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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 a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

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

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五礦建設有限公司*

MINMETALS LAND LIMITED

(Incorporated in the Bermuda with limited liability)

(Stock Code: 230)

**(1) RENEWAL OF CONTINUING CONNECTED TRANSACTIONS
IN RESPECT OF 2014 TO 2016 (CONSTRUCTION AGREEMENT)
(2) MAJOR AND CONTINUING CONNECTED TRANSACTIONS
(FINANCIAL SERVICES FRAMEWORK AGREEMENT)
AND
(3) NOTICE OF SPECIAL GENERAL MEETING**

**Independent financial adviser to the Independent Board Committee
and the Independent Shareholders**

ALTUS CAPITAL LIMITED

A letter from the Board is set out on pages 6 to 25 of this circular.

A letter from the Independent Board Committee is set out on pages 26 to 27 of this circular.

A letter from Altus Capital containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 28 to 44 of this circular.

A notice convening the SGM to be held at Garden Rooms, 2nd Floor, The Royal Garden, 69 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Wednesday, 11 December 2013 at 10:30 a.m. is set out on pages SGM-1 to SGM-2 of this circular. A form of proxy for use at the SGM is enclosed. Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

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DEFINITIONS

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

“2008 Circular”	the circular dated 30 September 2008 issued by the Company in respect of, among others, the 2008 Continuing Connected Transactions
“2008 Continuing Connected Transactions”	the continuing connected transactions entered into between the Group and 23rd Metallurgical in relation to the engagement of the 23rd Metallurgical Group member(s) as a construction contractor (subject to successful tender) in respect of the real estate development projects of the Group in the PRC for the three financial years ended 31 December 2010
“2011 Circular”	the circular dated 20 April 2011 issued by the Company in respect of, among others, the 2011 Continuing Connected Transactions
“2011 Continuing Connected Transactions”	the continuing connected transactions entered into between the Company and 23rd Metallurgical in relation to the engagement of the 23rd Metallurgical Group member(s) as a construction contractor (subject to successful tender) in respect of the existing and future real estate development projects of the Group in the PRC for the three financial years ending 31 December 2013
“2013 Construction Agreement”	the construction works framework agreement dated 4 November 2013 entered into between the Company and 23rd Metallurgical in relation to the engagement of the 23rd Metallurgical Group member(s) as a construction contractor (subject to successful tender) in respect of the existing and future real estate development projects of the Group in the PRC for the three financial years from 1 January 2014 to 31 December 2016
“2013 Continuing Connected Transactions”	the continuing connected transactions between the Group and the 23rd Metallurgical Group under the 2013 Construction Agreement

DEFINITIONS

“23rd Metallurgical”	五礦二十三冶建設集團有限公司 The 23rd Metallurgical Construction Group Co., Ltd. of Minmetals* (formerly known as 二十三冶建設集團有限公司 Ershisanye Construction Group Co., Limited*), an enterprise established under the laws of the PRC with limited liability and a wholly-owned subsidiary of China Minmetals Corporation Limited (which in turn is owned as to 88.5% by China Minmetals, 9.5% by the State-owned Assets Supervision and Administration Commission of Hunan Province of the PRC and 2% by an independent third party)
“23rd Metallurgical Group”	23rd Metallurgical and its subsidiaries
“Altus Capital” or “Independent Financial Adviser”	Altus Capital Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the 2013 Construction Agreement, the 2013 Continuing Connected Transactions, the provision of deposit services under the Financial Services Framework Agreement and the Proposed Annual Caps, a licensed corporation under the SFO permitted to carry out type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities
“associate(s)”	has the same meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“CBRC”	China Banking Regulatory Commission (中國銀行業監督管理委員會)
“China Minmetals”	China Minmetals Corporation, a state-owned enterprise in the PRC, which owns 88.5% equity interest in China Minmetals Corporation Limited, which in turn owns the entire equity interest in Minmetals HK, which in turn owns the entire equity interest in June Glory, the controlling shareholder of the Company
“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

* For identification purpose only

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“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Construction Contracts Caps”	the proposed annual caps for the total contract sums of the Group’s construction contracts which may be awarded to the 23rd Metallurgical Group member(s) under the 2013 Continuing Connected Transactions for the three financial years from 1 January 2014 to 31 December 2016, as set out in the section headed “Construction Contracts Caps” in this circular
“controlling shareholder(s)”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Financial Services Caps”	the proposed annual caps for deposit transactions contemplated under the Financial Services Framework Agreement for the three financial years ending 31 December 2015, as set out in the section headed “Financial Services Caps” in this circular
“Financial Services Framework Agreement”	the financial services framework agreement dated 4 November 2013 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 PRC subsidiaries
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	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 2013 Construction Agreement, the 2013 Continuing Connected Transactions, the provision of deposit services under the Financial Services Framework Agreement and the Proposed Annual Caps

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“Independent Shareholders”	Shareholder(s) other than June Glory and its associates, and any Shareholder who has a material interest in the 2013 Continuing Connected Transactions or the transactions contemplated under the Financial Services Framework Agreement or who are required to abstain from voting on the resolution to approve, inter alia, the 2013 Construction Agreement, the 2013 Continuing Connected Transactions, the provision of deposit services under the Financial Services Framework Agreement and the Proposed Annual Caps at the SGM pursuant to the Listing Rules
“June Glory”	June Glory International Limited, a company incorporated in the British Virgin Islands with limited liability, and a wholly-owned subsidiary of Minmetals HK, and is the controlling shareholder of the Company holding approximately 62.05% of the issued share capital of the Company as at the Latest Practicable Date
“Latest Practicable Date”	19 November 2013, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“Minmetals Finance”	Minmetals Finance Company Limited (五礦集團財務有限公司), a limited liability company established in the PRC which is owned as to 92.5% by China Minmetals Corporation Limited (which is in turn owned as to 88.5% by China Minmetals, 9.5% by the State-owned Assets Supervision and Administration Commission of Hunan Province of the PRC and 2% by an independent third party) and 7.5% by Minmetals Capital Holdings Limited (which is in turn wholly owned by China Minmetals)
“Minmetals HK”	China Minmetals H.K. (Holdings) Limited, a company incorporated in Hong Kong and a subsidiary of China Minmetals
“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC

DEFINITIONS

“PRC”	the People’s Republic of China and, for the purpose of this circular, shall exclude Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“Proposed Annual Cap(s)”	the Construction Contracts Caps and the Financial Services Caps
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	The Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“SGM”	the special general meeting of the Company to be convened and held at Garden Rooms, 2nd Floor, The Royal Garden, 69 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Wednesday, 11 December 2013 at 10:30 a.m. for the Independent Shareholders to consider and, if thought fit, to approve the 2013 Construction Agreement, the 2013 Continuing Connected Transactions, the provision of deposit services under the Financial Services Framework Agreement and the Proposed Annual Caps
“Shareholder(s)”	holders of the Share(s)
“Shares”	the share(s) of par value of HK\$0.1 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the same meaning as ascribed to it under the Listing Rules
“%”	percentage

For the purpose of illustration only, conversion of RMB into Hong Kong dollars in this circular 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.



五礦建設有限公司*

MINMETALS LAND LIMITED

(Incorporated in the Bermuda with limited liability)

(Stock Code: 230)

Non-executive Directors:

Mr. Sun Xiaomin, *Chairman*
Mr. Tian Jingqi
Mr. Liu Zeping

Executive Directors:

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

Independent Non-executive Directors:

Mr. Lam Chun, Daniel
Mr. Selwyn Mar
Ms. Tam Wai Chu, Maria

Registered office:

Canon's Court
22 Victoria Street
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business in Hong Kong:*

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

25 November 2013

To the Shareholders

Dear Sir or Madam,

**(1) RENEWAL OF CONTINUING CONNECTED TRANSACTIONS IN
RESPECT OF 2014 TO 2016 (CONSTRUCTION AGREEMENT)
(2) MAJOR AND CONTINUING CONNECTED TRANSACTIONS
(FINANCIAL SERVICES FRAMEWORK AGREEMENT)
AND
(3) NOTICE OF SPECIAL GENERAL MEETING**

BACKGROUND OF THE CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcements of the Company dated 4 November 2013 in relation to the 2013 Construction Agreement, the Financial Services Framework Agreement and the Proposed Annual Caps. As announced by the Board, the Company has entered into the 2013 Construction Agreement with 23rd Metallurgical and the Financial Services Framework Agreement with Minmetals Finance on 4 November 2013. The

* For identification purpose only

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transactions contemplated under the 2013 Construction Agreement and the Financial Services Framework Agreement are subject to the approval of Independent Shareholders at the SGM in respect of the 2013 Construction Agreement, the 2013 Continuing Connected Transactions, the provision of deposit services under the Financial Services Framework Agreement and the Proposed Annual Caps.

Under the Listing Rules, the transactions contemplated under the 2013 Construction Agreement and the Financial Services Framework Agreement would constitute continuing connected transactions for the Company, and the provision of deposit services under the Financial Services Framework Agreement would constitute a major transaction for the Company. The 2013 Construction Agreement and the provision of deposit services under the Financial Services Framework Agreement are subject to (i) the independent shareholders' approval requirement under Rule 14A.48 of the Listing Rules; (ii) the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules; and (iii) the annual review requirements under Rules 14A.37 to 14A.40 of the Listing Rules.

The Independent Board Committee has been formed to advise the Independent Shareholders in respect of the 2013 Construction Agreement, the 2013 Continuing Connected Transactions, the provision of deposit services under the Financial Services Framework Agreement and the Proposed Annual Caps.

The purpose of this circular is to (i) provide the Shareholders with further information regarding the 2013 Construction Agreement, the Financial Services Framework Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps); (ii) set out the recommendation of the Independent Board Committee to the Independent Shareholders and the advice of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the 2013 Construction Agreement, the 2013 Continuing Connected Transactions, the provision of deposit services under the Financial Services Framework Agreement and the Proposed Annual Caps; and (iii) give the Shareholders the notice of the SGM and other information as required under the Listing Rules.

THE CONTINUING CONNECTED TRANSACTIONS

2013 CONSTRUCTION AGREEMENT

Background

Since July 2007, 23rd Metallurgical has been appointed, based on successful tender, as construction contractor for the Group's real estate development projects in the PRC. On 10 September 2008 and 29 March 2011, respectively, the Company and 23rd Metallurgical entered into an agreement in relation to the engagement of the 23rd Metallurgical Group member(s) as construction contractor (subject to successful tender) in respect of the real estate development projects of the Group in the PRC for the three financial years ended 31 December 2010 and the three financial years ending 31 December 2013, respectively, details of which are set out in the 2008 Circular and 2011 Circular. The agreement in respect of the 2011 Continuing Connected Transactions for the three years ending

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31 December 2013 will expire on 31 December 2013. Based on the working relationship since July 2007, the Group is satisfied with the competence of 23rd Metallurgical as construction contractor for the Group's real estate development projects in the PRC. As the Company intends to continue to invite the 23rd Metallurgical Group member(s) to place tenders for and subject to successful tender, to appoint the 23rd Metallurgical Group member(s) as construction contractor for the Group's real estate development projects in the PRC, the Company has entered into the 2013 Construction Agreement with 23rd Metallurgical which is conditional upon the approval of the Independent Shareholders at the SGM in respect of the 2013 Construction Agreement and the 2013 Continuing Connected Transactions (including the Construction Contracts Caps).

Pursuant to Rule 14A.35 of the Listing Rules, the term of the 2013 Construction Agreement shall not exceed three years, and therefore the 2013 Construction Agreement entered into between the Company and 23rd Metallurgical in respect of the 2013 Continuing Connected Transactions is proposed to expire on 31 December 2016.

Principal terms of the 2013 Construction Agreement

Date : 4 November 2013

Parties : (i) Principal : the Company
(ii) Contractor : 23rd Metallurgical

Subject matter : The Group may from time to time invite the 23rd Metallurgical Group member(s) to tender for construction contract(s) in accordance with the Group's tender procedure and general conditions offered to independent bidders (including general provisions for adjusting construction amounts due to, for example, changes to projects). Subject to successful tender, the Group shall engage the 23rd Metallurgical Group member(s) as construction contractor in respect of the existing and future real estate development projects (excluding the portions of the existing projects that had been tendered) of the Group in the PRC, provided that the total contract sum of the construction contract(s) to be awarded by the Group to the 23rd Metallurgical Group member(s) during each of the three years from 1 January 2014 to 31 December 2016 shall not exceed the Construction Contracts Caps.

