

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



五礦建設有限公司*
MINMETALS LAND LIMITED

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

**CHANGES TO AND CAPITAL EXPANSION FOR THE JOINT VENTURES
FOR THE DEVELOPMENT OF LAND
IN HAIDIAN DISTRICT, BEIJING
CONNECTED TRANSACTIONS**

Reference is made to the announcements of the Company dated 22 November 2010 and 30 December 2010, and the circular dated 24 January 2011 in relation to, among other things, the establishment of JVCoA and JVCoB, each being a 51%-owned subsidiary of the Group, to develop Site A and Site B in the PRC.

As at the date of this announcement, the land use right certificate in respect of Site A is yet to be issued, while the land use right certificate in respect of Site B is now held in the name of JVCoB and Site B is now under development. During the process of application for approval of the development of the Sites under JVCoA and JVCoB, the relevant PRC governmental authorities advised that Site A and Site B have to be undertaken by sino-foreign joint ventures with a larger amount of registered capital. In view of this, on 18 May 2012,

Establishment of New JVCoA in place of JVCoA

- (a) the HK Subsidiary and the JV Partner entered into the New JVCoA Contracts to establish New JVCoA with a total investment amount of US\$700.0 million (approximately HK\$5,460.0 million) and a registered capital of US\$350.0 million (approximately HK\$2,730.0 million). The Group will contribute approximately US\$178.5 million (approximately HK\$1,392.3 million) into the registered capital of New JVCoA, representing 51% of the enlarged registered capital.

Since the land use right certificate in respect of Site A has not been issued, it is the intention of the Group and the JV Partner to establish New JVCoA to develop Site A in place of JVCoA. All the capital contribution made by the Subsidiary and the JV Partner into JVCoA will be returned to the Subsidiary and the JV Partner after the dissolution of JVCoA.

JVCoB Equity Transfer and Capital Expansion

- (b) the Subsidiary, the HK Subsidiary and the JV Partner entered into the JVCoB Equity Transfer & Capital Expansion Agreement, 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 (approximately HK\$31.5 million); and upon completion of such transfer, effect the JVCoB Capital Expansion by increasing the registered capital of JVCoB by RMB1,572.5 million (approximately HK\$1,939.7 million), which will be contributed as to 51% by the HK Subsidiary and 49% by the JV Partner; and
- (c) the HK Subsidiary and the JV Partner entered into the JVCoB Contracts in relation to, among other things, the JVCoB Capital Expansion and it was also agreed that the total investment amount in respect of JVCoB would be RMB1,882.1 million (approximately HK\$2,321.6 million).

The JV Partner is a substantial shareholder of JVCoA, New JVCoA, JVCoB and a non-wholly owned subsidiary of the Company and hence is a connected person of the Company. Based on the applicable percentage ratios, the Transactions constitute connected transactions for the Company subject to all 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 and thus no Shareholder would be required to abstain from voting on the 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 the Transactions. The Company has applied to the Stock Exchange for a waiver of Shareholders' meeting under Rule 14A.43 of the Listing Rules.

A circular which will contain, among other things, further particulars of the Transactions, the views of the independent non-executive Directors and the independent financial adviser of the Company will be despatched to the Shareholders on or before 8 June 2012.

INTRODUCTION

Reference is made to the announcements of the Company dated 22 November 2010 and 30 December 2010, and the circular dated 24 January 2011 in relation to, among other things, the establishment of JVCoA and JVCoB, each being a 51%-owned subsidiary of the Group, to develop Site A and Site B in the PRC.

Terms used in this announcement shall, unless otherwise defined, have the same meaning as used in the Previous Disclosure.

During the process of application for approval of the development of the Sites under JVCoA and JVCoB, the relevant governmental authorities advised that Site A and Site B have to be undertaken by sino-foreign joint ventures with a larger amount of registered capital.

