmetals Land Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“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 2024 Financial Services Agreement and the Transactions (including the Annual Cap Amounts);
“Independent Financial Adviser”	Somerley Capital Limited;
“Independent Shareholder(s)”	Shareholder(s) other than June Glory and its associates, and any Shareholder who has a material interest in the 2024 Financial Services Agreement and the Transactions;

“June Glory”	June Glory International Limited, a company incorporated in the British Virgin Islands with limited liability, and the immediate controlling shareholder of the Company holding approximately 61.88% of the issued share capital of the Company as at the date of this announcement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mainland China” or “PRC”	the People’s Republic of China (for the purpose of this announcement, 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 in the PRC and an indirect non-wholly owned subsidiary of China Minmetals as at the date of this announcement;
“RMB”	Renminbi, the lawful currency of the PRC;
“SGM”	a special general meeting of the Company to be convened to consider and, if thought fit, among other things, to approve the 2024 Financial Services Agreement and the transactions contemplated thereunder (including the Annual Cap Amounts);
“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company;
“Shareholder(s)”	holders of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transactions”	the transactions contemplated under 2024 Financial Services Agreement; and
“%”	per cent.

\* *For identification purposes only*

*In this announcement, unless the context requires otherwise, the terms “associate(s)”, “connected person(s)”, “continuing connected transaction(s)”, “percentage ratio(s)”, “controlling shareholder(s)” and “subsidiary(ies)”, shall have the meaning given to such terms in the Listing Rules.*

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

Hong Kong, 19 April 2024

*As at the date of this announcement, the Board comprises nine directors, namely Mr. He Jianbo as the Chairman and an executive Director, Mr. Liu Bo, Mr. Chen Xingwu and Mr. Yang Shangping as executive Directors, Ms. He Xiaoli and Mr. Huang Guoping as non-executive Directors, and Mr. Lam Chung Lun, Billy, Ms. Law Fan Chiu Fun, Fanny and Professor Wang Xiuli as independent non-executive Directors.*