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Termination : The 2013 Construction Agreement shall expire on 31 December 2016 unless it is early terminated under any of the following circumstances:

- (i) by mutual agreement between the parties;
- (ii) if a party to the 2013 Construction Agreement has breached or failed to comply with the 2013 Construction Agreement or any construction agreement in connection therewith and fails to rectify such breach or non-compliance within the prescribed period, the non-defaulting party may terminate the 2013 Construction Agreement by written notice to the other party; or
- (iii) if a party to the 2013 Construction Agreement has committed a material breach of the 2013 Construction Agreement or any construction agreement in connection therewith, the non-defaulting party may terminate the 2013 Construction Agreement.

Further assurance : The parties to the 2013 Construction Agreement shall do such acts and execute such further documents as may be required under relevant laws or the Listing Rules or as may be necessary or reasonable for the purposes of implementing the 2013 Construction Agreement and the transactions contemplated thereunder.

The obligations of the Company under the 2013 Construction Agreement are subject to full compliance by the Company with all requirements under the Listing Rules applicable to continuing connected transactions. The Company may suspend performance of its obligations under the 2013 Construction Agreement until such relevant requirements are complied with.

Undertakings by 23rd Metallurgical : Pursuant to the 2013 Construction Agreement, 23rd Metallurgical undertook in favour of the Company that it shall allow the Company's auditors access to its records and assist the Company to comply with the relevant requirements under Chapter 14A of the Listing Rules.

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Construction Contracts Caps

It is proposed that the total contract sums of the Group's construction contracts which may be awarded to the 23rd Metallurgical Group member(s) under the 2013 Continuing Connected Transactions for the three financial years from 1 January 2014 to 31 December 2014, from 1 January 2015 to 31 December 2015 and from 1 January 2016 to 31 December 2016 will not exceed RMB946 million (approximately HK\$1,197 million), RMB998 million (approximately HK\$1,262 million) and RMB743 million (approximately HK\$940 million), respectively.

Basis for determining the Construction Contracts Caps

As disclosed in the 2011 Circular, the historical annual caps of the 2011 Continuing Connected Transactions for the three financial years ending 31 December 2013 were RMB1,817 million (approximately HK\$2,299 million), RMB1,399 million (approximately HK\$1,770 million) and RMB1,136 million (approximately HK\$1,437 million), respectively.

For the periods from 29 March 2011 to 31 December 2011, 1 January 2012 to 31 December 2012 and 1 January 2013 to the Latest Practicable Date, the Group's construction contracts awarded to the 23rd Metallurgical Group member(s) amounted to approximately RMB134 million (approximately HK\$170 million), RMB37 million (approximately HK\$47 million) and RMB12 million (approximately HK\$15 million), respectively.

The Directors believe that the under-utilisation of the annual caps during the period from 29 March 2011 to the Latest Practicable Date was mainly due to the following reasons:

- (i) the 23rd Metallurgical Group member(s) had not been awarded construction contracts in every occasion where it/they had submitted tender(s) as certain contracts were awarded to other independent third party contractors under the tender process;
- (ii) the historical annual caps were determined with reference to the then planned schedule of development plans; but the actual progress of each of the projects of the Group were subject to change over time (due to various situations, including but not limited to, market and economic conditions from time to time); and
- (iii) the 23rd Metallurgical Group member(s) may not be able to submit tenders for all of the construction projects due to the constraints of their resources which were affected by, including but not limited to, the location of the Group's projects and the time of which the Group's construction contracts were made available for tender.

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Having considered the relevant factors, including the likelihood of the 23rd Metallurgical Group member(s) to participate in the project tender, the estimated scope of construction works in respect of the Group's real estate development projects, the estimated relevant construction price on a per square metre basis and the expected progress of the construction works, the Company estimates that the total contract sums of the Group's construction contracts which may be awarded to the 23rd Metallurgical Group member(s) under the 2013 Construction Agreement for the three financial years from 1 January 2014 to 31 December 2014, from 1 January 2015 to 31 December 2015 and from 1 January 2016 to 31 December 2016 will not exceed RMB946 million (approximately HK\$1,197 million), RMB998 million (approximately HK\$1,262 million) and RMB743 million (approximately HK\$940 million), respectively, and such amounts have accordingly been set as the Construction Contracts Caps.

In particular, the table below sets out the estimated amount of construction contracts, by projects, that may be awarded by the Group during the term of the 2013 Construction Agreement:

	From 1 January 2014 to 31 December 2014 <i>RMB million</i>	From 1 January 2015 to 31 December 2015 <i>RMB million</i>	From 1 January 2016 to 31 December 2016 <i>RMB million</i>
LOHAS International Community	539	–	–
Platinum Bay	87	38	103
New real estate development projects	320	960	640
Total	946	998	743

The increase in Construction Contracts Cap for the year ending 31 December 2015 to approximately RMB998 million (approximately HK\$1,262 million) is due to the increase in the expected gross floor area to be tendered. Similarly, the decrease in Construction Contracts Cap for the year ending 31 December 2016 to approximately RMB743 million (approximately HK\$940 million) is attributable to the decrease in the expected gross floor area to be tendered.

Shareholders should note that the Construction Contracts Caps represent the best estimates by the Group based on the information currently available (including types of the property to be constructed, development schedule and prevailing market conditions) and, in particular, the estimated amount of construction contracts for the Group's existing real estate development projects in the PRC and should not be construed as the actual amount of construction contracts that the Group will award to the 23rd Metallurgical Group member(s) during each of the three financial years from 1 January 2014 to 31 December 2016. The Construction Contracts Caps have no direct relationship to, nor should be taken to have any direct bearing on, the Group's financial or potential financial performance. The Group may or may not appoint the 23rd Metallurgical Group member(s) as construction contractor in relation to future tenders for the Group's real estate development projects in the PRC, or if appointed, to take up construction works up to the level of the Construction Contracts Caps.

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Further information on the appointment of construction contractors by the Group

The process of selecting construction contractors for the real estate development projects of the Group in the PRC shall be conducted in accordance with the applicable rules and regulations in the PRC and of the locations where the projects situated. According to the information currently available and the size of the projects, construction contracts relating to the Group's real estate development projects will have to be awarded through a regulated tender process governed by the relevant measures and regulations in the PRC. Notwithstanding that there might be slightly different measures and regulations in different cities and provinces in the PRC, a tender evaluation committee has to be established to, amongst other matters, evaluate tenders based on an appropriate tender assessment method and recommend the successful tender in a manner as stipulated in the applicable rules and regulations in the PRC. The tender evaluation committee shall comprise a majority of qualified experts randomly selected from a list of qualified experts for tender evaluation as approved by the relevant government authorities in the PRC. The tender assessment method shall be selected in accordance with the applicable measures and regulations with reference to, inter alia, the size of the construction contract. Although there are a number of tender assessment methods, the major criteria of all of them are unit tender rates, total tender sum, technical competency and track record.

The key events in a typical tender process for the Group's real estate development projects are set out in chronological order as follows:

- (i) the Group invites tender for the construction contract;
- (ii) tenderers submit tenders within the required time frame;
- (iii) tender evaluation committee, formed in accordance with the rules and regulations in the PRC, reviews and evaluates the tenders submitted;
- (iv) after assessing the qualified tenders in accordance with a prescribed tender assessment method, the tender evaluation committee issues its recommendation for award of tender to the successful tenderer; and
- (v) based on such recommendation from the tender evaluation committee, the Group proceeds to appoint the successful tenderer by entering into the construction contract.

As part of the qualification evaluation of the tender procedures, the Company would evaluate, among other criteria, background, financial capabilities, operational capacity and experience of the contractors involved in a given tender.

Based on the above and given the independence of the tender evaluation committee, in the event that the 23rd Metallurgical Group member(s) participates in tendering for any construction contracts in respect of the Group's existing and future real estate development projects in the PRC, its tender will be reviewed and evaluated by the relevant tender evaluation committee by applying a prescribed tender assessment method in a manner no different from any other qualified tenders. In particular, the Group will not

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be involved in the tender evaluation part of the tender process except that representative(s) from the Group may be a minority member(s) of the relevant tender evaluation committee formed in accordance with the rules and regulations in the PRC.

The construction contract sum will be payable with respect to specific work stages/milestones achieved in various aspects of work. In general, an aggregate of 85% of the total construction contract sum will be paid up by the time of completion of works, and the remaining 15% of the total construction contract sum will be payable according to a payment schedule and will be fully paid up in one month after the expiry of the defect liability period.

Reasons for and benefits of the transactions contemplated under the 2013 Construction Agreement

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

As the Group's real estate development business continues to grow, it expects that in the coming few financial years it will actively invite tenders for construction works relating to its real estate development projects. In addition, the contract sum of each of these tenders is expected to be over HK\$10,000,000. Given its qualifications and experiences, the 23rd Metallurgical Group member(s) is capable and suitable to tender for construction contracts of the Group's real estate development projects. The Group may therefore from time to time invite the 23rd Metallurgical Group member(s) to tender for construction contracts for the Group's real estate development projects in the PRC and award construction contract(s) to the 23rd Metallurgical Group member(s), subject to successful tender. Given 23rd Metallurgical is a subsidiary of China Minmetals, the Company has no reason to doubt the financial resources available to 23rd Metallurgical and its subsidiaries for them to satisfy their contractual obligations under construction contracts which may be awarded under the 2013 Construction Agreement, subject to successful tender.

The Directors (including the independent non-executive Directors after considering the advice of the Independent Financial Adviser) consider that the 2013 Construction Agreement (including the Construction Contracts Caps) was entered into in the ordinary and usual course of business of the Company, on normal commercial terms and on terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The main purpose of the 2013 Construction Agreement and the 2013 Continuing Connected Transactions contemplated thereunder is to avoid undue delay in the construction progress of the relevant projects which will otherwise have to seek the approval of independent shareholders in a special general meeting for each specific instance.

LETTER FROM THE BOARD

Information on 23rd Metallurgical

Established in 1953, 23rd Metallurgical is principally engaged in the business of mining development and operations, construction engineering, and real estate development. Since 2001, it has been assigned under the administration of Hunan Province, the PRC, and became one of the 20 large-sized enterprises supported by the Hunan Provincial Government. In 2006, 23rd Metallurgical became a subsidiary of China Minmetals. As at the Latest Practicable Date, 23rd Metallurgical is a 88.5%-owned subsidiary of China Minmetals. 23rd Metallurgical is classified as main contractor Class I in various aspects including, without limitation, the Building Construction Main Contractor Class I (房屋建設工程施工總承包一級) by the relevant government authorities in the PRC. According to 23rd Metallurgical, it has completed over 200 construction projects in the past three years.

FINANCIAL SERVICES FRAMEWORK AGREEMENT

Principal terms of the Financial Services Framework Agreement

Date : 4 November 2013

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

Subject matter : *Financial Services*

Pursuant to the Financial Services Framework Agreement, Minmetals Finance shall provide the following services to the Company and its PRC subsidiaries on normal commercial terms, on terms (including interest) no less favourable to the Company and its PRC subsidiaries than those that could be obtained from independent third parties and on terms (including interest) which are the most favourable to the Company and its PRC subsidiaries as compared to the terms offered by Minmetals Finance to other subsidiaries of China Minmetals:

(i) Current and fixed deposit services:

Pursuant to the Financial Services Framework Agreement, Minmetals Finance shall provide deposit services to the Company and its PRC subsidiaries.

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Interest rate for the deposits placed with Minmetals Finance by the Company and its PRC subsidiaries shall not be lower than (a) the highest interest rates for comparable category of deposits offered by other major PRC commercial banks with which the Company and its PRC subsidiaries have established business relationship; and (b) the highest interest rate offered by Minmetals Finance to other subsidiaries of China Minmetals for comparable category of deposits, whichever is higher.

(ii) Loan services:

Pursuant to the Financial Services Framework Agreement, Minmetals Finance shall provide loan services to the Company and its PRC subsidiaries and no security over the assets of the Group shall be granted to Minmetals Finance for any of such loans.

Interest rate to be charged by Minmetals Finance for the provision of loans to the Company and its PRC subsidiaries 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 PRC subsidiaries have established business relationship; and (b) the lowest interest rates charged by Minmetals Finance on other subsidiaries of China Minmetals for comparable category of loans, whichever is lower.

