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五礦建設有限公司*

MINMETALS LAND LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 230)

DISCLOSEABLE TRANSACTION

SURRENDER OF CERTAIN LAND USE RIGHTS AND DISPOSAL OF SUPERSTRUCTURE

The Board announces that given that Xianghe Government has not duly complied with the relevant requirements of Hebei Provincial Government in the course of offering the Land for sale by public auction, on 24 July 2011, JV Co A (a non-wholly owned subsidiary of the Company), JV Co B, Xianghe Government, Xianghe Assets Operation Company and Xianghe Land Bureau entered into the Agreements, pursuant to which Xianghe Land Bureau will refund the Land Acquisition Costs to JV Co A and JV Co B respectively for the surrender by them of the land use rights in respect of their respective portions of the Land, and Xianghe Assets Operation Company will also acquire the Superstructure from JV Co A and JV Co B respectively at the Consideration. It was expressly acknowledged in the Agreements that both JV Co A and JV Co B have fully complied with the applicable laws and regulations of the PRC and have not been in breach of any laws or regulations in relation to the acquisition of their respective portions of the Land. The Company does not expect to record any loss from the Surrender.

With reference to the Aggregate Amount to be received by JV Co A under the Agreements, the transactions contemplated under the Agreements constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

BACKGROUND

Reference is made to the announcements of the Company dated 8 January 2010, 13 January 2010, 29 January 2010 and 21 June 2010 and the circular of the Company dated 12 March 2010 relating to, among other things, the formation of a joint venture between the Company and the JV Partner for the development of a piece of land situated in Xianghe County, Langfang City of Hebei Province, the PRC, of which the Land forms part.

JV Co A and JV Co B acquired the land use rights of their respective portions of the Land forming part of the land to be developed by the joint venture from Xianghe Land Bureau by

public auction in September 2010. After acquisition of the Land, JV Co A and JV Co B commenced development and construction works on the Land. As at the date of this announcement, JV Co A has entered into pre-sale contracts in respect of 276 residential units that have been erected or being erected on the Land.

Recently, JV Co A and JV Co B were informed by Xianghe Government that the usage of the Land as permitted by Hebei Provincial Government is in fact construction land for local residents (新民居建設周轉用地), but not development and construction (開發建設) as purported at the time when the Land was offered for sale by public auction. On 22 July 2011, Xianghe Land Bureau issued a formal decision to JV Co A and JV Co B in relation to the resumption of the land use rights in respect of the Land. After arm's length negotiation, on 24 July 2011, JV Co A, JV Co B, Xianghe Government, Xianghe Assets Operation Company and Xianghe Land Bureau entered into the Agreements in respect of the Surrender.

FRAMEWORK AGREEMENT

It was expressly acknowledged under the Framework Agreement that Xianghe Government has not duly complied with the relevant requirements of Hebei Provincial Government in the course of offering the Land for sale by public auction, while both JV Co A and JV Co B have fully complied with the applicable laws and regulations of the PRC and have not been in breach of any laws or regulations in relation to the acquisition of their respective portions of the Land.

Pursuant to the Framework Agreement, the parties agreed that the Land Transfer Contracts be cancelled with the respective Land Acquisition Costs to be refunded to JV Co A and JV Co B and that Xianghe Government would acquire, through Xianghe Assets Operation Company, the Superstructure from JV Co A and JV Co B respectively.

To the best of the Directors' knowledge, information and belief, and after having made all reasonable enquiries, Xianghe Government, Xianghe Assets Operation Company and Xianghe Land Bureau are PRC government bodies and are third parties independent of the Company and its connected persons.

CANCELLATION OF LAND TRANSFER CONTRACTS

Pursuant to the Cancellation Agreement, the Land Transfer Contracts in respect of the land use rights acquired by JV Co A will be cancelled upon the receipt by JV Co A of Refund I within two days after the date of the Cancellation Agreement; and the Land Transfer Contracts in respect of the land use rights acquired by JV Co B will be cancelled upon the receipt by JV Co B of Refund II within 60 days after the date of the Cancellation Agreement.

JV Co A and JV Co B shall surrender their respective portions of the Land and their respective land use rights certificates in respect thereof after cancellation of the relevant Land Transfer Contracts.

