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五礦建設有限公司*
MINMETALS LAND LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code 230)

**CO-OPERATION AGREEMENT INVOLVING A MAJOR TRANSACTION
AND
RESUMPTION OF TRADING**

The Board is pleased to announce that on 8 January 2010, the Company has, together with the JV Partner (together the “**Joint Partners**”), entered into the Co-operation Agreement with the Co-organiser in relation to the preparation of a piece of land located in Hebei Province, the PRC (the “**Land**”) for development by the Joint Partners. The Land has a site area ranging from an initial phase of approximately 20 hectares of land to approximately 534 hectares of land in total (the “**Transaction**”).

The total consideration payable by the Joint Partners in obtaining the Land, subject to adjustment, may range from RMB266.40 million (equivalent to approximately HK\$302.87 million) to RMB5,209 million (equivalent to approximately HK\$5,922.11 million) (the “**Consideration**”). The Co-organiser is designated by the local government of Hebei Province to organise the relocation and other preparation of the Land for development. As far as the Board is aware after making all reasonable enquiries, both the JV Partner and the Co-organiser are independent parties of the Company and are not connected persons of the Company.

The Company and the JV Partner will each bear 50% of the Consideration, ranging from RMB133.20 million (equivalent to approximately HK\$151.44 million) to up to RMB2,604.50 million (equivalent to approximately HK\$2,961.06 million) without taking into account any adjustment that may be made under the Co-operation Agreement. The Company and the JV Partner are in discussion on their detailed arrangement as joint partners for future project co-operation (“**Joint Venture**”).

The Transaction constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and depending on the final structure of the Joint Venture, the formation of the Joint Venture may also constitute a connected transaction for the Company and is subject to the reporting and announcement requirements, and the approval of the Shareholders at the SGM. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Transaction, the transactions contemplated thereunder and the Joint Venture when finalised. As such, the Transaction, the

Joint Venture and the transactions contemplated thereunder may be approved by written shareholders' approval in accordance with Rule 14.44 and Rule 14A.43 (if applicable) of the Listing Rules. June Glory which owns 1,464,918,447 Shares representing approximately 53.61% of the issued share capital of the Company as at the date of this announcement, has granted its written approval to the Company on 6 January 2010 for the entering into of the Transaction, the Joint Venture and the transactions contemplated thereunder as required under the Listing Rules. An application for a waiver of shareholders' meeting under Rule 14A.43 has been made, and it is expected that no Shareholders' meeting will be convened to consider the Transaction, the Joint Venture and the transactions contemplated thereunder.

A circular containing, among other things, further particulars of the Transaction, valuation report on the Land will be despatched to the Shareholders as soon as practicable. Further announcement will also be made when the detailed terms of the Joint Venture have been finalised, and depending on whether the formation of the Joint Venture will also constitute a connected transaction for the Company, will also include the views of the independent non-executive Directors of the Company and the independent financial adviser as necessary in compliance with the Listing Rules.

The successful completion of the transactions contemplated under the Co-operation Agreement is subject to, among other things, the finalisation of various legal documentations and the obtaining of various consents as set out in the Co-operation Agreement. Under the terms of the Co-operation Agreement, the Co-organiser is required to comply with all relevant PRC laws and regulations in delivering the Land to the Joint Partners for development. Accordingly, the Joint Partners may or may not be able to obtain the entire or any part of the Land for development. Shareholders and potential investors should exercise caution when dealing in the Shares.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 8 January 2010 pending the release of this announcement. Application has been made to the Stock Exchange for resumption of trading in Shares with effect from 9:30 a.m. on 11 January 2010.

THE CO-OPERATION AGREEMENT DATED 8 JANUARY 2010

Parties

- (1) the Company;
- (2) the JV Partner, collectively with the Company, as Joint Partners; and
- (3) the Co-organiser.

As far as the Board is aware after making all reasonable enquiries, 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. The Co-organiser is an entity established in the PRC and designated by the local government of Hebei Province to organise the relocation and other preparation of the Land for development. The JV Partner, its ultimate beneficial owner and, the Co-organiser, its holding company and the substantial

shareholders of the holding company are independent parties of the Company and are not connected persons of the Company.