(iii) Settlement services

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

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- Non-exclusivity : The Company and its PRC subsidiaries 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).
- Term : The Financial Services Framework Agreement became effective upon execution and shall expire on 31 December 2015. Upon expiry, the Company and Minmetals Finance may enter into further agreement or renew the Financial Services Framework Agreement for further period to be agreed, unless the Financial Services Framework Agreement has been terminated by notice by either party in accordance with the terms stipulated therein.
- Termination : The Financial Services Framework Agreement may be terminated under any of the following circumstances:
- (i) by mutual agreement between the parties;
 - (ii) if a party to the Financial Services Framework Agreement has breached or failed to comply with the Financial Services Framework Agreement or any agreement in connection therewith and fails to rectify such breach or non-compliance within the prescribed period, the non-defaulting party may terminate the Financial Services Framework Agreement by written notice to the other party;
 - (iii) if a party to the Financial Services Framework Agreement has committed a material breach of the Financial Services Framework Agreement or any agreement in connection therewith, the non-defaulting party may terminate the Financial Services Framework Agreement; or
 - (iv) the Company may terminate the Financial Services Framework Agreement if Minmetals Finance fails to satisfy any of the following conditions from time to time:
 - (a) the capital adequacy ratio is not less than 10%;
 - (b) the non-performing assets ratio is not more than 4%;
or
 - (c) the non-performing loans ratio is not more than 5%.

LETTER FROM THE BOARD

Further assurance : The parties to the Financial Services Framework Agreement shall do such acts and execute such further documents as may be required under relevant laws or the Listing Rules or as may be necessary or reasonable for the purposes of implementing the Financial Services Framework Agreement and the transactions contemplated thereunder.

The obligations of the Company under the Financial Services Framework Agreement are subject to full compliance by the Company with all requirements under the Listing Rules applicable to continuing connected transactions. The Company may suspend performance of its obligations under the Financial Services Framework Agreement until such relevant requirements are complied with.

Undertakings by Minmetals Finance : Minmetals Finance has given the following undertakings in favour of the the Company:

- (1) specifically designated personnel from Minmetals Finance shall be responsible for daily operations and monitoring of the transactions contemplated under the Financial Services Framework Agreement;
- (2) Minmetals Finance shall co-ordinate with the internal audit department and/or external auditors of the Company to review the transactions contemplated under the Financial Services Framework Agreement and the relevant internal controls;
- (3) Minmetals Finance shall assist the Company to comply with relevant regulations (including but not limited to the Listing Rules);
- (4) Minmetals Finance shall ensure the safe operation of its settlement management network and safeguard the funds of the Company and its PRC subsidiaries; and
- (5) Minmetals Finance shall strictly comply with the applicable risk management specifications issued by the CBRC and the relevant PRC laws and regulations as amended from time to time.

LETTER FROM THE BOARD

Financial Services Caps

The proposed annual caps on the maximum daily outstanding balance of deposits (including accrued interests) placed by the Company and its PRC subsidiaries with Minmetals Finance pursuant to the Financial Services Framework Agreement are as follows:

	For the year ending 31 December 2013 <i>RMB (million)</i>	For the year ending 31 December 2014 <i>RMB (million)</i>	For the year ending 31 December 2015 <i>RMB (million)</i>
Maximum daily outstanding balance of deposits (including accrued interests)	1,800 (approximately HK\$2,277 million)	1,800 (approximately HK\$2,277 million)	1,800 (approximately HK\$2,277 million)

There have been no similar transactions between the Group and Minmetals Finance prior to the Latest Practicable Date. The Financial Services Caps were calculated on the basis of several factors, including the following:

- (1) 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; and
- (2) expected increase in sales revenue and the expected amount of cash of the Company and its PRC subsidiaries in the three years ending 31 December 2015, taking into account in particular the expected growth in the Group's business.

Internal control and risk management measures

In order to safeguard the interests of the Shareholders, the Group will adopt, and/or will procure Minmetals Finance to adopt, the following guidelines and principles in monitoring the transactions between the Company and its PRC subsidiaries and Minmetals Finance under the Financial Services Framework Agreement:

- (1) specifically designated personnel from Minmetals Finance shall be responsible for daily operations and monitoring of the transactions contemplated under the Financial Services Framework Agreement;
- (2) Minmetals Finance shall co-ordinate with the internal audit department and/or external auditors of the Company to review the transactions contemplated under the Financial Services Framework Agreement and the relevant internal controls;
- (3) Minmetals Finance shall assist the Company to comply with relevant regulations (including but not limited to the Listing Rules);

LETTER FROM THE BOARD

- (4) Minmetals Finance shall ensure the safe operation of its settlement management network and safeguard the funds of the Company and its PRC subsidiaries;
- (5) Minmetals Finance shall strictly comply with the applicable risk management specifications issued by the CBRC and the relevant PRC laws and regulations as amended from time to time;
- (6) 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 weekly basis;
- (7) the finance department of the Company will report to the independent non-executive Directors of the Company on a monthly basis in relation to the transactions;
- (8) the Company will review the transactions on an annual basis, summarise the experience and supplement the inadequacies;
- (9) to the Company's understanding, the PBOC promulgates standard or reference rates for certain loan and deposit services, in which case commercial banks are expected to price their services within the stipulated rates. If such a standard or reference rate exists, the Company and its PRC subsidiaries would refer to such standard or reference rates before agreeing with Minmetals Finance on the pricing of the deposit and loan services. In any case, before making a deposit with or seeking a loan from Minmetals Finance, the Company and its PRC subsidiaries would compare the interest rates offered by Minmetals Finance with the interest rates offered by two or three major commercial banks or financial institutions with which the Company and its PRC subsidiaries have established business relationship;
- (10) the Company or its relevant PRC subsidiaries shall obtain prior written approval from (i) at least one executive Director for the placing of any deposits by the Company or its relevant PRC subsidiaries with Minmetals Finance and (ii) at least two executive Directors for the placing of any deposits by the Company or its relevant PRC subsidiaries with Minmetals Finance where the daily outstanding balance of deposits (including accrued interests) placed by the Company and its PRC subsidiaries with Minmetals Finance would amount to RMB200 million or more;
- (11) any fixed deposits placed with Minmetals Finance by the Company or any its PRC subsidiaries shall not exceed 3 months;

LETTER FROM THE BOARD

- (12) the arrangement between the Company and Minmetals Finance under the Financial Services Framework Agreement is non-exclusive, and the Company and its PRC subsidiaries have their own discretion in electing the provider for financial services; and
- (13) the Company may terminate the Financial Services Framework Agreement if Minmetals Finance fails to satisfy any of the following conditions from time to time:
 - (a) the capital adequacy ratio is not less than 10%;
 - (b) the non-performing assets ratio is not more than 4%; or
 - (c) the non-performing loans ratio is not more than 5%.

Financial effect of the deposit services under the Financial Services Framework Agreement

In respect of the deposit services under the Financial Services Framework Agreement, the deposit placed by the Company and its PRC subsidiaries with Minmetals Finance will generate interest at a rate no less favourable than those available from other independent PRC commercial banks and which are the most favourable to the Company and its PRC subsidiaries as compared to the terms offered by Minmetals Finance to other subsidiaries of China Minmetals. Accordingly, there will most probably be an enhancement on the return of the surplus funds from the possible higher deposit interests from Minmetals Finance. The Company is of the view that the deposit services under the Financial Services Framework Agreement are reasonably expected to have positive impact on the Group's earnings.

Reasons for and benefits of the transactions contemplated under the Financial Services Framework Agreement

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

The main reasons for and benefits of utilising the services provided by Minmetals Finance under the Financial Services Framework Agreement are as follows:

- (1) The Financial Services Framework Agreement provides the Company and its PRC subsidiaries with an option to obtain financial services on terms (including interest) which are no less favourable than those available from other independent PRC commercial banks and which are the most favourable to the Company and its PRC subsidiaries as compared to the terms offered by Minmetals Finance to subsidiaries of China Minmetals.

LETTER FROM THE BOARD

- (2) Under the Financial Services Framework Agreement, the Company and its PRC subsidiaries can obtain unsecured loans from Minmetals Finance, thus providing the Company and its PRC subsidiaries with an additional channel for financing.
- (3) The Financial Services Framework Agreement can also help enhance return on surplus funds of the Group and reduce finance costs due to favourable interest rates for deposits and loans as well as utilisation of settlement services free of handling charge.
- (4) The Company is expected to benefit from Minmetals Finance's better understanding of the operations of the Company and its PRC subsidiaries which will allow more expedient and efficient services than those rendered by other PRC commercial banks.
- (5) Minmetals Finance is subject to the supervision of the CBRC and provides its services in accordance with the rules and operational requirements of CBRC. In addition, Minmetals Finance has greater access to financial and/or operational information of China Minmetals and its subsidiaries, which enables Minmetals Finance to have better control on its credit risk. Therefore, the Company believes that the risk profile of Minmetals Finance, as a financial services provider to the Company and its PRC subsidiaries, is not greater than that of independent commercial banks in the PRC.
- (6) 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 (including the independent non-executive Directors after considering the advice of the Independent Financial Advisor) consider that the Financial Services Framework Agreement (including the Financial Services Caps) was entered into in the ordinary and usual course of business of the Company, 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.

Information on Minmetals Finance

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

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

2013 Construction Agreement

Since 23rd Metallurgical is a subsidiary of China Minmetals and a fellow subsidiary of June Glory (the controlling shareholder of the Company and a subsidiary of China Minmetals), 23rd Metallurgical is a connected person of the Company under the Listing Rules. Accordingly, members of the 23rd Metallurgical Group are connected persons of the Company and the 2013 Continuing Connected Transactions constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

In view that the estimated annual consideration of the 2013 Continuing Connected Transactions is more than HK\$10,000,000 and all of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) are, on an annual basis, more than 5%, such transactions constitute non-exempt continuing connected transactions for the Company under Rule 14A.35 of the Listing Rules and are subject to (i) the independent shareholders' approval requirement under Rule 14A.48 of the Listing Rules; (ii) the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules; and (iii) the annual review requirements under Rules 14A.37 to 14A.40 of the Listing Rules.

Financial Services Framework Agreement

Since Minmetals Finance is a subsidiary of China Minmetals and a fellow subsidiary of June Glory, Minmetals Finance is a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Financial Services Framework Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Since each of the applicable percentage ratios for the provision of deposit services under the Financial Services Framework Agreement exceeds 5%, the provision of deposit services is subject to (i) the independent shareholders' approval requirement under Rule 14A.48 of the Listing Rules; (ii) the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules; and (iii) the annual review requirements under Rules 14A.37 to 14A.40 of the Listing Rules.

As one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) for the provision of deposit services under the Financial Services Framework Agreement exceeds 25% but all of the applicable percentage ratios are less than 100%, the provision of deposit services constitutes a major transaction for the Company under Rule 14.04(1)(e) of the Listing Rules and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The provision of loan services under the Financial Services Framework Agreement will constitute financial assistance to be provided by a connected person for the benefit of the Group. Since such services will be on normal commercial terms, on terms (including interest) no less favourable to the Company and its PRC subsidiaries 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, the provision

LETTER FROM THE BOARD

of loan services is exempt from the reporting, announcement and independent shareholders' approval requirements under Rule 14A.65(4) of the Listing Rules. The Directors (including the independent non-executive Directors) consider that the loan services to be provided under the Financial Services Framework Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As the settlement services to be provided by Minmetals Finance to the Company and its PRC subsidiaries under the Financial Services Framework Agreement will be free of handling charge, the provision of settlement services is exempt from the reporting, announcement and independent shareholders' approval requirements under Rule 14A.33(3) of the Listing Rules. The Directors (including the independent non-executive Directors) consider that the settlement services to be provided under the Financial Services Framework Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

SGM

A notice of the SGM to be held at Garden Rooms, 2nd Floor, The Royal Garden, 69 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Wednesday, 11 December 2013 at 10:30 a.m. is set out on pages SGM-1 to SGM-2 of this circular. At the SGM, ordinary resolutions will be proposed and, if thought fit, passed to approve the 2013 Construction Agreement, the 2013 Continuing Connected Transactions, the provision of deposit services under the Financial Services Framework Agreement and the Proposed Annual Caps.