Since the land use right certificate in respect of Site A has not been issued, the Group and the JV Partner therefore agreed that New JVCoA will be established by the HK Subsidiary and the JV Partner as a sino-foreign joint venture to develop Site A in place of JVCoA.

For Site B, since the land use right certificate in respect of Site B is already held in the name of JVCoB and Site B is now under development, the Group and the JV Partner therefore agreed that the HK Subsidiary will acquire from the Subsidiary its 51% interest in JVCoB such that JVCoB will become a sino-foreign joint venture and JVCoB's registered capital will be increased.

ESTABLISHMENT OF NEW JVCoA IN PLACE OF JVCoA

New JVCoA Contracts

Date

18 May 2012

Parties

- (1) the HK Subsidiary, a wholly-owned subsidiary of the Company
- (2) the JV Partner

Subject matter

To provide for the joint venture arrangements regarding New JVCoA.

Term of operation

The term of operation of New JVCoA shall be 30 years from the date of issue of its business licence.

Scope of business

The scope of business of New JVCoA is the development, construction, sale and management of residential project in relation to Site A.

Pursuant to the New JVCoA Supplemental Agreement, New JVCoA may not, without the unanimous consent of the HK Subsidiary and the JV Partner, change the nature or scope of its business or enter into any transactions which are not on an arm's length basis.

Total investment amount and registered capital

New JVCoA will have a total investment amount of US\$700.0 million (approximately HK\$5,460.0 million) and a registered capital of US\$350.0 million (approximately HK\$2,730.0 million).

The HK Subsidiary shall contribute its 51% share of the registered capital in the amount of US\$178.5 million (approximately HK\$1,392.3 million) and the JV Partner shall contribute its

49% share in the amount of US\$171.5 million (approximately HK\$1,337.7 million) in two stages: (1) 20% will be payable upon the issuance of approval from the relevant PRC governmental authorities; and (2) 80% will be payable within two years from the date of issue of the business licence of New JVCoA.

All the capital contribution made by the Subsidiary and the JV Partner into JVCoA will be returned to the Subsidiary and the JV Partner after the dissolution of JVCoA.

The total capital contribution of the HK Subsidiary in New JVCoA under the New JVCoA Contracts in the amount of US\$178.5 million (approximately HK\$1,392.3 million) was arrived at after arm's length negotiation with the JV Partner after taking into account Site A's development costs and the requirement of the relevant PRC governmental authorities and will be financed by the Group's internal resources and external financing.

Profit sharing

The profit sharing of New JVCoA will be based on the proportion of capital contribution made by the HK Subsidiary and the JV Partner.

Board composition

The board of directors of New JVCoA, which will be the highest authority of New JVCoA, will consist of five directors, of which three will be appointed by the HK Subsidiary and two will be appointed by the JV Partner, and the chairman will be appointed by the HK Subsidiary. The quorum for a meeting of the board of directors of New JVCoA is two-thirds of the directors.

All matters in respect of New JVCoA shall be approved by a majority of directors of New JVCoA except for the following matters which require unanimous consent of all the directors:

- increase or reduction of registered capital;
- merger, demerger, dissolution or liquidation;
- change in the form of entity or term of operation;
- amendment of the articles of association;
- transfer or pledge of equity interests in New JVCoA by its shareholders (except for transfer to the other shareholder);
- pledge of assets of New JVCoA or provision of guarantee by New JVCoA (other than provision of guarantee for the benefit of purchasers of property units in connection with mortgage loans); and
- financing plan or obtaining of guarantee.

As in the case of JVCoA, New JVCoA will be accounted for as a subsidiary of the Company in the financial statements of the Group.

JVCoB EQUITY TRANSFER & CAPITAL EXPANSION

JVCoB Equity Transfer & Capital Expansion Agreement

Date

18 May 2012

Parties

- (1) the Subsidiary, a wholly-owned subsidiary of the Group
- (2) the JV Partner
- (3) the HK Subsidiary

JVCoB Equity Transfer

Pursuant to the JVCoB Equity Transfer & Capital Expansion Agreement, the Subsidiary agreed to transfer its entire 51% equity interest in JVCoB to the HK Subsidiary at a consideration of RMB25.5 million (approximately HK\$31.5 million), which is equivalent to the amount of the original contribution made by the Subsidiary to the registered capital of JVCoB. On completion of the JVCoB Equity Transfer, JVCoB will become a sino-foreign joint venture.