DISPOSAL OF SUPERSTRUCTURE

Pursuant to the Superstructure Acquisition Agreement, Xianghe Assets Operation Company will acquire the Superstructure from JV Co A and JV Co B at Consideration I and Consideration II respectively within two days after the date of the Superstructure Acquisition

Agreement. The Consideration is determined upon considering the Valuation.

USE OF THE AMOUNTS OF THE REFUND AND THE CONSIDERATION

JV Co A will use Refund I for its general working capital and apply Consideration I for settling the payments for outstanding construction costs incurred by it, settling any third party claims on or against it and any other outstanding expenses and liabilities incurred or expected to be incurred by JV Co A in connection with the Land and as a result of the Surrender.

FINANCIAL EFFECTS AND IMPACT OF THE SURRENDER

The amount of Refund I is equivalent to the Land Acquisition Cost paid by JV Co A for the acquisition of its portion of the Land and the amount of Consideration I is determined by reference to the superstructure construction costs incurred by it, the estimated costs for settling potential third party claims on or against it and any other costs, expenses and losses incurred or expected to be incurred by JV Co A in connection with the Land and as a result of the Surrender. The Company therefore does not currently expect to record any loss from the Surrender. The actual gain or loss will depend on whether the actual costs, expenses and losses incurred or to be incurred by JV Co A as a result of the Surrender would turn out to be more or less than the amount of Consideration I.

The Directors (including the independent non-executive Directors) consider that there is no material adverse effect on the operation and financial results of the Group as a result of the Surrender. The Directors (including the independent non-executive Directors) also considered that the Agreements are on normal commercial terms, and that the terms therein (including the amount to be received by JV Co A under the Agreements) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

With reference to the Aggregate Amount to be received by JV Co A under the Agreements, the transactions contemplated under the Agreements constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

JV Co B is a connected person of the Company by virtue of its being an associate of the JV Partner which is a substantial shareholder of two non-wholly owned subsidiaries of the Company (one of which is JV Co A). Despite that JV Co B is also a party to the Agreements, the Agreements relate only to the surrender by each of JV Co A and JV Co B of their respective interests in the Land and the disposal of the Superstructure to Xianghe Land Bureau and Xianghe Asset Operation Company and there is no transaction between JV Co A and JV Co B under the Agreements which may render any of the Agreements a connected transaction for the Company subject to the annual review, reporting, announcement or independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The Company has obtained written approval in respect of the Agreements from June Glory International Limited, a controlling shareholder of the Company which holds approximately 61.91% of the issued share capital of the Company as at the date of this announcement and which does not have material interest in the Agreements, and the Company will comply with the applicable requirements under the Listing Rules if and when required.

GENERAL

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

DEFINITIONS

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

“Aggregate Amount”	RMB468.95 million (approximately HK\$562.97 million), being the aggregate of the amounts of Consideration I and Refund I to be received by JV Co A under the Agreements;
“Agreements”	the Framework Agreement, the Superstructure Acquisition Agreement and the Cancellation Agreement;
“Board”	the board of Directors (including executive Directors, non-executive Directors and independent non-executive Directors);
“Company”	Minmetals Land Limited, a company incorporated in Bermuda with limited liability, whose Shares are listed on the Main Board of the Stock Exchange;
“Cancellation Agreement”	the agreement dated 24 July 2011 entered into between Xianghe Land Bureau, JV Co A and JV Co B relating to the cancellation of the Land Transfer Contracts in respect of the respective portions of the Land of JV Co A and JV Co B;
“Consideration”	Consideration I and Consideration II;
“Consideration I”	the consideration for the acquisition of the Superstructure to be paid to JV Co A in the amount of RMB294.47 million (approximately HK\$353.51 million) under the Superstructure Acquisition Agreement;
“Consideration II”	the consideration for the acquisition of the Superstructure to be paid to JV Co B in the amount of RMB101.75 million (approximately HK\$122.15 million) under the Superstructure Acquisition Agreement;
“Director(s)”	directors (including independent non-executive directors) of the Company;
“Framework Agreement”	the framework agreement dated 24 July 2011 entered into between Xianghe Government, JV Co A and JV Co B in respect of the Surrender;

