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五礦建設有限公司*
MINMETALS LAND LIMITED

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

CONNECTED TRANSACTION

**FURTHER SUPPLEMENTAL AGREEMENT TO
THE MASTER COOPERATION AGREEMENT**

Reference is made to the announcements of the Company dated 30 September 2010 and 9 November 2010 respectively in relation to the Master Cooperation Agreement and the Supplemental Agreement, pursuant to which the Company agreed to acquire, in stages, 80% of the Equity Interests from the Vendor at a total consideration of not more than RMB748.5 million (approximately HK\$923.3 million).

The Board announces that on 10 August 2012, the Company, Menson (an indirect wholly-owned subsidiary of the Company), the Vendor and the Target Company entered into the Further Supplemental Agreement, pursuant to which the parties agreed to certain changes to the Transaction: (a) the Second Acquisition will take place before the Second Capital Expansion; (b) the Target Company's costs of acquisition of the Remaining Portion of the Land will be based on the Actual Land Acquisition Cost; and (c) the amounts of the Second Acquisition Price and the Second Capital Expansion shall be adjusted accordingly.

On the same date, Menson, the Vendor and the Target Company entered into the Second Equity Transfer & Capital Expansion Agreement in respect of the Second Acquisition and the Further Capital Expansion (forming part of the Second Capital Expansion). The Second Acquisition Price will be revised to approximately RMB84.8 million (approximately HK\$104.6 million) and the amount of the Further Capital Expansion will be RMB220 million (approximately HK\$271.4 million) to be contributed as to 80% by Menson and 20% by the Vendor. Upon completion of the Second Acquisition, the Target Company will become a 80%-owned subsidiary of the Company. On the same date, the same parties also entered into the New Joint Venture Agreements, 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.

The Vendor, by virtue of being a substantial shareholder of the Target Company which is now a 65%-owned subsidiary of the Company, is a connected person of the Company. The

transactions contemplated under the New Agreements constitute connected transactions for the Company subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder had a material interest in the transactions contemplated under the New Agreements and thus no Shareholder would be required to abstain from voting on such transactions if a general meeting were to be held. June Glory, which owned 2,071,095,506 Shares representing approximately 62.05% of the issued share capital of the Company as at the date of this announcement, has granted its written approval to the Company for the purpose of approving such transactions. An application for a waiver under Rule 14A.43 of the Listing Rules has been made by the Company to the Stock Exchange for accepting June Glory's written approval in lieu of a Shareholders' meeting for approving such transactions.

A circular containing, among other things, further particulars of the transactions contemplated under the New Agreements, the views of the independent non-executive Directors and the independent financial adviser of the Company will be despatched to the Shareholders as soon as practicable and in any event no later than 31 August 2012.

BACKGROUND

Reference is made to the announcements of the Company (the "Previous Announcements") dated 30 September 2010 and 9 November 2010 respectively in relation to the Master Cooperation Agreement and the Supplemental Agreement, pursuant to which the Company agreed to acquire, in stages, 80% of the Equity Interests from the Vendor at a total consideration of not more than RMB748.5 million (approximately HK\$923.3 million). Unless otherwise stated, terms used herein shall have the same meanings as those defined in the Previous Announcements.

As disclosed in the Previous Announcements, the Target Company has acquired the land use rights in respect of Land Phase 1 Section 1 and Land Phase 1 Section 2, and also intended to acquire the remaining portion of the Land (other than Water-surfaced Land Number 2) (the "Remaining Portion of the Land").

Since the signing of the Master Cooperation Agreement, there have been material changes in the business environment in the real estate market, including substantial increase in the standard land premium and the listed price set by the government in Huizhou, the PRC. As a result, the Vendor considered that it would be difficult for it to continue to perform certain provisions under the Master Cooperation Agreement. It was contemplated in the Master Cooperation Agreement that if any of the provisions under the Master Cooperation Agreement cannot be performed due to foreign investment or real estate policies of the PRC Government, the parties thereto shall negotiate and make adjustments thereto in good faith on a timely basis. On this basis, the relevant parties entered into the following agreements (the "New Agreements") to make adjustments to the Second Acquisition and the Second Capital Expansion: (a) a further supplemental agreement to the Master Cooperation Agreement (the "Further Supplemental Agreement"), (b) an agreement in respect of the revised terms of the Second Acquisition and the Further Capital Expansion (the "Second Equity Transfer & Capital Expansion Agreement") and (c) a new joint venture agreement and new articles of association of the Target Company (the "New Joint Venture Agreements").

