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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**

**PROVISION OF FINANCIAL ASSISTANCE**

On 30 June 2011, the JV Company (a non-wholly owned subsidiary of the Company) and the JV Partner entered into the Loan Agreement pursuant to which a one-year loan in the aggregate amount of RMB155 million (approximately HK\$186 million) has been made by the JV Company to the JV Partner at an interest rate of 110% of the benchmark interest rate for one-year term loan quoted by The People's Bank of China from time to time, being 6.941% per annum as at the date of the Loan Agreement.

The JV Partner is a connected person of the Company by virtue of its being a substantial shareholder of the JV Company and another non-wholly owned subsidiary of the Company. The Loan made by the JV Company to the JV Partner under the Loan Agreement therefore constitutes a provision of financial assistance by the Company to a connected person of the Company under Rule 14A.13(2)(a)(i) of the Listing Rules.

Since the highest applicable percentage ratio in respect of the Loan is over 1% but less than 5%, the Loan Agreement is subject to the reporting and announcement requirements, but is exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

**LOAN AGREEMENT**

**Date**

30 June 2011

**Parties**

- (1) The JV Company, a non-wholly owned subsidiary of the Company, as lender; and
- (2) The JV Partner, as borrower.

### **Principal amount of the Loan**

RMB155 million (approximately HK\$186 million)

### **Interest rate**

110% of the benchmark interest rate for one-year term loan quoted by The People's Bank of China from time to time. Based on the interest rate of 6.941% per annum applicable as at the date of the Loan Agreement, the interest that will be accrued on the Loan will be approximately RMB10.76 million (approximately HK\$12.91 million).

It is expected that the maximum interest accrued on the Loan would not amount to HK\$40.92 million (being 5% of the Group's profits for the year ended 31 December 2010) or more.

### **Term**

One year commencing on 30 June 2011 and ending on 29 June 2012

### **Repayment schedule**

The principal amount of the Loan together with the interest accrued thereon shall be repaid by the borrower on the maturity date. The borrower may, with the lender's consent, make early repayment of the Loan. The lender may request for early repayment and if the lender so requests, the borrower shall make repayment within 10 business days.

### **Other terms**

The lender may, as and when it deems necessary, require the borrower to provide one or more types of securities to secure the repayment of the Loan.

## **REASONS FOR AND BENEFITS OF THE LOAN AGREEMENT**

Under the current business situation, the JV Company would be able to meet its anticipated financial and cash flow needs for its operations and therefore, after arm's length negotiation between the Subsidiary, the JV Partner and the JV Company, the JV Company agrees to make a loan of RMB155 million (approximately HK\$186 million) at a market interest rate to the Subsidiary as well as to the JV Partner on the same terms. Therefore, on 30 June 2011, the JV Company entered into a loan agreement with the JV Partner on the terms set out above and another loan agreement on the same terms with the Subsidiary. The loan made to the Subsidiary would be utilized for the Group's general working capital.

The Directors (including the independent non-executive Directors) considered that the Loan Agreement, which has been entered into after arm's length negotiation between the parties, are on normal commercial terms, and the terms therein are fair and reasonable and in the interests of the Company and the Shareholders as a whole. None of the Directors has a material interest in the transactions contemplated under the Loan Agreement and none of them is required to, or has abstained from voting on the relevant board resolutions to approve the Loan Agreement.

## LISTING RULES IMPLICATIONS

The JV Partner is a connected person of the Company by virtue of its being a substantial shareholder of the JV Company and another non-wholly owned subsidiary of the Company, which is a joint venture company between a wholly-owned subsidiary of the Company and the JV Partner described in the circular of the Company dated 24 January 2011. The Loan made by the JV Company to the JV Partner under the Loan Agreement therefore constitutes a financial assistance by the Company to a connected person of the Company under Rule 14A.13(2)(a)(i) of the Listing Rules.

Since the highest applicable percentage ratio in respect of the Loan is over 1% but less than 5%, the Loan Agreement is subject to the reporting and announcement requirements, but is exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## GENERAL

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 a company engaged in real estate business, whose shares are listed on the Shenzhen Stock Exchange.

## DEFINITIONS

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

<b>“Board”</b>	the board of Directors (including executive Directors, non-executive Directors and independent non-executive Directors);
<b>“Company”</b>	Minmetals Land Limited, a company incorporated in Bermuda with limited liability, whose Shares are listed on the Main Board of the Stock Exchange;
<b>“connected person”</b>	has the meaning ascribed to it under the Listing Rules;
<b>“Director(s)”</b>	directors (including independent non-executive directors) of the Company;
<b>“Group”</b>	the Company and its subsidiaries;
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong;
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the PRC;

<b>“JV Company”</b>	Langfang Kuangshi Jiye Property Development Co., Ltd. (廊坊曠世基業房地產開發有限公司), an enterprise established under the laws of the PRC with limited liability and a non-wholly owned subsidiary of the Company. The registered capital of the JV Company is owned as to 50% by Hanten Investment Limited (a wholly-owned subsidiary of the Company) and 50% by the JV Partner;
<b>“JV Partner”</b>	北京萬科企業有限公司(Beijing Vanke Enterprise Co., Ltd.), a company established under the laws of the PRC;
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange;
<b>“Loan”</b>	the loan made by the JV Company to the JV Partner pursuant to the Loan Agreement;
<b>“Loan Agreement”</b>	the loan agreement dated 30 June 2011 entered into between the JV Company and the JV Partner;
<b>“PRC”</b>	the People's Republic of China;
<b>“RMB”</b>	Renminbi, the lawful currency of the PRC;
<b>“Share(s)”</b>	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
<b>“Shareholder(s)”</b>	holder(s) of Shares;
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited; and
<b>“Subsidiary”</b>	五礦建設投資管理(北京)有限公司 (Minmetals Land Investment Management (Beijing) Co., Ltd.*), an enterprise established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company.

*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, 30 June 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. 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*