Assets involved

Subject to obtaining the necessary consent as set out in the section headed “Conditions and completion” below, the Co-organiser will organise the preparation of the Land for delivery of the Land to the Joint Partners for development. The Land will initially comprise a piece of land with a site area of approximately 20 hectares for construction land use, and depending on the satisfactory completion of the various matters set out in the section headed “Conditions and completion” below may comprise two or more phases of land to add up to approximately 534 hectares in total. Once the Land is ready for development, the Land will be free from encumbrances of which 65% to 70% is expected to be used for construction land purpose. The Land is currently occupied by local villagers and the Co-organiser shall arrange for relocation and compensation payment and other incidental attendance at its own cost in delivering the Land to the Joint Partners.

The Land will be made available for delivery to the Joint Partners in phases, the first phase of which is expected to be available in February 2010. The timing for delivery of the final phase of the Land will be determined by the Co-organiser and the Joint Partners on or before 31 December 2010.

JV Partners intend to develop the Land into commodity houses which mainly comprise of residential properties. The estimated construction cost is subject to further discussion between the Joint Partners on finalisation of the Joint Venture.

Consideration

The Consideration may, subject to adjustment, range from RMB266.40 million (equivalent to approximately HK\$302.87 million) to RMB5,209 million (equivalent to approximately HK\$5,922.11 million) and will be satisfied in cash in phases according to the progress of work in the preparation and delivery of the various phases of the Land to the Joint Partners for development. An initial deposit of RMB130 million (equivalent to approximately HK\$147.80 million) will be payable within 5 (five) working days from the date of the Co-operation Agreement and the remaining balance will be payable in stages for amounts ranging from RMB10 million (equivalent to approximately HK\$11.37 million) to RMB387 million (equivalent to approximately HK\$439.98 million) for the first two phases while the payment schedule for the final phase amounting to RMB3,223 million (equivalent to approximately HK\$3,664.23 million) will be determined by the Co-organiser and the Joint Partners on or before 31 December 2010.

The Consideration may be increased in accordance with the terms of the Co-operation Agreement subject to a maximum cap of RMB6,304.30 million (equivalent to approximately HK\$7,167.36 million). The Co-organiser will be liable to a default fine on any delay or other failure to deliver the Land to the Joint Partners. On the same basis, the Joint Partners will be liable to a default fine on any delay in payment of any instalment of the Consideration to the Co-organiser up to a limit of RMB200 million (equivalent to approximately HK\$227.38 million).

The Company will bear 50% of the Consideration, ranging from RMB133.20 million (equivalent to approximately HK\$151.44 million) to up to RMB2,604.50 million (equivalent to approximately HK\$2,961.06 million) without taking into account any adjustment that may

be made under the Co-operation Agreement. The Company is in discussion with the JV Partner on the detailed terms of the Joint Venture, including the corporate structure for the Co-operation, which may or may not involve the establishment of subsidiaries of the Company, and has entered into a memorandum of understanding to further such discussion with the JV Partner.

The Consideration was determined based on arm's length negotiations among the parties and the land prices in the district.

Conditions and completion

Successful completion of the Transaction is unconditional but is subject to, among other things:

- (a) the Co-organiser obtaining all necessary consents as required under the applicable PRC laws to vacate the Land; and
- (b) the Co-organiser procuring the completion of all necessary works for the Land, including infrastructural works as required.

The successful completion of the transactions contemplated under the Co-operation Agreement is subject to, among other things, the finalisation of various legal documentations and the obtaining of various consents as set out in the Co-operation Agreement. Under the terms of the Co-operation Agreement, the Co-organiser is required to comply with all relevant PRC laws and regulations in delivering the Land to the Joint Partners for development. Accordingly, the Joint Partners may or may not be able to obtain the entire or any part of the Land for development. Shareholders and potential investors should exercise caution when dealing in the Shares.

REASONS FOR AND BENEFITS OF THE TRANSACTION

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

The Directors believe that the Transaction will bring various commercial benefits to the Company, including increasing and strengthening the Group's land bank in the PRC, and is in conformity with the aligned interests of the Company and its Shareholders as a whole. The Directors consider that the Co-operation Agreement has been entered into on normal commercial terms, and the terms and conditions therein are fair and reasonable and in the interest of the Company and the Shareholders as a whole. Given the size of the Land, and the branding and expertise of the JV Partner, the Board believes it is in the interest of the Group to participate in the development of the Land by way of the Joint Venture with the JV Partner.

