

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



**五礦建設有限公司\***  
**MINMETALS LAND LIMITED**

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

**DISCLOSEABLE TRANSACTION**

**SECOND CO-OPERATION AGREEMENT  
IN RELATION TO A PROJECT IN HEBEI PROVINCE, THE PRC**

**Background**

Reference is made to the announcements of the Company dated 8 January 2010, 13 January 2010, 29 January 2010, 21 June 2010 and 24 July 2011, and the circular of the Company dated 12 March 2010, in relation to, among other things, the Co-operation Agreement entered into among the Company, the JV Partner and the Co-organiser, and the formation of the Joint Venture by the Joint Partners for the development of the Project covering land parcels with a total area of up to approximately 5,333,333 square metres in Hebei Province, the PRC at a total consideration of up to RMB5,209 million (approximately HK\$6,589.39 million).

Pursuant to the Co-operation Agreement, the Co-organiser shall arrange for the land parcels to be delivered in phases to the Joint Partners by certain dates. As at the date of this announcement, the Co-organiser has delivered the First Land Parcel to the Joint Partners under the Co-operation Agreement covering an area of approximately 130,000 square metres. The Joint Partners have separately won a tender through public auction for the land use rights in respect of the Second Land Parcel with a site area of approximately 264,667 square metres, and wishes to acquire the Third Land Parcel with a site area of approximately 97,672 square metres, for the development of the Project.

**The Second Co-operation Agreement**

On 5 May 2014, JV Co A, being one of the JV Companies and a non wholly-owned subsidiary of the Company, entered into the Second Co-operation Agreement with JV Co B and the Co-organiser, whereby the Co-organiser agreed to organise the relocation and preparation work in respect of the Third Land Parcel for public auction purpose, for delivery to the JV Companies at a consideration of approximately RMB344.29 million (approximately HK\$435.53 million).

The consideration payable under the Second Co-operation Agreement includes the cost payable to the local government authority in the PRC for the acquisition of the land use rights, and the fees payable to the Co-organiser for the relocation and preparation work in respect of the Third Land Parcel. Each of JV Co A and JV Co B will bear 50% of the consideration payable under the Second Co-operation Agreement.

Together with the First Land Parcel and the Second Land Parcel, upon the delivery of the Third Land Parcel by the Co-organiser to the JV Companies, the total site area of the Land Parcels acquired for the development of the Project will be approximately 492,339 square metres, and the total consideration paid or payable by the Group will be approximately RMB486.16 million (approximately HK\$614.99 million). In the event that the Joint Partners acquire additional land for the development of the Project, the Company will comply with the Listing Rules as required.

### **Listing Rules Implications**

Since one of the applicable percentage ratios in respect of the total consideration paid or payable by the Company under the Second Co-operation Agreement exceeds 5% but all of the applicable percentage ratios are less than 25%, the Proposed Transactions constitute a discloseable transaction subject to the reporting and, announcement requirements under Chapter 14 of the Listing Rules.

As the JV Partner or JV Co B (as the case may be) is merely entering into the Second Co-operation Agreement as a joint partner of the Company or JV Co A (as the case may be) in the Proposed Transactions and there is no change in the “joint partner” relationship between the Company and the JV Partner in relation to the Project as a result of the Second Co-operation Agreement, the Proposed Transactions do not constitute connected transactions subject to the reporting, annual review, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

**The successful completion of the Proposed Transactions is subject to, among other things, the finalisation of various legal documentation and the obtaining of various consents from relevant government authorities in the PRC as set out in the Second Co-operation Agreement. Accordingly, the Joint Partners may or may not be able to obtain the entire or any part the Third Land Parcel for development. Shareholders and potential investors should exercise caution when dealing in the Shares. The Company will comply with applicable requirements under the Listing Rules where required.**

## **BACKGROUND**

Reference is made to the announcements of the Company dated 8 January 2010, 13 January 2010, 29 January 2010, 21 June 2010 and 24 July 2011, and the circular of the Company dated 12 March 2010, in relation to, among other things, the Co-operation Agreement entered into among the Company, the JV Partner and the Co-organiser, and the formation of the Joint Venture by the Joint Partners for the development of the Project covering land parcels with a total area of up to approximately 5,333,333 square metres in Hebei Province, the PRC at a total consideration of up to RMB5,209 million (approximately HK\$6,589.39 million).

