

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.

This announcement appears for information purposes only and does not constitute an invitation for offer to acquire, purchase or subscribe for securities of the Company.



五礦建設有限公司* **MINMETALS LAND LIMITED**

(Incorporated in Bermuda with limited liability)

(Stock Code: 230)

SUPPLEMENTAL AGREEMENT RELATING TO MAJOR ACQUISITION AND CONNECTED TRANSACTION

Reference is made to the announcement and the circular of the Company dated 13 November 2009 and 30 November 2009 respectively relating to a major acquisition and connected transaction (the “Previous Disclosure”) whereby the Purchaser, a wholly-owned subsidiary of the Company, would acquire the Targets from the Vendor, a wholly-owned subsidiary of Minmetals HK.

As disclosed in the Previous Disclosure:

- (1) the Acquisition is conditional upon the completion of the Reorganisation whereupon, among other things, China Minmetals will inject cash in an aggregate amount of RMB550 million into Tianjin Binhaxinqu and Zhongrun Chengzhen in the form of capital (the “Capital Injection”). The registered capital of each of Tianjin Binhaxinqu and Zhongrun Chengzhen will be increased as a result; and
- (2) cash injected will be used to repay certain shareholder's loans due by Tianjin Binhaxinqu and Zhongrun Chengzhen to the China Minmetals Group (the “Existing Shareholder’s Loans”). Further, China Minmetals will arrange for any outstanding shareholder's loans due by Tianjin Binhaxinqu to the China Minmetals Group to be cleared and settled before Completion.

The Purchaser was advised by China Minmetals that technical issues in obtaining certain PRC governmental approvals required for the Capital Injection would very likely lead to a delay in completing the Reorganisation and hence Reorganisation may not be completed before it is due under the Acquisition Agreement, i.e. 30 September 2010 (the “Long Stop Date”). Further shareholder's loans have also been provided by Minmetals Real Estate, a member of the China Minmetals Group, to Tianjin Binhaxinqu to fund its operations while pending Completion. Against this background, the Purchaser, the Vendor and China Minmetals entered into the Supplemental Agreement on 29 September 2010 to: (i) change the structure of the Reorganisation; (ii) agree on certain arrangements regarding the shareholder's loans granted to Tianjin Binhaxinqu and Zhongrun Chengzhen; and (iii) extend the Long Stop Date to 31 December 2010.

Given that (i) the Supplemental Agreement was entered into solely to facilitate the implementation of the Acquisition and therefore it does not constitute a new connected transaction under Chapter 14A of the Listing Rules; (ii) the Directors (including the independent non-executive Directors, being members of the Independent Board Committee) and the Independent Financial Adviser consider that the changes made to the Acquisition Agreement as contained in the Supplemental Agreement do not constitute material variations to the Acquisition Agreement; and (iii) the Independent Board Committee and the Independent Financial Adviser have also confirmed that their recommendation to the Independent Shareholders to vote in favour of the Acquisition would remain unchanged in the light of the Supplemental Agreement, the Supplemental Agreement is not subject to the announcement, reporting and Independent Shareholders' approval requirements under Chapters 14 or 14A of the Listing Rules. The purpose of this announcement is to provide Shareholders and potential investors with details of the Supplemental Agreement.

BACKGROUND

Reference is made to the announcement and the circular of the Company dated 13 November 2009 and 30 November 2009 respectively relating to a major acquisition and connected transaction (the "Previous Disclosure"). Terms used in this announcement shall, unless otherwise defined, have the same meaning as used in the Previous Disclosure.

As disclosed in the Previous Disclosure:

- (1) the Acquisition is conditional upon the completion of the Reorganisation whereupon, among other things, China Minmetals will inject cash in an aggregate amount of RMB550 million into Tianjin Binhaxinqu and Zhongrun Chengzhen in the form of capital (the "Capital Injection"). The registered capital of each of Tianjin Binhaxinqu and Zhongrun Chengzhen will be increased as a result;
- (2) the cash injected will be used to repay certain shareholder's loans due by Tianjin Binhaxinqu and Zhongrun Chengzhen to Minmetals Real Estate and Hunan Jiasheng, members of the China Minmetals Group.

As described in the Previous Disclosure, Minmetals Real Estate and Hunan Jiasheng had provided unsecured shareholder's loans to Tianjin Binhaxinqu and Zhongrun Chengzhen for the development of Property 2 at an interest rate of 8.32% per annum and Property 3 at an interest rate ranging from 6.37% to 7.92% per annum, respectively. The respective principals as at 31 October 2009 were approximately RMB208.31 million (equivalent to approximately HK\$236.48 million) and RMB346.83 million (equivalent to approximately HK\$393.74 million) (the "Existing Shareholder's Loans"), respectively. Under the provisions of the Acquisition Agreement, the Target Group shall not incur any additional shareholder's loans prior to Completion without the consent of the Purchaser.