In view of the connection between 23rd Metallurgical and June Glory, June Glory and its associates are required to abstain from voting on the resolution approving the 2013 Construction Agreement and the 2013 Continuing Connected Transactions (including the Construction Contracts Caps) at the SGM in accordance with Rule 14A.18 of the Listing Rules. As at the Latest Practicable Date, June Glory and its associates controlled 2,071,095,506 Shares (representing approximately 62.05% of the issued share capital of the Company). To the best of the Directors' knowledge and belief having made all reasonable enquiries, as at the Latest Practicable Date, save for June Glory, no other Shareholder was required to abstain from voting on the resolution for approving the 2013 Construction Agreement and the 2013 Continuing Connected Transactions (including the Construction Contracts Caps) at the SGM.

In view of the connection between Minmetals Finance and June Glory, June Glory and its associates are required to abstain from voting on the resolution approving the provision of deposit services under the Financial Services Framework Agreement (including the Financial Services Caps) at the SGM in accordance with Rule 14A.18 of the Listing Rules. As at the Latest Practicable Date, June Glory and its associates controlled 2,071,095,506 Shares (representing approximately 62.05% of the issued share capital of the Company). To the best of the Directors' knowledge and belief having made all reasonable enquiries, as at the Latest Practicable Date, save for June Glory, no other Shareholder was required to abstain from voting on the resolution for approving the provision of deposit services under the Financial Services Framework Agreement (including the Financial Services Caps) at the SGM.

LETTER FROM THE BOARD

A form of proxy for use at the SGM is attached. Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, the vote of the Independent Shareholders at the SGM will be taken by poll and the announcement on the results of which will be published on the websites of the Company and of the Stock Exchange following the SGM.

RECOMMENDATION

The Board approved the 2013 Construction Agreement, the Financial Services Framework Agreement and the transactions contemplated thereunder at a meeting held on 4 November 2013. None of the Directors has a material interest in such transactions.

At the aforesaid Board meeting, Mr. Sun Xiaomin, the Chairman of the Company, voluntarily abstained from voting on the resolutions approving the 2013 Construction Agreement by virtue of his directorship in China Minmetals Corporation Limited, the immediate controlling shareholder of 23rd Metallurgical. Mr. He Jianbo, the Deputy Chairman and the Managing Director of the Company and Mr. Liu Zeping, a non-executive Director of the Company, voluntarily abstained from voting on the resolutions approving the 2013 Construction Agreement by virtue of their directorships in 23rd Metallurgical.

At the aforesaid Board meeting, Mr. Sun Xiaomin, the Chairman of the Company, voluntarily abstained from voting on the resolutions approving the Financial Services Framework Agreement by virtue of his directorship in China Minmetals Corporation Limited, an intermediate controlling shareholder of the Company and Minmetals Finance.

An Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders in respect of the 2013 Construction Agreement, the 2013 Continuing Connected Transactions, the provision of deposit services under the Financial Services Framework Agreement and the Proposed Annual Caps. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders on, inter alia, whether Independent Shareholders should vote in favour of the resolutions regarding the 2013 Construction Agreement, the 2013 Continuing Connected Transactions, the provision of deposit services under the Financial Services Framework Agreement and the Proposed Annual Caps.

LETTER FROM THE BOARD

Your attention is drawn to (i) the letter from the Independent Board Committee which is set out on pages 26 to 27 of this circular containing the recommendation of the Independent Board Committee to the Independent Shareholders regarding the 2013 Construction Agreement, the 2013 Continuing Connected Transactions, the provision of deposit services under the Financial Services Framework Agreement and the Proposed Annual Caps; and (ii) the letter from the Independent Financial Adviser which is set out on pages 28 to 44 of this circular containing its advice to the Independent Board Committee and the Independent Shareholders in relation to the 2013 Construction Agreement, the 2013 Continuing Connected Transactions, the provision of deposit services under the Financial Services Framework Agreement and the Proposed Annual Caps.

The Directors (including the independent non-executive Directors) are of the view that the 2013 Construction Agreement, the 2013 Continuing Connected Transactions, the provision of deposit services under the Financial Services Framework Agreement and the Proposed Annual Caps are fair and reasonable and the transactions contemplated thereunder are in the ordinary and usual course of business of the Company, on normal commercial terms and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the ordinary resolutions in respect of the 2013 Construction Agreement, the 2013 Continuing Connected Transactions, the provision of deposit services under the Financial Services Framework Agreement and the Proposed Annual Caps at the SGM.

ADDITIONAL INFORMATION

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

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



五礦建設有限公司*
MINMETALS LAND LIMITED
(Incorporated in the Bermuda with limited liability)
(Stock Code: 230)

25 November 2013

To the Independent Shareholders

Dear Sir or Madam,

**RENEWAL OF CONTINUING CONNECTED TRANSACTIONS
IN RESPECT OF 2014 TO 2016 (CONSTRUCTION AGREEMENT)
AND
MAJOR AND CONTINUING CONNECTED TRANSACTIONS
(FINANCIAL SERVICES FRAMEWORK AGREEMENT)**

We refer to the circular dated 25 November 2013 of the Company (“**Circular**”) of which this letter forms part. Terms defined in the Circular bear the same meanings herein unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to consider and to advise the Independent Shareholders whether the terms of the 2013 Construction Agreement, the 2013 Continuing Connected Transactions, the provision of deposit services under the Financial Services Framework Agreement and the Proposed Annual Caps are fair and reasonable and whether the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole, taking into account the recommendations of Altus Capital, the Independent Financial Adviser appointed to advise us and the Independent Shareholders in the abovementioned context.

Your attention is drawn to the “Letter from the Board” and the “Letter from Altus Capital” in the Circular, which contain, inter alia, information and the advice from Altus Capital in respect of the 2013 Construction Agreement, the 2013 Continuing Connected Transactions, the provision of deposit services under the Financial Services Framework Agreement and the Proposed Annual Caps.

* *For identification purpose only*

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having taking into account the reasons for and benefits of the 2013 Construction Agreement, the 2013 Continuing Connected Transactions and the provision of deposit services under the Financial Services Framework Agreement, the basis for determining the Proposed Annual Caps, the principal factors and reasons considered by Altus Capital in arriving at its opinion regarding the 2013 Construction Agreement, the 2013 Continuing Connected Transactions, the provision of deposit services under the Financial Services Framework Agreement and the Proposed Annual Caps as set out in the “Letter from Altus Capital” on pages 28 to 44 of the Circular, we consider that the entering into of the 2013 Construction Agreement, the 2013 Continuing Connected Transactions and the provision of deposit services under the Financial Services Framework Agreement are in the usual and ordinary course of business of the Company and that the terms of the 2013 Construction Agreement, the 2013 Continuing Connected Transactions, the provision of deposit services under the Financial Services Framework Agreement and the Proposed Annual Caps are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend that the Independent Shareholders vote in favour of the ordinary resolutions as set out in the notice of the SGM to be convened and held on Wednesday, 11 December 2013 and thereby approve the 2013 Construction Agreement, the 2013 Continuing Connected Transactions, the provision of deposit services under the Financial Services Framework Agreement and the Proposed Annual Caps.

Yours faithfully,
For and on behalf of
Independent Board Committee

Lam Chun, Daniel
Independent non-executive
Director

Selwyn Mar
Independent non-executive
Director

Tam Wai Chu, Maria
Independent non-executive
Director

LETTER FROM ALTUS CAPITAL

The following is the text of a letter of advice from Altus Capital to the Independent Board Committee and the Independent Shareholders in respect of the 2013 Construction Agreement, the 2013 Continuing Connected Transactions, the provision of deposit services under the Financial Services Framework Agreement and the Proposed Annual Caps related thereto, which has been prepared for the purpose of incorporation in this circular.

ALTUS CAPITAL LIMITED

21 Wing Wo Street
Central, Hong Kong

25 November 2013

To the Independent Board Committee and the Independent Shareholders

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

Dear Sirs,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS IN RESPECT OF 2014 TO 2016 (CONSTRUCTION AGREEMENT)

AND

MAJOR AND CONTINUING CONNECTED TRANSACTIONS (FINANCIAL SERVICES FRAMEWORK AGREEMENT)

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the 2013 Construction Agreement, the 2013 Continuing Connected Transactions, the provision of deposit services under the Financial Services Framework Agreement and the Proposed Annual Caps related thereto. Details of which are set out in the "Letter from the Board" contained in the circular dated 25 November 2013 (the "**Circular**") to the Shareholders, of which this letter forms part. Terms used in this letter shall have the same meaning as those defined in the Circular unless the context requires otherwise.

The 2013 Construction Agreement

On 4 November 2013, the Company announced that the agreement in respect of the 2011 Continuing Connected Transactions for the three years ending 31 December 2013 will expire on 31 December 2013. As the Company intends to continue to invite the 23rd Metallurgical Group member(s) to place tenders for and subject to successful tender, to appoint the 23rd Metallurgical Group member(s) as construction contractor for the Group's real estate development projects in the PRC, the Company has entered into the 2013 Construction Agreement with 23rd Metallurgical which is conditional upon the approval of the Independent Shareholders at the SGM in respect of the 2013 Construction Agreement and the 2013 Continuing Connected Transactions (including the Construction Contracts Caps).

Since 23rd Metallurgical is a subsidiary of China Minmetals and a fellow subsidiary of June Glory (the controlling shareholder of the Company and a subsidiary of China Minmetals), 23rd Metallurgical is a connected person of the Company under the Listing Rules. Accordingly, the 23rd Metallurgical Group member(s) are connected persons of the Company and the 2013 Continuing Connected Transactions constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

In view of the estimated annual consideration of the 2013 Continuing Connected Transactions is more than HK\$10,000,000 and all of the relevant percentage ratios (under Rule 14.07 of the Listing Rules) are, on an annual basis, more than 5%, such transactions constitute non-exempt continuing connected transactions for the Company under Rule 14A.35 of the Listing Rules and are subject to (i) the independent shareholders' approval requirement under Rule 14A.48 of the Listing Rules; (ii) the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules; and (iii) the annual review requirements of Rules 14A.37 to 14A.40 of the Listing Rules.

The Financial Services Framework Agreement

Further, the Company announced on 4 November 2013 that the Company entered into the Financial Services Framework Agreement with Minmetals Finance, pursuant to which Minmetals Finance agreed to provide the Company and its PRC subsidiaries with financial services (namely deposit, loan and settlement services) subject to the terms and conditions provided therein.

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

LETTER FROM ALTUS CAPITAL

Deposit services

As one of the applicable percentage ratios for the provision of deposit services under the Financial Services Framework Agreement exceeds 25% but all of which are less than 100%, the provision of deposit services by Minmetals Finance constitutes a major transaction for the Company under Rule 14.04(1)(e) of the Listing Rules and is subject to reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Further, since each of the applicable percentage ratios for the deposit services under the Financial Services Framework Agreement exceeds 5%, the provision of deposit services is subject to (i) the independent shareholders' approval requirement under Rule 14A.48 of the Listing Rules; (ii) the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules; and (iii) the annual review requirements of Rules 14A.37 to 14A.40 of the Listing Rules.

Loan services

The provision of loan services under the Financial Services Framework Agreement will constitute 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 interest) no less favourable to the Company and its PRC subsidiaries 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, the provision of loan services is exempt from the reporting, announcement and independent shareholders' approval requirements under Rule 14A.65(4) of the Listing Rules.

Settlement services

The settlement services to be provided by Minmetals Finance to the Company and its PRC subsidiaries under the Financial Services Framework Agreement will be free of handling charge. As there will be no consideration for the provision of settlement services, it is regarded as a de minimis transaction, and hence exempt from the reporting, announcement and independent shareholders' approval requirements under Rule 14A.33(3) of the Listing Rules.

LETTER FROM ALTUS CAPITAL

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee which comprises all three independent non-executive Directors, namely Mr. Lam Chun, Daniel, Mr. Selwyn Mar and Ms. Tam Wai Chu, Maria, has been established to consider and to give advice and recommendation to the Independent Shareholders as to whether (i) the 2013 Construction Agreement and the 2013 Continuing Connected Transactions (including the Construction Contracts Caps); and (ii) the provision of deposit services under the Financial Services Framework Agreement (including the Financial Services Caps) are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and as to how to vote on the resolutions to be proposed at the SGM.

