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**五礦建設有限公司\***  
**MINMETALS LAND LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 230)**

**RENEWAL OF CONTINUING CONNECTED TRANSACTIONS  
IN RESPECT OF 2011 TO 2013**

Reference is made to the 2008 Circular in relation to the 2008 Continuing Connected Transactions between the Company and Ershisanye. The 2008 Continuing Connected Transactions and the Continuing Connected Transactions involve the appointment of the Ershisanye Group member(s) as construction contractor for the Group's real estate development projects in the PRC, subject to successful tender.

The agreement in respect of the 2008 Continuing Connected Transactions for the three years ended 31 December 2010 has expired. As the Company wishes to continue to invite Ershisanye Group member(s) to place tenders for and subject to successful tender, to appoint Ershisanye Group member(s) as construction contractor for the Group's real estate development projects in the PRC, the Company has entered into the 2011 Agreement with Ershisanye which is conditional upon the approval of the Independent Shareholders at the SGM in respect of the 2011 Agreement and the Continuing Connected Transactions (including the Proposed Annual Caps).

Since Ershisanye is a subsidiary of China Minmetals and a fellow subsidiary of June Glory (the controlling shareholder of the Company and an indirect wholly-owned subsidiary of China Minmetals), Ershisanye is a connected person of the Company under the Listing Rules. Accordingly, members of the Ershisanye Group are connected persons of the Company and the Continuing Connected Transactions constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Since the estimated annual consideration of the Continuing Connected Transactions is more than HK\$10,000,000 and all of the relevant percentage ratios are, on an annual basis, more than 5%, the Continuing Connected Transactions constitute non-exempt continuing connected transactions for the Company under Rule 14A.35 of the Listing Rules and are 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 of Rules 14A.37 to 14A.40.

The Proposed Annual Caps for the Continuing Connected Transactions for the three years ending 31 December 2013 are RMB1,820 million (equivalent to approximately HK\$2,139 million), RMB950 million (equivalent to approximately HK\$1,116) and RMB680 million (equivalent to approximately HK\$799 million), respectively.

The Independent Board Committee has been formed to advise the Independent Shareholders in connection with the 2011 Agreement and the Continuing Connected Transactions (including the Proposed Annual Caps). The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders on the 2011 Agreement and the Continuing Connected Transactions (including the Proposed Annual Caps).

The Company will convene the SGM to seek the Independent Shareholders' approval for the 2011 Agreement and the Continuing Connected Transactions (including the Proposed Annual Caps).

A circular containing, among others, (i) details of the 2011 Agreement, the Continuing Connected Transactions and the related Proposed Annual Caps; (ii) a letter from the Independent Board Committee to the Independent Shareholders in respect of the Continuing Connected Transactions; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the 2011 Agreement and the Continuing Connected Transactions (including the Proposed Annual Caps); and (iv) a notice convening the SGM, will be despatched to the Shareholders on or before 20 April 2011.

### **Background of the Continuing Connected Transactions**

Reference is made to the 2008 Circular in relation to the 2008 Continuing Connected Transactions between the Company and Ershisanye. The 2008 Continuing Connected Transactions and the Continuing Connected Transactions involve the appointment of the Ershisanye Group member(s) as construction contractor for the Group's real estate development projects in the PRC, subject to successful tender.

The agreement in respect of the 2008 Continuing Connected Transactions for the three years ended 31 December 2010 has expired. As the Company wishes to continue to invite Ershisanye Group member(s) to place tenders for and subject to successful tender, to appoint Ershisanye Group member(s) as construction contractor for the Group's real estate development projects in the PRC, the Company has entered into the 2011 Agreement with Ershisanye which is conditional upon the approval of the Independent Shareholders at the SGM in respect of the 2011 Agreement and the Continuing Connected Transactions (including the Proposed Annual Caps).

Since Ershisanye is a subsidiary of China Minmetals and a fellow subsidiary of June Glory (the controlling shareholder of the Company and an indirect wholly-owned subsidiary of China Minmetals), Ershisanye is a connected person of the Company under the Listing Rules. Accordingly, members of the Ershisanye Group are connected persons of the Company and the Continuing Connected Transactions constitute continuing connected transactions for the

Company under Chapter 14A of the Listing Rules.