JVCoB Capital Expansion

Pursuant to the JVCoB Equity Transfer & Capital Expansion Agreement, the HK Subsidiary and the JV Partner also agreed to effect the Capital Expansion upon completion of the Equity Transfer by increasing the registered capital of JVCoB by RMB1,572.5 million (approximately HK\$1,939.7 million), which will be contributed as to 51% by the HK Subsidiary and 49% by the JV Partner.

As a result of the Capital Expansion, the registered capital of JVCoB will be increased from RMB50.0 million (approximately HK\$61.7 million) to RMB1,622.5 million (approximately HK\$2,001.4 million).

JVCoB Contracts

Date

18 May 2012

Parties

- (1) the JV Partner
- (2) the HK Subsidiary

Subject matter

To provide for the JVCoB Capital Expansion and the joint venture arrangements regarding JVCoB.

Term of operation

The term of operation of JVCoB shall be 30 years from the date of issue of its business licence.

Scope of business

The scope of business of JVCoB is the development, construction, sale and management of residential project in relation to Site B.

Pursuant to the JVCoB Supplemental Agreement, JVCoB may not, without the unanimous consent of the HK Subsidiary and the JV Partner, change the nature or scope of its business or enter into any transactions which are not on an arm's length basis.

Total investment amount and registered capital

JVCoB will have a total investment amount of RMB1,882.1 million (approximately HK\$2,321.6 million).

The registered capital of JVCoB will be increased from RMB50.0 million (approximately HK\$61.7 million) to RMB1,622.5 million (approximately HK\$2,001.4 million). In respect of the increased amount of RMB1,572.5 million (approximately HK\$1,939.7 million), the HK Subsidiary shall contribute its 51% share in the amount of approximately RMB802.0 million (approximately HK\$989.3 million) and the JV Partner shall contribute its 49% share in the amount of approximately RMB770.5 million (approximately HK\$950.4 million) in two stages: (1) 20% will be payable upon the issuance of approval from the relevant PRC governmental authorities; and (2) 80% will be payable within two years from the date of issue of the business licence of JVCoB.

The total capital contribution of the HK Subsidiary in JVCoB under the JVCoB Contracts in the amount of approximately RMB827.5 million (approximately HK\$1,020.7 million) was arrived at after arm's length negotiation with the JV Partner after taking into account Site B's development costs and the requirement of the relevant PRC governmental authorities and will be financed by the Group's internal resources and external financing.

Profit sharing

The profit sharing of JVCoB will be based on the proportion of capital contribution made by the HK Subsidiary and the JV Partner.

Board composition

The board of directors of JVCoB, which will be the highest authority of JVCoB, will consist of five directors, of which two will be appointed by the HK Subsidiary and three will be appointed by the JV Partner, and the chairman will be appointed by the JV Partner. The quorum for a meeting of the board of directors of JVCoB is two-thirds of the directors.

All matters in respect of JVCoB shall be approved by a majority of directors of JVCoB except for the following matters which require unanimous consent of all the directors:

- increase or reduction of registered capital;
- merger, demerger, dissolution or liquidation;
- change in the form of entity or term of operation;
- amendment of the articles of association;
- transfer or pledge of equity interests in JVCoB by its shareholders (except for transfer to the other shareholder);
- pledge of assets of JVCoB or provision of guarantee by JVCoB (other than provision of guarantee for the benefit of purchasers of property units in connection with mortgage loans); and
- financing plan or obtaining of guarantee.

JVCoB will continue to be accounted for as an associate of the Company in the financial statements of the Group.

