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五礦建設有限公司*
MINMETALS LAND LIMITED

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

**MAJOR AND CONTINUING CONNECTED TRANSACTIONS
(FINANCIAL SERVICES FRAMEWORK AGREEMENT)**

Financial Services Framework Agreement

The Board announces that on 4 November 2013, the Company and Minmetals Finance entered into the Financial Services Framework Agreement with a term commencing from 4 November 2013 to 31 December 2015, pursuant to which Minmetals Finance agreed to provide the Company and its PRC subsidiaries with deposit, loan and settlement services subject to the terms and conditions provided therein.

Listing Rules Implications

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

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 the reporting, announcement and shareholders' approval requirements under Chapter 14 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 requirements under Rule 14A.48 of the Listing Rules; (ii) the reporting and announcement requirements under Rules 14A.45 to 14A.47; and (iii) the annual review requirement under Rules 14A.37 to 14A.40.

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

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.

General

A SGM will be convened to consider and, if thought fit, to approve the provision of deposit services under the Financial Services Framework Agreement (including the Proposed Annual Caps).

The Independent Board Committee has been formed to advise the Independent Shareholders on the relevant terms of the Financial Services Framework Agreement (including 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 resolution regarding the provision of deposit services under the Financial Services Framework Agreement (including the Proposed Annual Caps).

Circular

A circular containing, among others, (i) details of the Financial Services Framework Agreement and the Proposed Annual Caps; (ii) a letter from the Independent Board Committee to the Independent Shareholders in respect of the relevant transactions under the Financial Services Framework Agreement; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the relevant transactions under the Financial Services Framework Agreement; and (iv) a notice convening the SGM, will be despatched to the Shareholders on or before 25 November 2013.

FINANCIAL SERVICES FRAMEWORK AGREEMENT

Date: 4 November 2013

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

Principal terms: *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 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.

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.

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 of the Financial Services Framework Agreement

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.

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.

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 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%.

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.

Undertakings by Minmetals Finance

Minmetals Finance has given the following undertakings in favour of 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.

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 and benefits for utilizing 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.
- (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 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. 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 (excluding the independent non-executive Directors who will form their view after considering the advice from the Independent Financial Advisor) are of the view that the Financial Services Framework Agreement (including the Proposed Annual Caps) was entered into in the ordinary and usual course of business of the Group, on normal commercial terms, and on terms which are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

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);
- (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;
- (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%.

LISTING RULES IMPLICATIONS

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 by Minmetals Finance 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.

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.

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; and (iii) the annual review requirements under Rules 14A.37 to 14A.40.

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 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 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.

PROPOSED ANNUAL 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 RMB (million)	For the year ending 31 December 2014 RMB (million)	For the year ending 31 December 2015 RMB (million)
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 date of this announcement. The Proposed Annual 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.

INFORMATION ON THE PARTIES

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

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

GENERAL

The Board approved the Financial Services Framework Agreement and the transactions contemplated thereunder 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, has voluntarily abstained from voting on the resolutions approving such transactions 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 consider the relevant terms of the Financial Services Framework Agreement (including 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 resolution regarding the provision of deposit services under the Financial Services Framework Agreement (including the Proposed Annual Caps).

A SGM will be convened to consider and, if thought fit, to approve the provision of deposit services under the Financial Services Framework Agreement. A circular containing, among others, (i) details of the Financial Services Framework Agreement and the Proposed Annual Caps, (ii) a letter from the Independent Board Committee to the Independent Shareholders in respect of the relevant transactions under the Financial Services Framework Agreement, (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the relevant transactions under the Financial Services Framework Agreement, and (iv) a notice convening the SGM, will be despatched to the Shareholders on or before 25 November 2013.

DEFINITIONS

In this announcement, the following expressions shall have the respective meanings set opposite thereto:

“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 China Minmetals H.K. (Holdings) Limited, 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
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules

“controlling shareholder”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Financial Services Framework Agreement”	the financial services framework agreement dated 4 November 2013 entered into between Minmetals Finance and the Company 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
“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 on the relevant terms of the Financial Services Framework Agreement (including the Proposed Annual Caps)
“Independent Financial Adviser”	Altus Capital Limited, 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 Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Financial Services Framework Agreement (including the Proposed Annual Caps)
“Independent Shareholder(s)”	Shareholder(s) other than June Glory and its associates who are required to abstain from voting on the resolution to approve, inter alia, the Financial Services Framework Agreement (including 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 China Minmetals H.K. (Holdings) Limited, and is the controlling shareholder of the Company holding approximately 62.05% of the issued share capital of the Company as at the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Minmetals Finance”	Minmetals Finance Company Limited (五礦集團財務有限責任公司), 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)
“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC
“PRC”	the People’s Republic of China and, for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Proposed Annual Cap(s)”	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 “Proposed Annual Caps” in this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“SGM”	a special general meeting of the Company to be convened to consider and, if thought fit, approve the Financial Services Framework Agreement (including the Proposed Annual Caps)
“Shares”	Share(s) of par value of HK\$0.10 each in the issued share capital of the Company
“Shareholder(s)”	holders of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	percentage

By order of the Board

He Jianbo

Deputy Chairman and Managing Director

Hong Kong, 4 November 2013

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

The exchange rate of RMB1.00 to HK\$1.265 used in this announcement for translation of RMB to HK\$ is for illustrative purpose only.

** For identification purpose only*