Since the estimated annual consideration of the Continuing Connected Transactions is more than HK\$10,000,000 and all of the relevant percentage ratios are, on an annual basis, more than 5%, such transactions constitute non-exempt continuing connected transactions for the Company under Rule 14A.35 of the Listing Rules and are 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 of Rules 14A.37 to 14A.40.

The Company will, in accordance with the Listing Rules, comply with the provisions of Chapter 14A of the Listing Rules in relation to the Continuing Connected Transactions for the period from 29 March 2011 to 31 December 2013, including disclosing further information thereof in this announcement, seeking Independent Shareholders' approval for the Continuing Connected Transactions and the relevant Proposed Annual Caps.

### **The Continuing Connected Transactions**

Pursuant to Rule 14A.35 of the Listing Rules, the term of the 2011 Agreement shall not exceed three years, and therefore the 2011 Agreement entered into between the Company and Ershisanye in respect of the Continuing Connected Transactions is proposed to expire on 31 December 2013. The 2011 Agreement is conditional upon the obtaining of the approval of the Independent Shareholders at the SGM in respect of the 2011 Agreement and the Continuing Connected Transactions (including the Proposed Annual Caps).

#### ***The 2011 Agreement***

Date: 29 March 2011

Parties: (i) Principal : the Company  
(ii) Contractor : Ershisanye

Subject matter: The Group may from time to time invite Ershisanye Group to tender and award construction contract(s), subject to successful tender, to engage Ershisanye Group member(s) as a construction contractor in respect of the existing and future real estate development projects (excluding the portions of the existing projects that had been tendered) of the Group in the PRC provided that the total contract sum of the construction contract(s) to be awarded by the Group to Ershisanye Group during the periods from 29 March 2011 to 31 December 2011, from 1 January 2012 to 31 December 2012 and from 1 January 2013 to 31 December 2013 shall not exceed the Proposed Annual Caps.

As disclosed in the 2008 Circular, the historical annual caps of the 2008 Continuing Connected Transactions for the three years ended 31 December 2010 were RMB371 million (equivalent to approximately HK\$424 million), RMB1,189 million (equivalent to approximately HK\$1,358 million) and RMB714 million (equivalent to approximately HK\$815 million), respectively.

For the three years ended 31 December 2010, the Group's construction contracts awarded to the Ershisanye Group amounted to approximately RMB Nil (equivalent to approximately HK\$Nil), RMB93 million (equivalent to approximately HK\$109 million) and RMB239 million (equivalent to approximately HK\$281 million), respectively.

For the above reasons, the Company estimates that the total contract sums of the Group's construction contracts awarded to the Ershisanye Group under the Continuing Connected Transactions for the three years ending 31 December 2013 will not exceed RMB1,820 million (equivalent to approximately HK\$2,139 million), RMB950 million (equivalent to approximately HK\$1,116 million) and RMB680 million (equivalent to approximately HK\$799 million), respectively, and such amounts have accordingly been set as the Proposed Annual Caps for the Continuing Connected Transactions.

The Proposed Annual Caps have been determined mainly by reference to (i) the expected construction contract values of the existing projects under development; and (ii) the expected tender award schedule in its construction work for the three years ending 31 December 2013.

### **Listing Rules implication**

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

Since Ershisanye is a subsidiary of China Minmetals and a fellow subsidiary of June Glory (the controlling shareholder of the Company and an indirect wholly-owned subsidiary of China Minmetals), Ershisanye is a connected person of the Company under the Listing Rules. Accordingly, members of the Ershisanye Group are connected persons of the Company and the Continuing Connected Transactions constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

The main purpose of the 2011 Agreement and the Continuing Connected Transactions is to avoid undue delay in the construction progress of the relevant projects which will otherwise have to seek the approval of Independent Shareholders in a special general meeting for each specific instance. Further, the appointment of Ershisanye Group as a construction contractor for the Group's projects is subject to a successful tender in a competitive tendering process governed by the relevant rules and regulations in the PRC.