As the independent financial adviser to the Independent Board Committee, our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders as to (1) whether the (i) the 2013 Construction Agreement and the 2013 Continuing Connected Transactions; and (ii) the provision of deposit services under the Financial Services Framework Agreement are in the Group's ordinary and usual course of business and together with the Proposed Annual Caps are in the interests of the Company and the Shareholders as a whole; (2) whether the terms of the 2013 Continuing Connected Transactions and the provision of deposit services under the Financial Services Framework Agreement are normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (3) whether the Proposed Annual Caps have been fairly and reasonably arrived at; and (4) how the Independent Shareholders should vote in respect of the resolutions relating thereto to be proposed at the SGM.

BASIS OF OUR ADVICE

In formulating our opinion, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and/or provided to us by the Company, the Directors and the management of the Company (the "**Management**"). We have assumed that all statements, information, opinions and representations contained or referred to in the Circular and/or provided to us were true, accurate and complete at the time they were made and continued to be so as at the latest practical date of the Circular.

We have no reason to believe that any statements, information, opinions or representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render the statements, information, opinions or representations provided to us untrue, inaccurate or misleading. We have assumed that all the statements, information, opinions and representations for matters relating to the Group contained or referred to in the Circular and/or provided to us by the Company, the Directors and the Management have been reasonably made after due and careful enquiry. We have relied on such statements, information, opinions and representations and have not conducted any independent investigation into the business, financial conditions and affairs or the future prospects of the Group.

LETTER FROM ALTUS CAPITAL

PRINCIPAL FACTORS AND REASONS CONSIDERED

1. Background information of the Group, 23rd Metallurgical and Minmetals Finance

1.1 The Group

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

Below is a summary of the operating results of the Group for the two years ended 31 December 2011 and 2012 and the six months ended 30 June 2012 and 2013 as extracted from the Company's annual report for the year ended 31 December 2012 (the "2012 Annual Report") and interim report for the six months ended 30 June 2013 (the "2013 Interim Report") respectively.

	For six months ended		For the year ended	
	30 June		31 December	
	2012	2013	2011	2012
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
	(unaudited)	(unaudited)	(audited)	(audited)
Revenue				
Real estate development	1,192.0	1,710.8	4,684.3	3,411.5
Specialised construction	376.5	393.6	592.2	838.1
Property investment	27.2	30.0	52.8	56.9
	1,595.7	2,134.4	5,329.3	4,306.5
Total Revenue	1,595.7	2,134.4	5,329.3	4,306.5
Profit for the period/year	234.8	236.0	429.5	771.9
	234.8	236.0	429.5	771.9

In regards to the audited results for the year ended 31 December 2012, the Group's revenue and profit decreased by approximately 19.2% and 44.6% respectively, as compared to 2011. We noted from the 2012 Annual Report that lower volume of real estate development projects completed and delivered during 2012 was the main cause for the decrease in revenue. Nevertheless, the Group's consolidated revenue for the six months ended 30 June 2013 increased by approximately 33.8%, as compared to the corresponding period in 2012. The increase in revenue was primarily attributable to the strong contribution from the operating segment of real estate development. The consolidated revenue in the aforesaid operating segment amounted to approximately HK\$1,710.8 million, representing an increase of approximately 43.5%, compared with approximately HK\$1,192.0 million in the corresponding period last year. The increase in revenue in real estate development segment was a direct result of more properties being delivered and recognised for sale during the period, in particular, for projects in Nanjing, Changsha and Tianjin.

1.2 23rd Metallurgical

23rd Metallurgical is principally engaged in the business of mining development and operations, construction engineering and real estate development. Since 2001, it has been assigned under the administration of Hunan Province, the PRC, and became one of the 20 large-sized enterprises supported by the Hunan Provincial Government. In 2006, 23rd Metallurgical became a subsidiary of China Minmetals.

23rd Metallurgical is classified as a main contractor Class I in various aspects including, without limitation, the Building Construction Main Contractor Class I (房屋建築工程施工總承包一級) by the relevant government authorities in the PRC. According to 23rd Metallurgical, it has completed over 200 construction projects in the past three years.

1.3 Minmetals Finance

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

2. The PRC property market and outlook

According to the statistics bulletin of the PRC published by the National Bureau of Statistics of China on 22 February 2013, the PRC's economy continued to expand and recorded an annual real Gross Domestic Product ("GDP") growth rate of approximately 7.8% in 2012, as compared to 2011. Further, the PRC reached a real GDP of approximately RMB51,932.2 billion in 2012, an increase of approximately 9.8% from the real GDP of approximately RMB47,310.4 billion in 2011.

In terms of the property market, the investment in real estate development reached approximately RMB7,180.4 billion in 2012, representing an increase of approximately 16.2% compared with 2011. In particular, the investment in residential property in 2012 increased by approximately 11.4% to RMB4,937.4 billion compared with the previous year.

As disclosed in the 2013 Interim Report, the Management is of the view that the effect of the new "National Five" regulations announced in early 2013, primarily reiterating the enforcement of real estate tax and further control measures on the purchase of investment properties, is transitory. Moreover, the real estate market recovered in the second quarter of 2013 with improvements across the board after a period of relative inactivity in the first quarter of 2013. As such, the Management believes the pent-up demand from end users will gradually be released into the market and a generally buoyant phase will follow, subject to no further curbs being introduced.

3. The 2013 Continuing Connected Transactions

3.1 Historical background to the 2013 Continuing Connected Transactions

Since July 2007, 23rd Metallurgical has periodically been appointed, based on successful tender, as construction contractor for the Group's real estate development projects in the PRC. On 10 September 2008 and 29 March 2011 respectively, the Company and 23rd Metallurgical entered into an agreement in connection with the engagement of the 23rd Metallurgical Group member(s) as construction contractor (subject to successful tender) in respect of the real estate development projects of the Group in the PRC for the three financial years ended 31 December 2010 and the three financial years ending 31 December 2013, respectively, details of which are set out in the 2008 Circular and 2011 Circular. Shareholders should note that approvals to the 2008 Continuing Connected Transactions (including the then proposed annual caps) and 2011 Continuing Connected Transactions (including the then proposed annual caps) had been granted by the then independent shareholders of the Company at the special general meetings held on 17 October 2008 and 26 May 2011 respectively.

As the agreement in respect of the 2011 Continuing Connected Transactions will soon be expired on 31 December 2013, and the Group will continue to invite the 23rd Metallurgical Group member(s) to place tenders for the construction works of its property development projects in the PRC, the Company entered into the 2013 Construction Agreement with 23rd Metallurgical to formalise the continuity of such arrangement and to seek Independent Shareholders' approval of the 2013 Construction Agreement and the 2013 Continuing Connected Transactions at the SGM in accordance with the requirements as prescribed under the Listing Rules.

3.2 The principal terms of the 2013 Construction Agreement

Pursuant to the 2013 Construction Agreement, the Group may from time to time invite the 23rd Metallurgical Group member(s) to tender for construction contract(s), and subject to successful tender, engage the 23rd Metallurgical Group member(s) as construction contractor(s) in respect of existing and future real estate development projects (excluding the portion of the existing projects that had been tendered) of the Group in the PRC, provided that the total contract sums of the construction contract(s) to be awarded by the Group to the 23rd Metallurgical Group member(s) during each of the three years from 1 January 2014 to 31 December 2016 shall not exceed the Construction Contracts Caps.

The Company and 23rd Metallurgical shall do such acts and execute such further documents as may be required under relevant laws or the Listing Rules or as may be necessary or reasonable for the purposes of implementing the 2013 Construction Agreement and the transactions contemplated thereunder. The Company may unilaterally suspend performance of its obligations under the 2013 Construction Agreement until it complies with the relevant requirements under relevant laws or the Listing Rules. Further, in order to facilitate the Group's monitoring of the 2013 Continuing Connected Transactions, we note from the 2013 Construction Agreement that 23rd Metallurgical shall allow the Company's auditors to gain access to its records. Details of the terms of the 2013 Construction Agreement are set out in the "Letter from the Board" of the Circular.

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Based on the aforesaid terms, we are of the view that the 2013 Construction Agreement provides the framework for the Company to govern the business relationship with 23rd Metallurgical (see paragraph 3.5 below), to manage the process of awarding construction contracts (see paragraph 3.3 below) and the total sum of construction contracts (see paragraph 3.7 below) to be granted to the 23rd Metallurgical Group member(s) within a period of the three years ending 31 December 2016. In addition, we believe such measures are to safeguard the interests of the Company and the Shareholders as a whole.

3.3 Tendering and appointment procedures

As set out in the “Letter from the Board” of the Circular, subject to the size of the real estate development projects of the Group, construction contracts of the Group’s real estate development projects (in each instance) may have to be awarded through a tender process governed by some stringent measures and regulations in the PRC. Notwithstanding that there might be slightly different measures and regulations in different cities and provinces in the PRC, a tender evaluation committee will be established to, amongst other matters, evaluate tenders based on an appropriate tender assessment method and recommend the successful tender in a manner as stipulated in the applicable rules and regulations in the PRC. Further information in relation to the formation of tender evaluation committee and the typical tender process for the Group’s real estate development projects are set out in the “Letter from the Board” of the Circular under paragraph headed “Further information on the appointment of construction contractors by the Group”.

Based on our discussion with the Management relating to the tendering and appointment procedures, and given the independence of the tender evaluation committee, in the event that the 23rd Metallurgical Group member(s) participates in tendering for any construction contracts in respect of the Group’s existing and future real estate development projects in the PRC, its tender will be reviewed and evaluated by the relevant tender evaluation committee by applying a prescribed tender assessment method in a manner no different from any other qualified tenders. In particular, the Group will not be involved in the tender evaluation part of the tender process except that representative(s) from the Group may be a minority member(s) of the relevant tender evaluation committee formed in accordance with the rules and regulations in the PRC. As such, we believe the tender process is transparent and fair. In addition, we are of the view that even if the 23rd Metallurgical Group member(s) were awarded with construction contracts for real estate development projects of the Group under the tendering procedures, the terms of which would be no less favourable than those from independent third party.

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3.4 Settlement arrangement of the construction contract sum under the 2013 Construction Agreement

According to the Management, the construction contract sum will be payable with respect to specific work stages/milestones achieved in various aspects of work. In general, an aggregate of 85% of the total construction contract sum will be settled by the time of completion of works, and the remaining 15% of the total construction sum will be payable according to a payment schedule and will be fully settled in one month after the expiry of defect liability period.

We have reviewed and compared samples of the settlement arrangement for construction contracts with independent third parties to the Group and with those construction contracts with the 23rd Metallurgical Group member(s), and noted that their settlement arrangements were mostly consistent with and/or same as mentioned above. Moreover, we have acknowledged from the Management that the settlement arrangement for the construction contract sum under the construction contracts (if successfully awarded to the 23rd Metallurgical Group member(s) by the Group) under the 2013 Construction Agreement will continue to be consistently applied as described above.

Taking into account the above, we are of the view that the settlement arrangement for the construction contract sum under the construction contracts (if successfully awarded to the 23rd Metallurgical Group member(s) by the Group) under the 2013 Construction Agreement to be fair and reasonable.

3.5 Reasons for and benefits of the 2013 Construction Agreement

According to the Management, the Group's real estate development business continues to grow. It is expected that in the coming few financial years, it will actively invite tenders for construction works relating to its real estate development projects. In addition, the construction contract sum of each of these tenders is expected to be over HK\$10,000,000.

We understand from the Management that there had been no material complaints on the 23rd Metallurgical Group members in respect of their work under the Group's construction contracts in the past. Furthermore, the Group is satisfied with the competence of 23rd Metallurgical as a construction contractor for the Group's real estate development projects in the PRC. Given the qualifications and experiences of the 23rd Metallurgical Group member(s), the Directors consider that it is capable and suitable to tender for construction contracts of the Group's real estate development projects.

23rd Metallurgical had periodically been appointed, based on successful tender, as a construction contractor for the Group's real estate development projects in the PRC since July 2007. The agreement in respect of the 2011 Continuing Connected Transactions for the three years ending 31 December 2013 will expire on 31 December 2013. The main purpose of the 2013 Construction Agreement and the

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2013 Continuing Connected Transactions is to avoid undue delay in the construction progress of the relevant projects which will otherwise require Independent Shareholder's approval in a special general meeting for each specific instance. Notwithstanding the 2013 Construction Agreement which governs the framework of their business relationship, each appointment of the 23rd Metallurgical Group member(s) as a construction contractor for the Group's projects is subject to a successful tender in a competitive tendering process governed by the relevant rules and regulations in the PRC.