“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“JV Co A”	廊坊曠世基業房地產開發有限公司(Langfang Kuangshi Jiye Property Development Co., Ltd.), an enterprise established under the laws of the PRC with limited liability engaging in property development, the registered capital of which is owned as to 50% by Hanten Investment Limited (a wholly-owned subsidiary of the Company) and 50% by the JV Partner. JV Co A is accounted for as a non-wholly owned subsidiary of the Company;
“JV Co B”	廊坊萬恒盛業房地產開發有限公司(Langfang Wanheng Shengye Property Development Co., Ltd.), an enterprise established under the laws of the PRC with limited liability engaging in property development, the registered capital of which is owned as to 50% by Hanten Investment Limited (a wholly-owned subsidiary of the Company) and 50% by the JV Partner. JV Co B is accounted for as an associate of the Company;
“JV Partner”	北京萬科企業有限公司(Beijing Vanke Enterprise Co., Ltd.), a company established under the laws of the PRC;
“Land”	the piece of land situated in Xianghe County, Langfang City of Hebei Province, the PRC with a total site area of approximately 280,616 square metres, forming part of the land to be acquired by the Company and the JV Partner as disclosed in the Company's circular dated 12 March 2010. The land use rights of the Land were respectively acquired by JV Co A as to approximately 145,383 square metres and JV Co B as to approximately 135,233 square metres from Xianghe Land Bureau in September 2010;
“Land Acquisition Cost”	the consideration originally paid by JV Co A and JV Co B respectively for the acquisition of their respective portions of the Land from Xianghe Land Bureau in the amounts of RMB174.48 million (approximately HK\$209.46 million) and RMB162.30 million (approximately HK\$194.84 million) respectively;
“Land Transfer Contracts”	國有建設用地使用權出讓合同 (contracts for the transfer of the land use right of State-owned land for construction) in respect of the respective portions of the

	Land, the land use rights of which were acquired by JV Co A and JV Co B respectively;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People's Republic of China;
“Refund”	Refund I and Refund II;
“Refund I”	the refund of the Land Acquisition Cost in the amount of RMB174.48 million (approximately HK\$209.46 million) to JV Co A under the Cancellation Agreement;
“Refund II”	the refund of the Land Acquisition Cost in the amount of RMB162.30 million (approximately HK\$194.84 million) to JV Co B under the Cancellation Agreement;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Superstructure”	the superstructure construction works erected on the Land;
“Superstructure Acquisition Agreement”	the agreement dated 24 July 2011 entered into between Xianghe Assets Operation Company, JV Co A and JV Co B relating to the acquisition of the Superstructure from JV Co A and JV Co B respectively;
“Surrender”	surrender of the respective portions of the Land by JV Co A and JV Co B to Xianghe Land Bureau and the disposal of the Superstructure by JV Co A and JV Co B to Xianghe Assets Operation Company pursuant to the Agreements;
“Valuation”	the valuation made by an independent appraisal body jointly appointed by JV Co A, JV Co B and the Xianghe Government of the superstructure construction costs incurred by JV Co A and JV Co B, and the estimated costs of settling potential third party claims on or against JV Co A and JV Co B respectively and any other costs, expenses and losses incurred or expected to be incurred by JV Co A and JV Co B respectively in connection with the Land and as a result of the Surrender;

“Xianghe Government”	河北省廊坊市香河縣人民政府 (People's Government of Xianghe County, Langfang City of Hebei Province);
“Xianghe Assets Operation Company”	香河縣公有資產經營公司 (Xianghe County state-owned assets operation company), an enterprise wholly-owned by Xianghe Government; and
“Xianghe Land Bureau”	河北省廊坊市香河縣國土資源局 (Land Resources Bureau of Xianghe County, Langfang City of Hebei Province), a subordinate unit of Hebei Provincial Government responsible for the administrative management on land and mineral resources in Xianghe County, Langfang City of Hebei Province.

For the purpose of illustration only, conversion of RMB into Hong Kong dollars in this announcement is based on the exchange rate of RMB0.833 to HK\$1.00. 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, 24 July 2011

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. Tian Jingqi, Mr. Pan Zhongyi 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*