EFFECTS OF THE TRANSACTION ON THE COMPANY

The Group intends to finance its share of the Consideration ranging from RMB133.20 million (equivalent to approximately HK\$151.44 million) to RMB2,604.50 million (equivalent to approximately HK\$2,961.06 million) by internal resources and borrowings from financial institutions. No decision has yet been made as to the split by way of internal resources and

external borrowings in funding the Consideration.

If the Consideration is to be financed by external borrowings, interest expenses will be incurred by the Group and charged to the income statement of the Group before the land use right relating to the Land is obtained. After the said land use right is obtained, any interest expenses incurred on the Land may be capitalised during the course of development. The directors expect that the interest expense should not have any material impact on the future earnings of the Group before revenue from the development of the Land could be recognised by the Group.

IMPLICATIONS UNDER THE LISTING RULES

The Company will bear 50% of the Consideration, ranging from RMB133.20 million (equivalent to approximately HK\$151.44 million) to RMB2,604.50 million (equivalent to approximately HK\$2,961.06 million). The Transaction constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements, and the approval of the Shareholders at the SGM. The final terms of the Joint Venture are still under discussion, and depending on the final structure of the Joint Venture, in particular whether or not the Joint Venture will establish any subsidiary of the Company to hold the Land, the formation of the Joint Venture may also constitute a connected transaction for the Company under the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Transaction and the transactions contemplated thereunder or the Joint Venture when finalised. As such, the Transaction and the transactions contemplated thereunder and the Joint Venture may be approved by written shareholders' approval in accordance with Rule 14.44 and Rule 14A.43 (if applicable) of the Listing Rules. June Glory which owns 1,464,918,447 Shares representing approximately 53.61% of the issued share capital of the Company as at the date of this announcement, has granted its written approval to the Company on 6 January 2010 for the entering into of the Transaction, the Joint Venture and the transactions contemplated thereunder as required under the Listing Rules. An application for a waiver of shareholders' meeting under Rule 14A.43 has been made, and it is expected that no Shareholders' meeting will be convened to consider the Transaction, the Joint Venture and the transactions contemplated thereunder.

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RESUMPTION OF TRADING

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DEFINITIONS

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

“Board”	the board of Directors (including executive Directors, non-executive Director and independent non-executive Directors);
“Co-operation”	the entering into of the joint venture agreement between the Company and the JV Partner for the development of the Land;
“Co-operation Agreement”	the agreement dated 8 January 2010 entered into between the Joint Partners and the Co-organiser and its supplemental agreements dated 8 January 2010 relating to the Transaction;
“Co-organiser”	a company established in the PRC and designated by the local government of Hebei Province to organise the relocation and other preparation of the Land for development;
“Company”	Minmetals Land Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Consideration”	the consideration payable by the Joint Partners under the Co-operation Agreement for obtaining the Land, subject to adjustments;
“Director(s)”	directors (including independent non-executive directors) of the Company;
“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;
“Joint Partners”	the Company and the JV Partner;
“Joint Venture”	the Joint Venture to be formed between the Joint Partners in the ownership and operation of the development of the Land;
“June Glory”	June Glory International Limited, a company incorporated in the British Virgin Islands, and a substantial shareholder of the Company;

“JV Partner”	a company established in the PRC which has entered into the Co-operation Agreement as the joint partner of the Company;
“Land”	the piece of land situated in Hebei Province, the PRC with a site area of up to approximately 534 hectares for construction and ancillary infrastructure use;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People's Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“SGM”	the special general meeting of the Company;
“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;
“Transaction”	the transaction contemplated under the terms and conditions of the Co-operation Agreement; and
“%”	per cent.

For the purpose of illustration only, conversion of RMB into Hong Kong dollars in this announcement is based on the exchange rate of RMB1.00 to HK\$1.1369. 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
He Jianbo
Managing Director

Hong Kong, 8 January 2010

As at the date of this announcement, the Board comprises nine Directors, namely Mr. Sun Xiaomin as the Chairman and a non-executive Director, Mr. Qian Wenchao, Mr. He Jianbo, Mr. Yin Liang, Mr. Yan Xichuan and Ms. He Xiaoli as 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*