The Purchaser was advised by China Minmetals that:

- the State-owned Assets Supervision and Administration Commission of the State Council and the Ministry of Commerce of the PRC have recently granted their approvals for the implementation of the first part of the Reorganisation such that BVICo1, BVICo2 and BVICo3 will, through HKCo1, HKCo2 and HKCo3, hold 49% equity interest in Jiahe Risheng, the entire interests of Tianjin Binhaxinqu and Zhongrun Chengzhen, respectively. However, technical issues in obtaining certain PRC governmental approvals required for Capital Injection would very likely lead to

a further delay in completing the Reorganisation and hence the Reorganisation will not be completed before it is due under the Acquisition Agreement on the Long Stop Date of 30 September 2010;

- During 1 November 2009 to 14 January 2010, in view of the need to fund the development of Property 2, Minmetals Real Estate had made additional unsecured loans to Tianjin Binhaixinqu in the aggregate principal amount of approximately RMB70.31 million (equivalent to approximately HK\$79.82 million) on the same terms as the Existing Shareholder's Loans extended to it. Tianjin Binhaixinqu had repaid all these shareholder's loans (including those accruing as at 31 October 2009) with its own internal resources generated from the pre-sale of Property 2; and
- On 20 December 2009, Hunan Jiasheng and Zhongrun Chengzhen entered into a loan agreement in respect of the then outstanding amount of the Existing Shareholder's Loans due by Zhongrun Chengzhen to Hunan Jiasheng of approximately RMB344 million (equivalent to approximately HK\$390.52 million). Pursuant to the said loan agreement, the interest rate in respect of such outstanding amount of the Existing Shareholder's Loans due by Zhongrun Chengzhen to Hunan Jiasheng was reduced to 5.31% per annum, which was the benchmark interest rate quoted by The People's Bank of China at that time. Zhongrun Chengzhen had repaid part of its shareholder's loans due to Hunan Jiasheng with its own internal resources generated from the pre-sale of Property 3. The aggregate outstanding principal amount of the Existing Shareholder's Loans due by Zhongrun Chengzhen to Hunan Jiasheng as at the date of this announcement amounted to approximately RMB212 million (equivalent to approximately HK\$240.67 million).

In the light of the above, the Purchaser, the Vendor and China Minmetals reached a consensus and entered into a supplemental agreement to the Acquisition Agreement (the "Supplemental Agreement").

SUPPLEMENTAL AGREEMENT

Date

29 September 2010

Parties

- (1) the Purchaser, a wholly-owned subsidiary of the Company;
- (2) the Vendor, a wholly-owned subsidiary of Minmetals HK, as seller; and
- (3) China Minmetals, as seller's guarantor and warrantor.

Subject

The parties agreed that:

- (1) the Long Stop Date will be extended from 30 September 2010 to 31 December 2010;
- (2) the structure of the Reorganisation will be amended to the effect that no Capital Injection will be made into Tianjin Binhaixinqu and Zhongrun Chengzhen. Instead, China Minmetals will arrange to inject cash of the Hong Kong dollars equivalent of the amount of the Capital Injection into BVICo2 and BVICo3, the indirect holding

companies of Tianjin Binhaixinqu and Zhongrun Chengzhen after completion of the Reorganisation. The said capital injection into BVICo2 and BVICo3 will be conducted by way of a subscription of one additional share in each of BVICo2 and BVICo3;

- (3) The Purchaser gives its consent to the New Loans made by Minmetals Real Estate to Tianjin Binhaixinqu for the development of Property 2; and
- (4) Any of the Existing Shareholder's Loans made to Zhongrun Chengzhen that may remain outstanding following Completion will, forthwith after Completion, carry an interest rate which will be determined with reference to the benchmark interest rate quoted by The People's Bank of China as at Completion and will be repayable at any time within three years after Completion at the option of Zhongrun Chengzhen.

Save as disclosed above, there are no other changes to the Acquisition Agreement.

IMPACT OF THE CHANGES TO THE ACQUISITION

There will not be any increase in the registered capital of Tianjin Binhaixinqu and Zhongrun Chengzhen as originally contemplated under the Acquisition Agreement. Instead, the issued share capital of BVICo2 and BVICo3 will be enlarged by the Hong Kong dollars equivalent of the same amount of the Capital Injection as part of the Reorganisation.

As there is no change to the equivalent amount of the capital injection to be made by China Minmetals into the Target Group as a whole, the financial position of the Target Group as a whole will remain substantially the same.

All shareholder's loans granted by Minmetals Real Estate and Hunan Jiasheng to Tianjin Binhaixinqu and Zhongrun Chengzhen will be cleared and settled before Completion as originally anticipated in the Previous Disclosure except for the shareholder's loans from Hunan Jiasheng to Zhongrun Chengzhen that may remain outstanding following Completion. As these outstanding loans will, forthwith after Completion, carry an interest rate which will be determined with reference to the benchmark interest rate quoted by The People's Bank of China as at Completion and will be repayable at any time within three years after Completion at the option of Zhongrun Chengzhen, the Directors consider that they are fair and reasonable and on normal commercial terms and therefore, with no security over the Group's assets is granted in respect of such loans, they will be exempt from the announcement, reporting and Independent Shareholders' approval requirements under rule 14A.65(4) of the Listing Rules.