We note from the Management that, as at 30 June 2013, the majority of the real estate development projects of the Group will have construction contracts scheduled for tendering during the three years ending 31 December 2016. Based on the aforesaid information, and the fact that the Group is satisfied with the competence of the 23rd Metallurgical as construction contractor for the Group's real estate development projects in the PRC based on the working relationship since July 2007, we are of the view that the entering into the 2013 Construction Agreement and the 2013 Continuing Connected Transactions for the three years ending 31 December 2016 is justifiable as it provides an additional choice of construction contractor to the Group and thus, the flexibility in managing the Group's construction projects during the three years ending 31 December 2016.

Based on the reasons and benefits mentioned above, the principal activities of the Group and 23rd Metallurgical (see paragraph 1.2 above) and the principal terms of the 2013 Construction Agreement (see paragraph 3.2 above), we are of the view that the terms of the 2013 Continuing Connected Transactions contemplated under the 2013 Construction Agreement to be on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

3.6 *Historical annual caps of the 2011 Continuing Connected Transactions*

As set out in the "Letter from the Board" of the Circular, the historical annual caps of the 2011 Continuing Connected Transactions (the "**Historical Annual Caps**") and the Group's construction contracts awarded to the 23rd Metallurgical Group member(s) for the period from 29 March 2011 to 31 December 2011, 1 January 2012 to 31 December 2012 and 1 January 2013 to the Latest Practicable Date were as follows:

	Historical Annual Caps		Amount awarded to the 23rd Metallurgical Group member(s)	
	<i>RMB million</i>	<i>Approximate to HK\$ million</i>	<i>RMB million</i>	<i>Approximate to HK\$ million</i>
Year ended 31 December 2011	1,817	2,299	134	170
Year ended 31 December 2012	1,399	1,770	37	47
Year ending 31 December 2013	1,136	1,437	12	15

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We have discussed with the Management regarding the reasons for the 23rd Metallurgical Group member(s) having under-utilised the Historical Annual Caps for the three years from 29 March 2011 to the Latest Practicable Date. The Management believes and we concur that the under-utilisation of the annual caps of the corresponding period was mainly due to the following reasons:

- (i) the 23rd Metallurgical Group member(s) had not been awarded construction contracts in every occasion where it/they had submitted tender(s) as certain contracts were awarded to other independent third party contractors under the tender process;
- (ii) the Historical Annual Caps were determined with reference to the then planned schedule of development plans; but the actual progress of each of the projects of the Group were subject to change over time (due to various situations, including but not limited to, market and economic conditions from time to time); and
- (iii) the 23rd Metallurgical Group member(s) may not be able to submit tenders for all of the construction projects due to the constraints of their resources which were affected by, including but not limited to, the location of the Group's projects and the time of which the Group's construction contracts were made available for tender.

3.7 Construction Contract Caps

The Company proposes to adopt the following Construction Contracts Caps for transactions to be entered into pursuant to the 2013 Construction Agreement for each of the three years from 1 January 2014 to 31 December 2014, from 1 January 2015 to 31 December 2015 and from 1 January 2016 to 31 December 2016:

Year ending 31 December 2014	RMB946 million (approximately HK\$1,197 million)
Year ending 31 December 2015	RMB998 million (approximately HK\$1,262 million)
Year ending 31 December 2016	RMB743 million (approximately HK\$940 million)

As stated in the "Letter from the Board" of the Circular, the Construction Contracts Caps were based on (i) the likelihood of the 23rd Metallurgical Group member(s) to participate in the project tender, (ii) the estimated scope of construction works in respect of the Group's real estate development projects, (iii) the estimated relevant construction price on a per square meter basis; and (iv) the expected progress of the construction works for the three years ending 31 December 2016. Given the under-utilisation of the Historical Annual Caps as mentioned above, we understand from the Management that in the formulation of the Construction Contracts Caps, the Management has also taken into account the locations where

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members of the 23rd Metallurgical Group operate in the PRC to assess the likelihood of the 23rd Metallurgical Group member(s) to participate in the project tender, in addition to the expected progress of the construction works for three years ending 31 December 2016. We have discussed with the Management the basis of determining the estimated unit construction price and noted that, reference is made to the prevailing market prices on construction works with similar quality and scopes of work for such types of real estate development projects.

According to the Management, the increase in Construction Contracts Cap for the year ending 31 December 2015 to approximately RMB998 million (approximately HK\$1,262 million) is due to the increase in the expected gross floor area to be tendered. For the same reason, the decrease in Construction Contracts Cap for the year ending 31 December 2016 to approximately RMB743 million (approximately HK\$940 million) is attributable to the decrease in the expected gross floor area to be tendered.

Shareholders should note that the Construction Contracts Caps represent the best estimates by the Group based on the information currently available, including but not limited to, the types of the property to be constructed, development schedule, prevailing market conditions and, in particular, the estimated amount of construction contracts for the Group's existing real estate development projects in the PRC and should not be construed as the actual amount of construction contracts that the Group will award to the 23rd Metallurgical Group member(s) during the three years ending 31 December 2016. The Construction Contracts Caps have no direct relationship to, nor should be taken to have any direct bearing on, the Group's financial or potential financial performance.

We believe that the 23rd Metallurgical Group member(s) may at any one time concurrently be requested to submit tender for multiple projects of the Group, which may or may not be awarded to it. Notwithstanding the likelihood of the 23rd Metallurgical Group member(s) being awarded with all the tenders is low, the Management has accounted for the maximum amount of contract sum which the Group may be awarded to the 23rd Metallurgical Group member(s) under the 2013 Construction Agreement. We are of the view that assuming the Construction Contracts Caps to be the maximum amount of contract sum which the Group may be awarded to the 23rd Metallurgical Group member(s) is justifiable and reasonable due to the fact that (i) it would provide maximum flexibility to the Group (see paragraph 3.2 above); and (ii) it would avoid undue delay in the construction schedule of the Group's projects in the event that the 23rd Metallurgical Group member(s) turns out to be competitive and a suitable choice of construction contractor in each of the tenders (see paragraph 3.5 above).

Taking into account the above, we are of the view that the Construction Contracts Caps for each of the three years ending 31 December 2016 are fair and reasonable.

4. The Financial Services Framework Agreement

4.1 The principal terms relating to the provision of deposit services under the Financial Services Framework Agreement

Below are the key terms of the provision of deposit services under the Financial Services Framework Agreement which we have considered. Details are set out in the “Letter from the Board” of the Circular.

- (i) All transactions contemplated under the Financial Services Framework Agreement, including the deposit services, shall be undertaken on normal commercial terms, or on terms no less favourable to the Company and its PRC subsidiaries than those that could be obtained from independent third parties and on terms which are most favourable to the Company and its PRC subsidiaries as compared to terms offered by Minmetals Finance to other subsidiaries of China Minmetals.
- (ii) Interest rates on deposits placed with Minmetals Finance by the Company and its PRC subsidiaries shall not be lower than (a) the highest interest rates for comparable category of deposits offered by other major PRC commercial banks with which the Company and its PRC subsidiaries have established business relationship; and (b) the highest interest rate offered by Minmetals Finance to other subsidiaries of China Minmetals for comparable category of deposits, whichever is the higher.
- (iii) The Company and its PRC subsidiaries have the right to use other financial service providers according to operational needs and to determine the deposit amount as well as the schedule for withdrawal of deposits (other than fixed deposits with specified deposit terms).

The Directors confirm that the Company and its PRC subsidiaries, shall obtain quotation of interest rates from no less than two major PRC commercial banks or financial institutions with which the Company and its PRC subsidiaries have established business relationship before deciding to place deposits with Minmetals Finance. Should the interest rates from the abovementioned PRC commercial banks or financial institutions be more favourable than that offered by Minmetals Finance, the Company and its PRC subsidiaries would not place the deposits with Minmetals Finance.

As a treasury management strategy of the Group, we noted that the Company and its PRC subsidiaries have from time to time placed deposits with over 24 commercial banks in the PRC.

Taking into account the existing treasury management strategy of the Group as mentioned above and the abovementioned key terms for the provision of the deposit services under the Financial Services Framework Agreement, we are of the view that the terms with regard to the provision of deposit services under the Financial Services Framework Agreement are normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

4.2 Reasons for and benefits of the Financial Services Framework Agreement

As a regulated financial institution, Minmetals Finance is required to comply with all rules and operational requirements of the regulatory authorities, namely the CBRC. As such, the utilisation of the deposit services provided by Minmetals Finance would not expose the Group to additional financial risk as compared to utilising deposit services provided by similar financial institutions that are governed by the same rule and operational requirements of the CBRC.

Minmetals Finance is restricted under the relevant rules of the CBRC to offer its services only to China Minmetals and its subsidiaries. Accordingly, Minmetals Finance has greater access to financial information of China Minmetals and its subsidiaries, which enables it to carry out more accurate credit assessment than lending to external entities. This in turn lowers its exposure to the potential risk arising from provision of services to external entities. Furthermore, based on the restriction on offering its services only to China Minmetals and its subsidiaries, Minmetals Finance will have fewer borrowers as compared to independent third party commercial banks in the PRC, which will in turn enhance its monitoring of loan performance. As such, Minmetals Finance will have a lower default risk than independent third party commercial banks in PRC. The above restriction together with the Company's right to terminate the Financial Services Framework Agreement if Minmetals Finance fails to maintain (i) a capital adequacy ratio of not less than 10%; (ii) a non-performing assets ratio of not more than 4%; or (iii) a non-performing loans ratio of not more than 5%, is, in the view of the Directors (which we concur), able to offer the Group adequate protection on its deposits with Minmetals Finance under the Financial Services Framework Agreement.

In addition, given the status of Minmetals Finance as an intra-group service provider, in comparison to other commercial banks or financial institutions, Minmetals Finance has the advantages of (i) better understanding the operations of the Company and its PRC subsidiaries, which the Directors believe will lead to more expedient and efficient services; and (ii) better communication with the Group.

Interest rates on deposits placed with Minmetals Finance will be determined with reference to PBOC standard or reference rates for certain loan and deposit services. As described above, the Group is neither obliged nor committed to utilise the deposit services of Minmetals Finance under the Financial Services Framework Agreement if the interest rates of deposits are less favourable in comparison to those offered by other major PRC commercial banks or financial institutions with which the Company and its PRC subsidiaries have established business relationship. This allows the Company and its PRC subsidiaries to have the flexibility and discretion to select the appropriate provider for deposit services.

Furthermore, the Company or its relevant PRC subsidiaries is required to obtain prior written approval from at least one or two executive Directors (depending on the size of the deposit) for the placing of deposits by the Company and its PRC subsidiaries with Minmetals Finance. This would ensure that proper

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internal control procedures will be complied with and will also prevent unauthorised utilisation of the deposit services offered by Minmetals Finance. Further details of the additional internal control procedures to manage the deposit services offered by Minmetals Finance are set out in the “Letter from the Board” of the Circular.

In view of the above, and that (i) the transactions contemplated under the Financial Services Framework Agreement will be conducted on normal commercial terms or on terms no less favourable to the Company and its PRC subsidiaries than those that could be obtained from independent third parties and on terms which are most favourable to the Company and its PRC subsidiaries as compared to the terms offered by Minmetals Finance to subsidiaries of China Minmetals; (ii) the deposit services contemplated under the Financial Services Framework Agreement are undertaken in the ordinary and usual course of the Group’s business given the principal businesses of Minmetals Finance; and (iii) the deposits being placed by the Company and its PRC subsidiaries with Minmetals Finance will generate interest at a rate no less favourable than those available from other independent PRC commercial banks and which are the most favourable to the Company and its PRC subsidiaries as compared to the terms offered by Minmetals Finance to subsidiaries of China Minmetals. Accordingly, the Directors believe and we concur that the utilisation of the deposit services under the Financial Services Framework Agreement is in the interests of the Company and the Shareholders as a whole.

