

*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)**

**THIRD SUPPLEMENTAL AGREEMENT REGARDING  
THE MAJOR (FORMERLY VERY SUBSTANTIAL ACQUISITION) AND  
CONNECTED TRANSACTION  
IN RELATION TO THE ACQUISITION OF LUCK ACHIEVE LIMITED  
INVOLVING ISSUE OF CONSIDERATION SHARES AND  
AN INCREASE IN AUTHORISED SHARE CAPITAL**

The Board wishes to announce that on 23 July 2009, the parties to the Acquisition Agreement have entered into the Third Supplemental Agreement, under which the parties thereto agreed to amend the Acquisition Agreement, among other things, as follows:

- (i) the Company will issue ordinary shares of HK\$0.10 each in the share capital of the Company as the Consideration Shares in lieu of Convertible Preference Shares in satisfaction of the Consideration payable by the Group under the Acquisition Agreement; and
- (ii) the Maximum Franchise Share Price, the Minimum Franchise Share Price, the Maximum MML Share Price and the Minimum MML Share Price will be re-set by reference to the Franchise Current Market Price and the MML Current Market Price (as the case may be) as at the date of this announcement in lieu of 7 November 2008, the date on which the announcement in relation to the Acquisition was first published.

Based on the revised size of the Acquisition, and more particularly the reduction in the Cash Proceed, the Acquisition constitutes a major transaction instead of a very substantial acquisition for the Company, and will remain as a connected transaction for the Company as previously disclosed.

An independent board committee of the Company comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders in respect of the Acquisition as supplemented. An independent financial adviser has been appointed to advise the independent board committee of the Company and the Independent Shareholders in this connection.

In light of the above developments, the Directors also considered it desirable to leave the Acquisition SGM, convened and adjourned on 23 December 2008, adjourned *sine die* (i.e. indefinitely) and to convene the New Acquisition SGM to consider and, if thought fit, approve the Acquisition Agreement as supplemented and the transactions contemplated thereunder.

A supplemental circular containing, among other things, further particulars of the Acquisition, together with the recommendations of the independent board committee of the Company, a letter of advice from the independent financial adviser of the Company to advise the independent board committee of the Company and the Independent Shareholders and the notice convening the New Acquisition SGM will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

## **BACKGROUND**

Terms used in this announcement shall, unless otherwise defined, have the same meanings as used in the previous announcements in relation to the Acquisition Agreement.

Reference is made to the announcement of the Company made on 7 November 2008 regarding the Acquisition Agreement under which the Company agreed to acquire Target holding the Cash Proceed in the sum of HK\$527,007,887 and 230,469,921 Franshion Shares. Reference are also made to subsequent announcements made on divers dates between 31 March 2009 to 29 June 2009 in relation to, among other things, the reduction of the Cash Proceed by HK\$355,595,350 as a result of the Second Supplemental Agreement and the rights issue of the Company in June 2009.

## **THIRD SUPPLEMENTAL AGREEMENT**

The Board wishes to announce that on 23 July 2009, the parties to the Acquisition Agreement have entered into the Third Supplemental Agreement, under which the parties thereto agreed to amend the Acquisition Agreement, among other things, as follows:

- (i) the Company will issue ordinary shares of HK\$0.10 each in the share capital of the Company as the Consideration Shares in lieu of Convertible Preference Shares in satisfaction of the Consideration payable by the Group under the Acquisition Agreement; and
- (ii) the Maximum Franshion Share Price, the Minimum Franshion Share Price, the Maximum MML Share Price and the Minimum MML Share Price will be re-set by reference to the Franshion Current Market Price and the MML Current Market Price (as the case may be) as at the date of this announcement in lieu of 7 November 2008, the date on which the announcement in relation to the Acquisition was first published.

The Consideration for the Acquisition will be determined based on the face value of the cash portion of sale proceeds arising under the Franshion Agreement (i.e. the Cash Proceed) as at 30 June 2009 and the agreed value of the Franshion Shares (i.e. the Agreed Value). As at 30 June 2009, the amount of Cash Proceed is approximately HK\$171,981,065, representing the sale proceeds arising under the Franshion Agreement, after the reduction by

approximately HK\$355,678,526 as a result of the Second Supplemental Agreement and the rights issue of the Company in June 2009 (including the commission fee paid by June Glory to subscribe for the Rights Shares as a Shareholder), plus interest income received and bank charges paid thereon.

The Agreed Value will remain to be determined based on the Franshion Current Market Price on the Price Fixing Date, i.e. 90% of the 20-day average closing price per Franshion Share as quoted on the Stock Exchange ending on the Price Fixing Date, but will be subject to the revised maximum and minimum prices re-set as follows:

- (i) the new Maximum Franshion Share Price is HK\$2.90 per Franshion Share in lieu of HK\$1.68 per Franshion Share, being 120% of the Franshion Current Market Price as at the date of this announcement instead of 7 November 2008; and
- (ii) the new Minimum Franshion Share Price is HK\$1.94 per Franshion Share in lieu of HK\$1.12 per Franshion Share, being 80% of the Franshion Current Market Price as at the date of this announcement instead of 7 November 2008.