Pursuant to the Co-operation Agreement, the Co-organiser shall arrange for the land parcels to be delivered in phases to the Joint Partners by certain dates which have all expired. On 5 May 2014, JV Co A entered into the Second Co-operation Agreement with JV Co B and the Co-organiser, in relation to the delivery of the Third Land Parcel. Each of JV Co A and JV Co B will bear 50% of the consideration payable under the Second Co-operation Agreement. The major terms of the Second Co-operation Agreement are set out below.

## **SECOND CO-OPERATION AGREEMENT**

### **Date**

5 May 2014

### **Parties**

- (1) the Co-organiser; and
- (2) JV Co A and JV Co B, as joint partners.

JV Co B is also a connected person of the Company by virtue of its being a non wholly-owned subsidiary of and hence an associate of the JV Partner, which in turn is a substantial shareholder of JV Co A and another non wholly-owned subsidiary of the Company.

So far as the Board is aware after making reasonable enquiries, the Co-organiser is an entity established in the PRC and designated by the local government of Hebei Province, the PRC to organise the relocation and other preparation work in respect of the Third Land Parcel for development. So far as the Board is aware after making reasonable enquiries, the Co-organiser and its ultimate beneficial owner are parties independent of the Company and its connected persons.

### **Subject matter**

Pursuant to the Second Co-operation Agreement, the Co-organiser agreed to organise the relocation and preparation work in respect of the Third Land Parcel for public auction purpose, for delivery to the JV Companies at a consideration of approximately RMB344.29 million (approximately HK\$435.53 million), which amount includes the cost payable to the local government authority in the PRC for the acquisition of the land use rights, and the fees payable to the Co-organiser for the relocation and preparation work in respect of the Third Land Parcel. Each of JV Co A and JV Co B will bear 50% of the consideration payable under the Second Co-operation Agreement.

The consideration payable under the Second Co-operation Agreement was determined based on arm's length negotiations among the parties and the land prices and the cost of preparing land for re-development in the vicinity of the Third Land Parcel. JV Co A intends to finance its share of such consideration using its internal resources and borrowings from financial institutions.

As at the date of this announcement, RMB70.73 million (approximately HK\$89.47 million) of the consideration payable under the Second Co-operation Agreement has already been paid by the JV Companies. The remaining balance will be paid by the JV Companies in stages

with reference to the progress of the relocation and clearance work on the Third Land Parcel and the date on which the land use rights certificate in respect of the Third Land Parcel is obtained by the JV Companies in accordance with the terms of the Second Cooperation Agreement.

Subject to, among other things, the obtaining of various consents from relevant government authorities in the PRC, it is expected that the Third Land Parcel will be delivered to the JV Companies by 15 May 2014.

**The successful completion of the Proposed Transactions is subject to, among other things, the finalisation of various legal documentation and the obtaining of various consents from relevant government authorities in the PRC as set out in the Second Co-operation Agreement. Accordingly, the Joint Partners may or may not be able to obtain the entire or any part of the Third Land Parcel for development. Shareholders and potential investors should exercise caution when dealing in the Shares. The Company will comply with applicable requirements under the Listing Rules where required.**

## **UPDATES ON PROGRESS OF DEVELOPMENT OF THE PROJECT**

Pursuant to the Co-operation Agreement, the Co-organiser shall arrange for the land parcels with a total area of up to approximately 5,333,333 square metres in Hebei Province, the PRC to be delivered in phases to the Joint Partners by certain dates. As at the date of this announcement, the Co-organiser has delivered the First Land Parcel to the Joint Partners under the Co-operation Agreement covering an area of approximately 130,000 square metres. The Joint Partners have separately won a tender through public auction for the land use rights in respect of the Second Land Parcel with a site area of approximately 264,667 square metres, for the development of the Project.