FURTHER SUPPLEMENTAL AGREEMENT

Date

10 August 2012

Parties

- (1) the Company
- (2) Menson, an indirect wholly-owned subsidiary of the Company and the owner of 65% registered capital of the Target Company as at the date of this announcement
- (3) the Target Company
- (4) the Vendor, the owner of 35% registered capital of the Target Company as at the date of this announcement

Major terms

The parties to the Further Supplemental Agreement agreed, inter alia:-

- (a) the Second Acquisition will take place before the Second Capital Expansion;
- (b) the Target Company's costs of acquisition of the Remaining Portion of the Land will be based on the Actual Land Acquisition Cost;
- (c) the amounts of the Second Acquisition Price and the Second Capital Expansion shall be adjusted accordingly; and
- (d) Menson and the Vendor shall pay (by way of advance to the Target Company) the security deposit payable by the Target Company in connection with the acquisition of the Remaining Portion of the Land.

SECOND EQUITY TRANSFER & CAPITAL EXPANSION AGREEMENT

Date

10 August 2012

Parties

- (1) Menson
- (2) the Vendor

Second Acquisition

The Vendor agreed to transfer its 15% equity interest in the Target Company to Menson at a consideration of approximately RMB84.8 million (approximately HK\$104.6 million), which is equivalent to the sum of (i) 15% of the registered capital of the Target Company at the time of the Second Acquisition and (ii) 15% of the Land Premium of Land Phase 1 Section 1 and Land Phase 1 Section 2.

The consideration shall be paid in cash to the Vendor within 60 days after the issue of the new business licence of the Target Company.

Further Capital Expansion

Menson and the Vendor further agreed to increase the registered capital of the Target Company from approximately RMB382.0 million (approximately HK\$471.2 million) to approximately RMB602.0 million (approximately HK\$742.6 million). The increased portion of the registered capital of the Target Company in the amount of RMB220 million (approximately HK\$271.4 million) (the "Further Capital Expansion") shall be contributed as to 80% by Menson and 20% by the Vendor and such amount was determined based on arms' length negotiation between the Group and the Vendor. Menson's contribution to the Further Capital Expansion in the amount of RMB176 million (approximately HK\$217.1 million) shall be paid in the following manner: (i) not less than 20% shall be paid before the making of the application for the issue of the new business licence of the Target Company; and (ii) the balance shall be paid within 60 days after the issue of the new business licence.

The Second Acquisition Price and Menson's contribution to the Further Capital Expansion in the aggregate amount of approximately RMB260.8 million (approximately HK\$321.7 million) will be payable in cash and will be funded by internal resources and/or bank borrowings of the Group.

The Further Capital Expansion forms part of the Second Capital Expansion only. The amount of the Further Capital Expansion will not be sufficient for acquiring the Remaining Portion of the Land. It is expected that Menson and the Vendor will make further contributions to the capital expansion of the Target Company in proportion to their shareholdings in the Target Company from time to time for the acquisition of the Remaining Portion of the Land in stages.

Board composition after the Second Acquisition

The parties also agreed that after completion of the Second Acquisition, the board of directors of the Target Company, which will be the highest authority of the Target Company, will consist of five directors, of which four will be appointed by Menson and one will be appointed by the Vendor, and the chairman will be appointed by Menson.

NEW JOINT VENTURE AGREEMENTS

Date

10 August 2012

Parties

- (1) Menson
- (2) the Vendor

Subject matter

To provide for joint venture arrangements regarding the Target Company.

Term of operation

The term of operation of the Target Company shall be 20 years from 7 December 2010.

Scope of business

The scope of business of the Target Company is real estate development, sale of residential properties, leasing, property management, ancillary supports and basic facilities construction in respect of the Land.

The Target Company shall not, without the unanimous consent of the Vendor and Menson:

- (i) change the nature or scope of its business; and
- (ii) enter into any transaction which are not on an arm's length basis.

Total investment amount and registered capital

The Target Company shall have a total investment amount of approximately RMB602.0 million (approximately HK\$742.6 million) and a registered capital of the same amount to be contributed as to 80% by Menson and 20% by the Vendor.

No transfer or disposal of the equity interest in the Target Company may be made without the other party's prior written consent.

Board Composition

The board of directors of the Target Company, which will be the highest authority of the Target Company, will consist of five directors, of which four will be appointed by Menson and one will be appointed by the Vendor, and the chairman will be appointed by Menson. The quorum for a meeting of the board of directors of the Target Company is a majority of the directors.

All matters in respect of the Target Company shall be approved by a majority of directors of the Target Company attending the relevant board meeting(s) except for the following matters which require unanimous consent of all the directors attending the relevant board meeting(s):-

- amendment of the articles of association;
- merger, demerger, termination or dissolution;
- increase or reduction of registered capital;
- approval of profit sharing plan and loss recovery plan;
- disposal of significant assets;
- provision of guarantee.