In view of the above, the Directors (including the independent non-executive Directors, being members of the Independent Board Committee) and the Independent Financial Adviser consider that the Supplemental Agreement was entered into solely to facilitate the implementation of the Acquisition and the changes made to the Acquisition Agreement as contained in the Supplemental Agreement do not constitute material variations to the Acquisition Agreement. The Independent Board Committee and the Independent Financial Adviser have also confirmed that their recommendation to the Independent Shareholders to vote in favour of the Acquisition would remain unchanged in the light of the Supplemental Agreement.

REASONS FOR THE CHANGES TO THE ACQUISITION AGREEMENT

The Reorganisation has been in progress for some time. The Purchaser was advised by China Minmetals that the State-owned Assets Supervision and Administration Commission of the State Council and the Ministry of Commerce of the PRC have recently granted their approvals for the implementation of the first part of the Reorganisation such that BVICo1, BVICo2 and BVICo3 will, through HKCo1, HKCo2 and HKCo3, hold 49% equity interest in Jiahe Risheng, the entire interests of Tianjin Binhaixinqu and Zhongrun Chengzhen, respectively. However, technical issues in obtaining certain PRC governmental approvals required for Capital Injection would very likely lead to a further delay in completing the Reorganisation and hence the Reorganisation will not be completed before it is due under the Acquisition Agreement on the Long Stop Date of 30 September 2010.

The amendments to the Reorganisation in relation to the Capital Injection can speed up the process so that the Completion will not be further delayed while maintaining the equivalent amount of cash injection into the Target Group such that the financial position of the Target Group will remain substantially the same. In these circumstances, the Directors (including the independent non-executive Directors) believe that the amendments to the Reorganisation as set out in the Supplemental Agreement are in the interests of the Company and the Shareholders as a whole.

As the New Loans were provided to fund the operation of Tianjin Binhaixinqu for the development of Property 2 while pending Completion, and as the New Loans made to Tianjin Binhaixinqu were provided on the same terms as the Existing Shareholder's Loans to Tianjin Binhaixinqu, the Directors (including the independent non-executive Directors) also believe it fair and reasonable and in the interests of the Company and its Shareholders as a whole to accept the New Loans.

While there may be outstanding amount of loans due from Zhongrun Chengzhen to Hunan Jiasheng as at Completion, the Directors (including the independent non-executive Directors) believe that it is in the interests of the Company and the Shareholders as a whole because given that Zhongrun Chengzhen may repay the loans at any time at its option within three years following Completion, the Group will have flexibility in its use of the amount of the capital injection to be made into BVICo3 after Completion. For instance, the Group may use the fund in other projects of the Group and the loans may be repaid by using part of the capital injection, Zhongrun Chengzhen's own internal resources or other resources of the Group.

IMPLICATIONS OF THE LISTING RULES

Given that (i) the Supplemental Agreement was entered into solely to facilitate the implementation of the Acquisition and therefore it does not constitute a new connected transaction under Chapter 14A of the Listing Rules; (ii) the Directors (including the independent non-executive Directors, being members of the Independent Board Committee) and the Independent Financial Adviser consider that the changes made to the Acquisition Agreement as contained in the Supplemental Agreement do not constitute material variations to the Acquisition Agreement; and (iii) the Independent Board Committee and the Independent Financial Adviser have also confirmed that their recommendation to the Independent Shareholders to vote in favour of the Acquisition would remain unchanged in the light of the Supplemental Agreement, the Supplemental Agreement is not subject to the announcement, reporting and independent shareholders' approval requirements under Chapters 14 or 14A of the Listing Rules. The purpose of this announcement is to provide

Shareholders and potential investors with details of the Supplemental Agreement.

DEFINITIONS

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

“Capital Injection”	the cash injection for an aggregate amount of RMB550 million to be made by China Minmetals to enlarge the registered capital of Tianjin Binhaixinqu and Zhongrun Chengzhen as part of the Reorganisation as originally contemplated under the Acquisition Agreement;
“Existing Shareholder’s Loans”	unsecured interest bearing shareholder’s loans due to Minmetals Real Estate and Hunan Jiasheng by Tianjin Binhaixinqu and Zhongrun Chengzhen as at 31 October 2009 as disclosed in the Previous Disclosure;
“Long Stop Date”	the latest date for fulfilling the Conditions under the Acquisition Agreement;
“New Loans”	additional unsecured shareholder’s loans provided by Minmetals Real Estate to Tianjin Binhaixinqu after 31 October 2009;
“Previous Disclosure”	the announcement dated 13 November 2009 and the circular dated 30 November 2009 of the Company in relation to the Acquisition Agreement;
“Supplemental Agreement”	the agreement supplemental to the Acquisition Agreement dated 29 September 2010; and
“Target Group”	the Targets and their respective subsidiaries.

For the purpose of illustration only, conversion of RMB into Hong Kong dollars in this announcement is based on the exchange rate of RMB0.88087 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, 29 September 2010

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*