4.3 *Financial Services Caps*

The Financial Services Caps on the maximum daily outstanding balance of deposits (including accrued interest) placed by the Company and its PRC subsidiaries with Minmetals Finance pursuant to the Financial Services Framework Agreement are as follows:

	For the year ending 31 December		
	2013	2014	2015
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Maximum daily outstanding	1,800	1,800	1,800
balance of deposits	(approximately	(approximately	(approximately
(including accrued interest)	HK\$2,277	HK\$2,277	HK\$2,277
	million)	million)	million)

As stated in the “Letter from the Board” of this Circular, the Financial Services Caps was arrived at taking into consideration of several factors, including (i) the treasury management strategy of the Group taking into account the cash flow requirements and financial needs of the Group for its business development plans; and (ii) the expected increase in sales revenue and the expected amount of cashflow of the Company and its PRC subsidiaries in the three years ending 31 December 2013, 2014 and 2015, taking into account the expected growth of the Group’s business. We have discussed with the Management the basis of the expected increase in sales revenue and the expected amount of cashflow of the Company and

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its PRC subsidiaries in the three years ending 31 December 2013, 2014 and 2015, in particular, taking into account the development progress of the Group's real estate development projects and the outlook of the property market in the PRC (see paragraph 2 above). We are of the view that the basis for the Management to derive the Financial Services Caps is justifiable and reasonable.

As mentioned in paragraph 4.1 above, we noted that the Company and its PRC subsidiaries have from time to time placed deposits with over 24 commercial banks in the PRC. For the three years ended 31 December 2010, 2011 and 2012 and the six months ended 30 June 2013, the Management confirmed that no more than 50% of the aggregate cash balance of the Group had been deposited at any point in time with any single commercial bank or financial institution in the PRC. Also according to the Management, as at 30 June 2013, approximately 22.4% of the aggregate cash balance of the Company and its PRC subsidiaries was deposited with one single commercial bank in the PRC.

Given that (i) the Financial Services Caps (being the maximum daily balance of deposits) represent no more than approximately 33.0% of the expected aggregate cash balance of the Company and its PRC subsidiaries for the three years ending 31 December 2013, 2014 and 2015, which is consistent with the Group's existing treasury management strategy and is also lower than the highest proportion of deposit placed with any single commercial bank or financial institution in the PRC for the three years ended 31 December 2010, 2011 and 2012 and the six months ended 30 June 2013; (ii) the Company and its PRC subsidiaries have from time to time placed deposits with over 24 commercial banks in the PRC, the provision of deposit services by Minmetals Finance offers the Company and its PRC subsidiaries an additional choice for selection; (iii) the Group is neither obliged nor committed to utilise the deposit services of Minmetals Finance under the Financial Services Framework Agreement if the interest rates of deposits are less favourable in comparison to those offered by other major PRC commercial banks or financial institutions with which the Company and its PRC subsidiaries have established business relationship (see paragraph 4.2 above); and (iv) such maximum amount of daily balance of deposits is justifiable and reasonable since it would provide maximum flexibility to the Group's management of its treasury strategy subject to Minmetals Finance's offer being the most favourable interest rates in comparison to other major PRC commercial banks or financial institutions, we are of the view that the Financial Services Caps (being the maximum daily balance of deposits) to be fair and reasonable.

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5. Continuing connected transactions requirements under the Listing Rules

Pursuant to Rule 14A.37 of the Listing Rules, the independent non-executive Directors are required to review the Group's continuing connected transactions annually and confirm in the Company's annual report that they have been carried out (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms; and (iii) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

In compliance with the Listing Rules, the Company will engage auditors to report on the Group's continuing connected transactions in relation to (i) the 2013 Construction Agreement for each of the three years ending 31 December 2014, 2015 and 2016; and (ii) the Financial Services Framework Agreement for each of the three years ending 31 December 2013, 2014 and 2015.

Given the above, we consider that there exist appropriate procedures and arrangements to ensure that the continuing connected transactions contemplated under the 2013 Construction Agreement and the Financial Services Framework Agreement will be conducted on terms in compliance with the provisions of the Listing Rules.

RECOMMENDATIONS

Having considered the above principal factors, we are of the view that (1) (i) the 2013 Construction Agreement and the 2013 Continuing Connected Transactions; and (ii) the provision of deposit services under the Financial Services Framework Agreement are in the Group's ordinary and usual course of business and together with the Proposed Annual Caps are in the interests of the Company and the Shareholders as a whole; (2) the terms of the 2013 Continuing Connected Transactions and the transactions contemplated by the provision of deposit services under the Financial Services Framework Agreement are normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (3) the Proposed Annual Caps have been fairly and reasonably arrived at.

Accordingly, we recommend the Independent Shareholders, as well as the Independent Board Committee to advise the Independent Shareholders, to vote in favour of the resolutions approving the 2013 Construction Agreement, the 2013 Continuing Connected Transactions, the provision of deposit services under the Financial Services Framework Agreement and the Proposed Annual Caps related thereto at the SGM.

Yours faithfully
For and on behalf of
Altus Capital Limited
Arnold Ip **Chang Sean Pey**
Executive Director *Executive Director*

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the three years ended 31 December 2010, 2011 and 2012 are disclosed in the following documents which have been published on the websites of the Stock Exchange (www.hkexnews.hk) and of the Company (www.minmetalsland.com):

- the Company's annual report for the year ended 31 December 2010 published on 19 April 2011 (pages 55 to 129);
- the Company's annual report for the year ended 31 December 2011 published on 25 April 2012 (pages 55 to 128); and
- the Company's annual report for the year ended 31 December 2012 published on 25 April 2013 (pages 63 to 129).

2. INDEBTEDNESS

Borrowings

As at the close of business on 30 September 2013, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the Group had aggregate outstanding borrowings of approximately HK\$5,827.14 million, details of which are set out below:

	<i>HK\$ million</i>
Long-term bank borrowings, secured and guaranteed	4,459.48
Long-term bank borrowings, secured and unguaranteed	723.63
Short-term bank borrowings, secured and unguaranteed	494.25
Short-term bank borrowings, unsecured and guaranteed	77.80
Short-term bank and other borrowings, unsecured and unguaranteed	71.98
	<u>5,827.14</u>

Amount due to an associated company

As at the close of business on 30 September 2013, the Group had outstanding amount due to an associated company of approximately HK\$746.44 million, which are unsecured, unguaranteed and repayable on demand.

Amount due to the non-controlling shareholder of a subsidiary

As at the close of business on 30 September 2013, the Group had outstanding amount due to the non-controlling shareholder of a subsidiary of approximately HK\$1,714.24 million, which are unsecured, unguaranteed and repayable on demand.

Charges on Group assets

As at the close of business on 30 September 2013, certain assets of the Group were pledged as securities for the Group's banking and other facilities and mortgage loans granted to buyers of sold properties and these pledged assets of the Group included (i) investment properties, (ii) properties under development, (iii) leasehold land and buildings and (iv) bank deposits.

Guaranteed bonds

As at the close of business on 30 September 2013, the Group had guaranteed bonds of approximately HK\$1,720.65 million and HK\$955.91 million, which will be matured on 26 April 2018 and 26 April 2023 respectively. The guaranteed bonds were guaranteed by the Company and have the benefit of a keepwell deed from China Minmetals, the ultimate controlling shareholder of the Company.

Contingent liabilities

As at the close of business on 30 September 2013, the Group has 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\$2,514.82 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 September 2013.

3. WORKING CAPITAL

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

4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The overall real estate market recovered in the second quarter of 2013 and will continue to be more active in the rest of the year. The average property transaction volume and prices recorded improvement across the board. Developers showed their keen interest in land auctions partly as a result of strong domestic demand and the catalyst of urbanization and consequently pushed up the land premium progressively especially in the first and second tiers cities. The administrative policy and control measures such as the “National Five” regulations in the real estate market is expected to remain for a period of time and are unlikely to be reversed in near future.

Facing uncertainties from recovery of global economy as well as macro-economic and monetary policies of the PRC government, the Group is cautiously optimistic toward the real estate market and takes more precautions in the course of operation. In the second half of 2013, the Group continues to focus on (1) realizing its sales target; (2) launching its sales exhibitions or programs in an orderly manner; (3) replenishing its land bank; (4) monitoring the property construction progress for timely delivery and (5) enhancing its financial position and liquidity by securing long term financing and introducing joint venture partners or equity investors.

The Group will continue to closely monitor the real estate market developments in the PRC from different perspectives. With the strong support of China Minmetals and dedication of the professional management team, it is always our mission to bring fruitful returns to the Shareholders.

1. RESPONSIBILITY STATEMENT

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

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

As at the Latest Practicable Date, the interests and short position of the Directors and the chief executive of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of the SFO), which have been 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 are taken or deemed to have under such provisions of the SFO), or pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, or as recorded in the register kept by the Company pursuant to section 352 of the SFO, were as follows:

Long Position in Shares

Name of Director	Type of interest	Number of Shares held	Percentage of total issued Shares
Mr. He Jianbo	Personal	612,000	0.018%
Mr. Yin Liang	Personal	408,000	0.012%
Ms. He Xiaoli	Personal	370,000	0.011%

Interests in underlying Shares*Interests in share options of the Company*

As at the Latest Practicable Date, the following Directors had interests in the share options granted by the Company under the share option scheme of the Company adopted on 29 May 2003:

Name of Director	Date of grant	Vesting period (both days inclusive)	Exercisable period (both days inclusive)	Exercise price per Share (HK\$)	Number of share options outstanding
Mr. Sun Xiaomin	30.11.2012	30.11.2012 to 29.11.2014	30.11.2014 to 29.11.2022 ^(Note 2)	1.20	1,970,000
Mr. He Jianbo	1.12.2008	1.12.2008 to 30.11.2010	1.12.2010 to 30.11.2018 ^(Note 1)	0.45	1,428,000
	30.11.2012	30.11.2012 to 29.11.2014	30.11.2014 to 29.11.2022 ^(Note 2)	1.20	2,900,000
Mr. Yin Liang	1.12.2008	1.12.2008 to 30.11.2010	1.12.2010 to 30.11.2018 ^(Note 1)	0.45	952,000
	30.11.2012	30.11.2012 to 29.11.2014	30.11.2014 to 29.11.2022 ^(Note 2)	1.20	2,200,000
Ms. He Xiaoli	1.12.2008	1.12.2008 to 30.11.2010	1.12.2010 to 30.11.2018 ^(Note 1)	0.45	793,333
	30.11.2012	30.11.2012 to 29.11.2014	30.11.2014 to 29.11.2022 ^(Note 2)	1.20	2,100,000
Mr. Tian Jingqi	30.11.2012	30.11.2012 to 29.11.2014	30.11.2014 to 29.11.2022 ^(Note 2)	1.20	1,700,000
Mr. Liu Zeping	30.11.2012	30.11.2012 to 29.11.2014	30.11.2014 to 29.11.2022 ^(Note 2)	1.20	1,470,000

Notes:

- These share options are exercisable in three tranches: the maximum percentage of share options of each tranche exercisable within the periods from 1 December 2010 to 30 November 2018, from 1 December 2011 to 30 November 2018 and from 1 December 2012 to 30 November 2018 are 30%, 30% and 40% respectively.
- These share options are exercisable in three tranches: the maximum percentage of share options of each tranche exercisable within the periods from 30 November 2014 to 29 November 2022, from 30 November 2015 to 29 November 2022 and from 30 November 2016 to 29 November 2022 are 30%, 30% and 40% respectively.

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

Save as disclosed below, as at the Latest Practicable Date, so far as was known to the Directors, none of the Directors is a director or employee of a company which has an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

- (a) Mr. Sun Xiaomin, Mr. He Jianbo, Mr. Yin Liang, Ms. He Xiaoli, Mr. Tian Jingqi and Mr. Liu Zeping are employees of China Minmetals;
- (b) Mr. Sun Xiaomin is a director of China Minmetals Corporation Limited (“CMCL”);
- (c) Mr. He Jianbo is a director of Minmetals HK; and
- (d) Mr. Yin Liang is a director of June Glory.

3. INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, the following persons (other than Directors and chief executive of the Company) had interests or short positions in Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO :

Name of Shareholder	Interest in Shares	Approximate percentage of total issued Shares
China Minmetals	2,071,095,506 ^(Note 1)	62.05%
CMCL	2,071,095,506 ^(Note 1)	62.05%

Name of Shareholder	Interest in Shares	Approximate percentage of total issued Shares
Minmetals HK	2,071,095,506 ^(Note 1)	62.05%
June Glory	2,071,095,506 ^(Note 1)	62.05%
Mr. Osbert Lyman	170,139,862 ^(Note 2)	5.10%
Strategic Power International Limited (“SPI”)	170,139,862 ^(Note 2)	5.10%

Notes:

- June Glory is a wholly-owned subsidiary of Minmetals HK, which in turn is wholly owned by CMCL. CMCL is owned as to approximately 88.5% by China Minmetals. Accordingly China Minmetals, CMCL and Minmetals HK were deemed as interested in the 2,071,095,506 Shares held by June Glory.
- SPI is owned as to 70% by Mr. Osbert Lyman. In view that SPI had direct and indirect interests in 19,290,000 Shares and 150,849,862 Shares respectively, each of SPI and Mr. Osbert Lyman was deemed as interested in an aggregate of 170,139,862 Shares.