The Directors (other than the independent non-executive Directors whose view will be formed after considering the advice from the Independent Financial Adviser) consider that the terms and conditions of the 2011 Agreement and the Continuing Connected Transactions (including the Proposed Annual Caps) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

If there is a material change to the terms of the 2011 Agreement, or if any of the Proposed Annual Caps is exceeded, the Company will re-comply with Rule 14A.35 of the Listing Rules.

## **SGM**

An Independent Board Committee comprising all the independent non-executive Directors has been formed to consider the terms of the 2011 Agreement, the Continuing Connected Transactions and the Proposed Annual Caps. Access Capital Limited has been appointed as an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders, inter alia, whether Independent Shareholders should vote in favour of the resolution regarding the 2011 Agreement and the Continuing Connected Transactions (including the Proposed Annual Caps).

A circular containing, among others, (i) details of the 2011 Agreement, the Continuing Connected Transactions and the Proposed Annual Caps, (ii) a letter from the Independent Board Committee to the Independent Shareholders in respect of the Continuing Connected Transactions, (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the 2011 Agreement and the Continuing Connected Transactions (including the Proposed Annual Caps), and (iv) a notice convening the SGM will be despatched to the Shareholders on or before 20 April 2011.

## **DEFINITIONS**

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

“2008 Circular”	the circular dated 30 September 2008 issued by the Company in respect of the 2008 Continuing Connected Transactions
“2008 Continuing Connected Transactions”	the continuing connected transactions entered into between the Group and Ershisanye Group in connection with the engagement of the Ershisanye Group member(s) as a construction contractor (subject to successful tender) in respect of the real estate development projects of the Group for the three financial years ended 31 December 2010
“2011 Agreement”	the agreement dated 29 March 2011 between the Company and Ershisanye in relation to the engagement of the Ershisanye Group member(s) as a construction contractor (subject to successful tender) in respect of the existing and future real estate development projects of the Group for the three financial years ending 31 December 2013
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“China Minmetals”	China Minmetals Corporation, a State-owned enterprise in the PRC, which owns 100% 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
“Continuing Connected Transactions”	the continuing connected transactions referred to in the section headed “Background of Continuing Connected Transactions” in this announcement, and the details of which are referred to under the section headed “The Continuing Connected Transactions” in this announcement
“Director(s)”	the director(s) of the Company
“Ershisanye”	二十三冶建設集團有限公司 (Ershisanye Construction Group Co., Ltd.), an enterprise established under the laws of the PRC with limited liability, which is owned as to 73.19%, 20.00%, and 6.81% by China Minmetals, 湖南省人民政府國有資產監督管理委員會 (State-owned Assets Supervision & Administration Commission of Hunan Provincial People’s Government) and 二十三冶建設集團有限公司工會 respectively
“Ershisanye Group”	Ershisanye and its 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 Mr. Lam Chun, Daniel, Mr. Selwyn Mar and Ms. Tam Wai Chu, Maria, being all the independent non-executive Directors, which has been formed by the Board to advise the Independent Shareholders in respect of the 2011 Agreement and the Continuing Connected Transactions (including the Proposed Annual Caps)
“Independent Financial Adviser”	Access Capital Limited, a corporation licensed to carry out type 6 (advising on corporate finance) of the 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 2011 Agreement and the Continuing Connected Transactions (including the Proposed Annual Caps)
“Independent Shareholder(s)”	Shareholder(s) other than June Glory and its associates, and any Shareholder who has a material interest in the Continuing Connected Transaction
“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 61.91% 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
“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 the Continuing Connected Transactions for the three financial years ending 31 December 2013 as listed in the section headed “The Continuing Connected Transactions” in this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“SGM”	a special general meeting of the Company to be convened to approve the 2011 Agreement and the Continuing Connected Transaction (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**  
*Managing Director*

Hong Kong, 29 March 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.*

*The exchange rate of HK\$1.00 to RMB0.8509 used in this announcement for translation of RMB to HK\$ is for illustrative purpose only.*

\* *For identification purpose only*