Pursuant to the Second Co-operation Agreement, the Co-organiser agreed to organise the relocation and preparation work in respect of the Third Land Parcel for public auction purpose, for delivery to the JV Companies. It is expected that the Third Land Parcel will ultimately be transferred to the JV Companies for the development of the Project comprising mainly commodity houses and villas for residential purposes. Construction works for the Project are expected to be completed in 2016.

For reasons including a change in government policies on land resumption in the PRC resulting in a decrease in the supply of land in the vicinity of the Land Parcels, the Joint Partners intend to reduce the size of the Project. Together with the First Land Parcel and the Second Land Parcel, upon delivery of the Third Land Parcel by the Co-organiser to the JV Companies, the total site area of the Land Parcels acquired for the development of the Project will be approximately 492,339 square metres, and the total consideration paid or payable by the Group will be approximately RMB486.16 million (approximately HK\$614.99 million). In the event that the Joint Partners acquire additional land for the development of the Project, the Company will comply with the Listing Rules as required.

## **REASONS FOR AND BENEFITS OF THE SECOND CO-OPERATION AGREEMENT**

Given an increase in land prices and a decrease in the supply of land in the vicinity of the Land Parcels, the cost of acquiring the Third Land Parcel through the Co-organiser has increased significantly when compared to the cost of acquiring the First Land Parcel. Notwithstanding such significant increase in cost, the Company considers that it is essential and in the interests of the Company and the Shareholders as a whole from a commercial perspective for the Joint Partners to acquire the Third Land Parcel for the furtherance of the Project. The Company believes that the Co-organiser, with its knowledge and experience in its area of expertise in real estate development in Hebei Province, the PRC, can play an instrumental role in assisting the Joint Partners or the JV Companies to obtain the Third Land Parcel for development, and that accordingly, it is in the interests of the Company and the Shareholders as a whole for the Company to enter into the Second Co-operation Agreement.

The Directors (including the independent non-executive Directors) consider that the Second Co-operation Agreement, which have been entered into after arm's length negotiations among the parties, are on normal commercial terms, and the terms therein are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

Since one of the applicable percentage ratios in respect of the total consideration paid or payable by the Company under the Second Co-operation Agreement exceeds 5% but all of the applicable percentage ratios are less than 25%, the Proposed Transactions constitute a discloseable transaction subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As the JV Partner or JV Co B (as the case may be) is merely entering into the Second Co-operation Agreement as a joint partner of the Company or JV Co A (as the case may be) in the Proposed Transactions and there is no change in the "joint partner" relationship between the Company and the JV Partner in relation to the Project as a result of the Second Co-operation Agreement, the Proposed Transactions do not constitute connected transactions subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **GENERAL**

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

The JV Partner is engaged in real estate business and is a wholly-owned subsidiary of a company engaged in real estate business, whose shares are listed on the Shenzhen Stock Exchange.

The Co-organiser is an entity established in the PRC and designated by the local government of Hebei Province, the PRC to organise the relocation and other preparation work in respect of the Third Land Parcel for development.