INFORMATION ON THE GROUP AND THE JV PARTNER

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

The JV Partner is engaged in real estate business and is a wholly-owned subsidiary of China Vanke Co., Ltd.. China Vanke Co., Ltd. is engaged in real estate business across 46 cities in Pearl River Delta, Yangtze River Delta and Bohai-Rim Region whose shares are listed on the Shenzhen Stock Exchange.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

As mentioned in the paragraph headed "Introduction" above, the HK Subsidiary and the JV Partner entered into the New JVCoA Contracts, the JVCoB Equity Transfer & Capital Expansion Agreement and the JVCoB Contracts with a view to facilitating the application for approval of the development of the Sites as required by the relevant governmental authorities.

The Directors consider that the New JVCoA Contracts, the JVCoB Equity Transfer & Capital Expansion Agreement and the JVCoB Contracts were entered into on normal commercial terms, and the terms and conditions thereof are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

The JV Partner is a substantial shareholder of JVCoA, New JVCoA, JVCoB and a non-wholly owned subsidiary of the Company and hence is a connected person of the Company. Based on the applicable percentage ratios, the Transactions constitute connected transactions for the Company subject to all 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 and thus no Shareholder would be required to abstain from voting on the 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 the Transactions. The Company has applied to the Stock Exchange for a waiver of Shareholders' meeting under Rule 14A.43 of the Listing Rules.

A circular which will contain, among other things, further particulars of the Transactions, the views of the independent non-executive Directors and the independent financial adviser of the Company will be despatched to the Shareholders on or before 8 June 2012.

DEFINITIONS

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

"HK Subsidiary"	Minmetals Land Investment Management Limited, a wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability;
"JVCoB Capital Expansion"	the increase of the registered capital of JVCoB pursuant to the JVCoB Equity Transfer & Capital Expansion Agreement;
"JVCoB Contracts"	the new articles of association and joint venture contract entered into between the HK Subsidiary and the JV Partner on 18 May 2012 in respect of JVCoB as supplemented by the JVCoB Supplemental Agreement;
"JVCoB Equity Transfer"	the transfer by the Subsidiary of its entire 51% equity interest in JVCoB to the HK Subsidiary pursuant to the JVCoB Equity Transfer & Capital Expansion Agreement;
"JVCoB Equity Transfer & Capital Expansion Agreement"	the agreement dated 18 May 2012 entered into between the Subsidiary, the JV Partner and the HK Subsidiary in relation to the JVCoB Capital Expansion and the JVCoB Equity Transfer;
"JVCoB Supplemental Agreement"	a supplemental agreement to the JVCoB Contracts entered into between the HK Subsidiary and the JV Partner on 18 May 2012;
"New JVCoA"	an enterprise to be established under the laws of the PRC by the HK Subsidiary and the JV Partner for the development of Site A in place of JVCoA;
"New JVCoA Contracts"	the articles of association and joint venture contract entered into between the HK Subsidiary and the JV Partner on 18 May 2012 in respect of New JVCoA as supplemented by the New JVCoA Supplemental Agreement;

"New JVCoA Supplemental Agreement"	a supplemental agreement to the New JVCoA Contracts entered into between the HK Subsidiary and the JV Partner on 18 May 2012;
"Previous Disclosure"	the announcements of the Company dated 22 November 2010 and 30 December 2010, and the circular dated 24 January 2011;
"Transactions"	the transactions contemplated under the New JVCoA Contracts, the JVCoB Equity Transfer & Capital Expansion Agreement and the JVCoB Contracts; and
"US\$"	United States dollars, the lawful currency of the United States of America.

For the purpose of illustration only, conversions of RMB into HK\$, and US\$ into HK\$ in this announcement are based on the respective exchange rates of RMB1.00 to HK\$1.2335, US\$1.00 to HK\$7.8. Such exchange rates should not be construed as a representation that any amounts have been, could have been, or may be, exchanged at these or any other rates.

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

Hong Kong, 18 May 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*