Profit sharing

The profit sharing of the Target Company will be based on the proportion of capital contribution by Menson and the Vendor.

INFORMATION OF THE TARGET COMPANY

The Target Company was established in April 2010 with a registered capital of RMB1 million (approximately HK\$1.2 million). After the completion of the First Acquisition and the First Capital Expansion in 6 April 2012, the registered capital of the Target Company was increased to approximately RMB382.0 million (approximately HK\$471.2 million), which is owned as to 65% by Menson and 35% by the Vendor. After the completion of the Second Acquisition, the Target Company will be owned as to 80% by Menson and 20% by the Vendor.

The audited net assets value of the Target Company as at 31 December 2011 was approximately RMB356.1 million (approximately HK\$439.2). The audited net loss of the Target Company before and after taxation and extraordinary items for the year ended 31 December 2011 were approximately RMB25.2 million (approximately HK\$31.1 million). The audited net loss of the Target Company before and after taxation and extraordinary items for the year ended 31 December 2010 were approximately RMB0.7 million (approximately HK\$0.9 million).

INFORMATION OF THE LAND

The Land, which comprises Land Phase 1, Land Phase 2 and Water-surfaced Land Number 2 situated at 惠州市博羅縣麥田嶺 (Mai Tian Ling, Boluo County, Huizhou City, the PRC), is planned to be used for residential development of low-rise and high-rise units in Huizhou (the "Project"). Preliminary design and planning of the Project and construction on Land Phase 1 Section 1 and Land Phase 1 Section 2 are underway. Pre-sale for the first phase of the Project has been launched in the second quarter of 2012. The construction work in respect of Land Phase 1 Section 1 and Land Phase 1 Section 2 is expected to be completed in 2012.

INFORMATION OF THE GROUP AND THE VENDOR

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

The Vendor was incorporated on 26 August 1993 in the PRC as a limited company with a registered capital of RMB400 million (approximately HK\$493.4 million). The Vendor is principally engaged in project design, project contracting, project construction, civic project construction and real estate development. The Vendor is amongst the first batch of enterprises in Shenzhen which was approved as obtaining the first grade general contracting qualification, being the key contractor of the Shenzhen Municipal Government, the Vendor has participated in more than 350 construction projects. In 2011, it was awarded as Top 100 enterprise in Shenzhen.

REASONS FOR ENTERING INTO THE FURTHER SUPPLEMENTAL AGREEMENT

For the background and reasons set out in the paragraph headed "BACKGROUND" above, the Company considered that it is fair and reasonable to make the adjustments under the New

Agreements in furtherance of the Project, which is a large scale project involving acquisition of large bulk of land in the Huizhou City by stages, with the Vendor which has extensive experience in real estate development in the Guangdong Province.

The Directors (excluding the independent non-executive Directors whose opinion will be provided after reviewing the advice of the independent financial adviser) considered that the terms under the New Agreements are normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

The Vendor, by virtue of being a substantial shareholder of the Target Company which is now a 65%-owned subsidiary of the Company, is a connected person of the Company. Since the consideration ratio (being the highest percentage ratio) calculated with reference to the aggregate amount of the Second Acquisition Price and Menson's contribution to the Further Capital Expansion of approximately RMB260.8 million (approximately HK\$321.7 million) exceeds 5%, the transactions contemplated under the New Agreements constitute connected transactions for the Company subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder had a material interest in the transactions contemplated under the New Agreements and thus no Shareholder would be required to abstain from voting on such transactions if a general meeting were to be held. June Glory, which owned 2,071,095,506 Shares representing approximately 62.05% of the issued share capital of the Company as at the date of this announcement, has granted its written approval to the Company for the purpose of approving such transactions. An application for a waiver under Rule 14A.43 of the Listing Rules has been made by the Company to the Stock Exchange for accepting June Glory's written approval in lieu of a Shareholders' meeting for approving such transactions.

A circular containing, among other things, further particulars of the transactions contemplated under the New Agreements, the views of the independent non-executive Directors and the independent financial adviser of the Company will be despatched to the Shareholders as soon as practicable and in any event no later than 31 August 2012.

For the purpose of illustration only, conversion of RMB into Hong Kong dollars in this announcement is based on the exchange rate of RMB1.00 to HK\$1.2335. Such conversion should not be construed as a representation that any amounts have been, could have been, or may be, exchanged at this or any other rate.

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

Hong Kong, 10 August 2012

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

** For identification purpose only*