## DEFINITIONS

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

<b>“Board”</b>	the board of Directors (including executive Directors, non-executive Directors and independent non-executive Directors);
<b>“Company”</b>	Minmetals Land Limited, a company incorporated in Bermuda with limited liability, whose Shares are listed on the Main Board of the Stock Exchange;
<b>“connected person”, “subsidiary” and “substantial shareholder”</b>	each has the meaning ascribed to it under the Listing Rules;
<b>“Co-operation Agreement”</b>	the agreement dated 8 January 2010 entered into between the Joint Partners and the Co-organiser as supplemented from time to time;
<b>“Co-organiser”</b>	a company established under the laws of the PRC and designated by the local government of Hebei Province, the PRC to organise the relocation and other preparation work in respect of the Third Land Parcel for development;
<b>“Director(s)”</b>	directors (including independent non-executive Directors) of the Company;
<b>“First Land Parcel”</b>	a piece of land situated in Xianghe County, Langfang City of Hebei Province, the PRC with a site area of approximately 130,000 square metres;
<b>“Group”</b>	the Company and its subsidiaries;
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong;
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the PRC;
<b>“Joint Partners”</b>	the Company and the JV Partner;
<b>“Joint Venture”</b>	the joint venture formed by the Joint Partners for the ownership and development of the Project;
<b>“JV Companies”</b>	collectively, JV Co A and JV Co B;
<b>“JV Co A”</b>	廊坊曠世基業房地產開發有限公司(Langfang Kuangshi Jiye Property Development Co., Ltd.), an enterprise established under the laws of the PRC with limited

	liability and a non-wholly owned subsidiary of the Company. The registered capital of JV Co A is owned as to 50% by Hanten Investment Limited (a wholly-owned subsidiary of the Company) and 50% by the JV Partner;
<b>“JV Co B”</b>	廊坊萬恒盛業房地產開發有限公司(Langfang Wanheng Shengye Property Development Co., Ltd.), an enterprise established under the laws of the PRC with limited liability engaging in property development and an associate of the Company. The registered capital of JV Co B is owned as to 50% by Hanten Investment Limited (a wholly-owned subsidiary of the Company) and 50% by the JV Partner;
<b>“JV Partner”</b>	北京萬科企業有限公司(Beijing Vanke Enterprise Co., Ltd.), a company established under the laws of the PRC;
<b>“Land Parcels”</b>	collectively, the First Land Parcel, the Second Land Parcel and the Third Land Parcel;
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange;
<b>“PRC”</b>	the People’s Republic of China;
<b>“Project”</b>	the real estate development project known as the “Minmetals Vanke City” (formerly known as “Beijing Celebration City”) situated in Xianghe County, Langfang City of Hebei Province, the PRC which is being jointly developed by the Joint Partners;
<b>“Proposed Transactions”</b>	the transactions contemplated under the Second Co-operation Agreement;
<b>“RMB”</b>	Renminbi, the lawful currency of the PRC;
<b>“Second Land Parcel”</b>	a piece of land situated in Xianghe County, Langfang City of Hebei Province, the PRC with a site area of approximately 264,667 square metres;
<b>“Second Co-operation Agreement”</b>	the agreement dated 5 May 2014 entered into among the JV Companies and the Co-organiser in relation to the delivery of the Third Land Parcel to the Joint Partners;
<b>“Share(s)”</b>	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
<b>“Shareholder(s)”</b>	holder(s) of Shares;
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited;

**“Third Land Parcel”**

a piece of land situated in Xianghe County, Langfang City of Hebei Province, the PRC with a site area of approximately 97,672 square metres; and

**“%”**

per cent.

*For the purpose of illustration only and unless otherwise stated, conversion of RMB into Hong Kong dollars in this announcement is based on the exchange rate of RMB1.00 to HK\$1.265. Such conversion should not be construed as a representation that any amount has been, could have been, or may be, exchanged at this or any other rate.*

By order of the Board  
**Minmetals Land Limited**  
**He Jianbo**  
*Deputy Chairman and Managing Director*

Hong Kong, 5 May 2014

*As at the date of this announcement, the Board comprises nine Directors, namely Mr. Sun Xiaomin as the Chairman and a non-executive Director, Mr. He Jianbo as the Deputy Chairman, Managing Director and an executive Director, Mr. Yin Liang and Ms. He Xiaoli as executive Directors, Mr. Tian Jingqi and Mr. Liu Zeping as non-executive Directors, and Mr. Lam Chun, Daniel, Mr. Selwyn Mar and Ms. Tam Wai Chu, Maria as independent non-executive Directors.*

\* *For identification purpose only*