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

4. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter into, a service contract with any member of the Group which is not terminable by the Group within one year without payment of compensation, other than statutory compensation.

5. COMPETING BUSINESS

Mr. He Jianbo, the Deputy Chairman, Managing Director and an executive Director of the Company, is also a director of Minmetals (Yingkou) Industrial Park Development Co., Ltd. (“**Yingkou Industrial Park**”, a subsidiary of China Minmetals), Minmetals Real Estate Co., Ltd. (“**Minmetals Real Estate**”, a subsidiary of China Minmetals) and 23rd Metallurgical.

Mr. Tian Jingqi, a non-executive Director of the Company, is also a director and the general manager of Minmetals Real Estate, and a director of Yingkou Industrial Park and 23rd Metallurgical.

Mr. Liu Zeping, a non-executive Director of the Company, is also a director and the president of 23rd Metallurgical, and a director of Yingkou Industrial Park and Minmetals Real Estate.

Yingkou Industrial Park is an enterprise established under the laws of the PRC which is engaged in the development of Minmetals (Yingkou) Industrial Park. Minmetals Real Estate is an enterprise established under the laws of the PRC which 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. 23rd Metallurgical is an enterprise established under the laws of the PRC which is engaged in construction engineering, mining development and operations, real estate and related industries business.

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

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or their respective associates had any competing interests in a business which competes or is likely to compete with the business of the Group (as would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them were a controlling shareholder).

6. DIRECTORS' INTERESTS IN ASSETS AND CONTRACTS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been, since 31 December 2012 (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 any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

There is no contract or arrangement subsisting at the Latest Practicable Date in which any of the Directors is materially interested and which is significant in relation to the business of the Group. However, Mr. Tsui Ki Ting, who is a director of a subsidiary of the Company — 龍建(南京)置業有限公司 (Dragon Construction (Nanjing) Property Co., Ltd.) (“**DCNP**”), was interested in the shareholders’ agreement in respect of Oriental Dragon Construction Limited (“**ODCL**”) (the immediate holding company of DCNP) dated 11 April 2006 entered into amongst Karman Industries Limited (“**KIL**”), Stillpower Limited (both being wholly-owned subsidiaries of the Company), World Ocean Development Limited (“**WODL**”) and ODCL in respect of the transfer of a 29% equity interest in ODCL from KIL to WODL at a total consideration of HK\$2,900 and the management and operations of ODCL which is engaged in the Laguna Bay Project. As at the Latest Practicable Date, Mr. Tsui Ki Ting had an equity interest of 26.67% in WODL which in turn owned 29% equity interest in ODCL, and the remaining 71% equity interest in ODCL was owned indirectly by the Company.

7. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claims of material importance nor was any litigation or claims of material importance known to the Directors to be pending or threatened against any member of the Group.

8. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Group within the two years immediately preceding the date of this circular and are or may be material:

- (a) on 18 May 2012, Minmetals Land Investment Management Limited (the “**HK Subsidiary**”) (a wholly-owned subsidiary of the Company) and 北京萬科企業有限公司 (Beijing Vanke Enterprise Co., Ltd.*) (the “**JV Partner**”) entered into the articles of association and joint venture contract, as supplemented by a supplemental agreement to establish a new enterprise under the laws of the PRC (the “**New JVCoA**”) with a total investment amount of US\$700.0 million and a registered capital of US\$350.0 million. The Group would contribute approximately US\$178.5 million into the registered capital of New JVCoA, representing 51% of its enlarged registered capital;
- (b) on 18 May 2012, 五礦建設投資管理(北京)有限公司 (Minmetals Land Investment Management (Beijing) Co., Ltd.*) (the “**Subsidiary**”) (a wholly-owned subsidiary of the Company), the HK Subsidiary and the JV Partner entered into the equity transfer and capital expansion agreement in relation to a joint venture company established under the laws of the PRC (the “**JVCoB**”), pursuant to which, inter alia, the Subsidiary agreed to transfer its entire 51% equity interest in JVCoB to the HK Subsidiary at a consideration of RMB25.5 million; and upon completion of such transfer, the HK Subsidiary and the JV Partner shall effect the capital expansion of JVCoB by increasing the registered capital of JVCoB by RMB1,572.5 million, which will be contributed as to 51% by the HK Subsidiary and 49% by the JV Partner;
- (c) on 18 May 2012, the HK Subsidiary and the JV Partner entered into the articles of association and joint venture contract, as supplemented by a supplemental agreement in relation to, among other things, the capital expansion and joint venture arrangements of JVCoB and it was also agreed that the total investment amount in respect of JVCoB would be RMB1,882.1 million;
- (d) on 10 August 2012, the Company, Menson Development Limited (“**Menson**”) (an indirect wholly-owned subsidiary of the Company), 深圳泛華工程集團有限公司 (Shenzhen Pan-China Engineering Co., Ltd.*) (the “**Vendor**”) and 博羅縣碧華房地產開發有限公司 (Boluo County Bihua Property Development

* For identification purpose only

Company Limited*) (the “**Target Company**”) entered into the further supplemental agreement, pursuant to which the parties agreed to certain changes to the transactions contemplated under the master cooperation agreement dated 30 September 2010 entered into between the Vendor, the Company and the Target Company;

- (e) on 10 August 2012, Menson and the Vendor entered into the second equity transfer and capital expansion agreement in respect of the acquisition of 15% of the equity interests in the Target Company by the Company from the Vendor (the “**Second Acquisition**”) and the additional contribution to the registered capital of the Target Company in the amount of RMB220 million (the “**Further Capital Expansion**”); the purchase price of the Second Acquisition would be revised to approximately RMB84.8 million and the Further Capital Expansion in the amount of RMB220 million shall be contributed as to 80% by Menson and 20% by the Vendor;
- (f) on 10 August 2012, Menson and the Vendor entered into the new joint venture agreement and new articles of association in respect of the Target Company, which reflect their new equity holdings and capital contribution in the Target Company as a result of the Second Acquisition and the Further Capital Expansion;
- (g) on 19 April 2013, the Company, Minmetals Land Capital Limited (a wholly-owned subsidiary of the Company) as issuer and certain banks as joint bookrunners entered into the subscription agreement in relation to the issue of the US\$225,000,000 5.50% guaranteed bonds due 2018 and the US\$125,000,000 6.50% guaranteed bonds due 2023 issued by the issuer and guaranteed by the Company;
- (h) on 5 July 2013, ONFEM Finance Limited (a wholly-owned subsidiary of the Company) as borrower, the Company and Minmetals Land Investments Limited (a wholly-owned subsidiary of the Company) as guarantors and certain banks as lenders entered into a facility agreement for a 3-year term loan facility in the principal amount of HK\$3,800,000,000; and
- (i) on 28 October 2013, Ample Leading Limited (a wholly-owned subsidiary of the Company), 礦濟地產(南京)有限公司 (Kuangji Properties (Nanjing) Co., Ltd.*, an indirect wholly-owned subsidiary of the Company as at the Latest Practicable Date) (the “**JV Company**”) and China Resources Sztic Trust Co., Ltd. (華潤深國投信托有限公司) (the “**Investor**”), entered into a capital injection agreement pursuant to which the Investor will inject RMB1.8 billion into the registered capital of the JV Company.

* For identification purpose only

9. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2012, the date to which the latest published audited financial statements of the Company were made up.

10. EXPERT

- (a) Altus Capital is a corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO.
- (b) Altus Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter, reports and references to its name in the form and context in which they are included. The letter and recommendations therein given by Altus Capital are given as of the date of this circular for incorporation herein.
- (c) As at the Latest Practicable Date, Altus Capital 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.
- (d) As at the Latest Practicable Date, Altus Capital did not have any interest, directly or indirectly, in any asset which had since 31 December 2012, being the date to which the latest published audited financial statements of the Company were made up, been acquired or disposed of by, or leased to, any member of the Group, or was proposed to be acquired or disposed of by, or leased to, any member of the Group.

11. MISCELLANEOUS

- (a) 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.
- (b) The English text of this circular shall prevail over the Chinese text.

12. 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), from the date of this circular up to the date of the SGM:

- (a) the memorandum of association and bye-laws of the Company;
- (b) the annual reports of the Company for the three years ended 31 December 2010, 2011 and 2012;
- (c) the material contracts as referred to in the paragraph headed "8. Material Contracts" in this appendix;
- (d) the agreement between the Company and 23rd Metallurgical in relation to the 2011 Continuing Connected Transactions;
- (e) the 2013 Construction Agreement;
- (f) the Financial Services Framework Agreement;
- (g) the letter from the Independent Board Committee, the text of which is set out in the section headed "Letter from the Independent Board Committee" of this circular;
- (h) the letter from Altus Capital, the text of which is set out in the section headed "Letter from Altus Capital" of this circular; and
- (i) the written consent referred to in paragraph 10 in this appendix.



五礦建設有限公司*

MINMETALS LAND LIMITED

(Incorporated in the Bermuda with limited liability)

(Stock Code: 230)

NOTICE IS HEREBY GIVEN that a special general meeting of the shareholders of Minmetals Land Limited (the “Company”) will be held at Garden Rooms, 2nd Floor, The Royal Garden, 69 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Wednesday, 11 December 2013 at 10:30 a.m. for the purposes of considering and, if thought fit, passing each of the following resolutions as an ordinary resolution:

ORDINARY RESOLUTIONS

- (1) “THAT:
- (a) the conditional agreement dated 4 November 2013 entered into between the Company and 五礦二十三冶建設集團有限公司 The 23rd Metallurgical Construction Group Co., Ltd. of Minmetals* (“23rd Metallurgical”) in relation to the engagement of 23rd Metallurgical and/or its subsidiaries as construction contractor (subject to successful tender) in respect of the existing and future real estate development projects of the Company and its subsidiaries in the PRC for the three financial years ending 31 December 2016 (the “Construction Agreement”) and the transactions contemplated thereunder (including the proposed annual caps for the three financial years ending 31 December 2016) (details of which are described in the circular of the Company dated 25 November 2013 and a copy of which has been produced to this meeting marked “A” and signed by the Chairman of this meeting for the purpose of identification) be and are hereby approved, confirmed and ratified; and
 - (b) any one of the directors of the Company be and is hereby authorised to do all such further acts and things and execute such further documents and take all steps which in his/her opinion may be necessary, desirable or expedient to implement and/or give effect to the Construction Agreement and the transactions contemplated thereunder.”

* For identification purpose only

NOTICE OF SGM

- (2) “**THAT:**
- (a) the deposit services to be provided by Minmetals Finance Company Limited (五礦集團財務有限責任公司) (“**Minmetals Finance**”) to the Company and its PRC subsidiaries for the three financial years ending 31 December 2015 under the financial services framework agreement dated 4 November 2013 entered into between the Company and Minmetals Finance (the “**Financial Services Framework Agreement**”) (including the proposed annual caps for the three financial years ending 31 December 2015) (details of which are described in the circular of the Company dated 25 November 2013 and a copy of which has been produced to this meeting marked “B” and signed by the Chairman of this meeting for the purpose of identification) be and are hereby approved, confirmed and ratified; and
- (b) any one of the directors of the Company be and is hereby authorised to do all such further acts and things and execute such further documents and take all steps which in his/her opinion may be necessary, desirable or expedient to implement and/or give effect to the Financial Services Framework Agreement and the transactions contemplated thereunder.”

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

Hong Kong, 25 November 2013

Notes:

1. A member entitled to attend and vote at the abovementioned meeting is entitled to appoint one or more proxies to attend and vote on his/her behalf. A proxy need not be a member of the Company.
2. To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be deposited at the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible, and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting or any adjournment thereof should they so wish.
3. The register of members of the Company will be closed from Monday, 9 December 2013 to Wednesday, 11 December 2013, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for attending the above mentioned meeting, all share certificates with completed transfer forms must be lodged with the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 4:30 p.m. on Friday, 6 December 2013.
4. The votes at the above mentioned meeting will be taken by poll.