The new Maximum Franshion Share Price and the new Minimum Franshion Share Price respectively represent:

- (a) a discount of approximately 15.45% and 43.44% to the reference price of HK\$3.43 per Franshion Share based on which the Franshion Shares were agreed to be issued under the Franshion Agreement;
- (b) a premium of approximately 13.73% and a discount of approximately 23.92% to the closing price of HK\$2.55 per Franshion Share as quoted on the Stock Exchange on 23 July 2009, being the date of the Third Supplemental Agreement; and
- (c) a premium of approximately 9.85% and a discount of approximately 26.52% to the 10-day average closing price of HK\$2.64 per Franshion Share as quoted on the Stock Exchange, from 10 July 2009 to 23 July 2009.

The Consideration will be satisfied by the allotment and issue of Consideration Shares each credited as fully paid at the Consideration Shares Issue Price, which will remain to be determined based on the MML Current Market Price on the Price Fixing Date, that is the 20-day average closing price per Share as quoted on the Stock Exchange ending on the Price Fixing Date, but subject to the revised maximum and minimum prices re-set as follows:-

- (i) the new Maximum MML Share Price is HK\$1.56 per Share in lieu of HK\$0.53 per Share, being 120% of the MML Current Market Price as at the date of this announcement instead of 7 November 2008; and
- (ii) the new Minimum MML Share Price is HK\$1.04 per Share in lieu of HK\$0.35 per Share, being 80% of the MML Current Market Price as at the date of this announcement instead of 7 November 2008.

The new Maximum MML Share Price and the new Minimum MML Share Price respectively represent:

- (a) a discount of approximately 6.02% and 37.35% to the closing price per Share of HK\$1.66 as quoted on the Stock Exchange on 23 July 2009, being the date of the Third Supplemental Agreement;
- (b) a premium of approximately 11.43% and a discount of approximately 25.71% to the 10-day average closing price per Share of HK\$1.40 as quoted on the Stock Exchange for the period from 10 July 2009 to 23 July 2009;
- (c) a premium of approximately 20.00% and a discount of approximately 20.00% to the one-month average closing price per Share of HK\$1.30 as quoted on the Stock Exchange for the period from 24 June 2009 to 23 July 2009; and
- (d) a premium of approximately 34.48% and a discount of approximately 10.34 % to the three-month average closing price per Share of HK\$1.16 as quoted on the Stock Exchange for the period from 24 April 2009 to 23 July 2009.

The Agreed Value of the Franshion Shares will remain at a discount to the prevailing trading price of the Franshion Shares, and the Consideration Shares Issue Price will still be marked to the prevailing trading price of the Shares. The Directors (other than the independent non-executive Directors whose opinion will be provided after reviewing the advice of the independent financial adviser) consider the pricing for both the Franshion Shares and the Consideration Shares to be fair and reasonable.

As a result of the above amendments, among other things, the Conditions of the Acquisition Agreement have been amended so that Completion shall be conditional upon the fulfillment of, among others, the following Conditions on or before 31 December 2009 or such later date as may be agreed among the parties to the Acquisition Agreement:

- (a) the Listing Committee of the Stock Exchange granting the listing of and the permission to deal in the Consideration Shares;
- (b) the Independent Shareholders approving the Acquisition Agreement as supplemented and the transactions contemplated thereunder, including without limitation, the allotment and issue of the Consideration Shares; and
- (c) Shareholders approving the increase in the authorised share capital of the Company to an extent sufficient to allow for the issue of the Consideration Shares.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of and the permission to deal in the Consideration Shares.

## **IMPACT OF THE THIRD SUPPLEMENTAL AGREEMENT ON THE ACQUISITION**

### *Size of the Acquisition*

Based on the revised size of the Acquisition, and more particularly the reduction in the Cash Proceed to approximately HK\$171,981,065, the Acquisition constitutes a major transaction instead of a very substantial acquisition for the Company, and will remain as a connected

transaction for the Company as previously disclosed. Based on the new Maximum Frانشion Share Price, the new Minimum Frانشion Share Price, the new Maximum MML Share Price and the new Minimum MML Share Price re-set as mentioned above, the total number of Consideration Shares that may be issued under the Acquisition Agreement as supplemented will be between 396,854,302 to 808,022,919 but the Company would not, and would not be required to issue any Consideration Shares to an extent where its public float immediately following Completion would be less than 25% of the Company's total issued share capital.

### *Ownership and dilution*

Assuming that there is no change in the issued share capital of the Company other than the issue of the Consideration Shares, the holding structure of the share capital of the Company (i) before completion of the Acquisition; (ii) immediately after completion of the Acquisition based on the new Maximum Frانشion Share Price and the new Minimum MML Share Price as mentioned above; and (iii) immediately after completion of the Acquisition based on the new Minimum Frانشion Share Price and the new Maximum MML Share Price as mentioned above are set out below:

	Before completion of the Acquisition		Immediately after completion of the Acquisition based on the new Maximum Frانشion Share Price and the new Minimum MML Share Price <sup>(note 3)</sup>		Immediately after completion of the Acquisition based on the new Minimum Frانشion Share Price and the new Maximum MML Share Price	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
June Glory <sup>(note 1)</sup>	1,054,878,778	63.14	1,054,878,778	42.56	1,054,878,778	51.02
The Vendor <sup>(note 2)</sup>	Nil	Nil	808,022,919	32.60	396,854,302	19.19
<b>Sub total</b>	<b>1,054,878,778</b>	<b>63.14</b>	<b>1,862,901,697</b>	<b>75.15</b>	<b>1,451,733,080</b>	<b>70.21</b>
Public Shareholders	615,868,896	36.86	615,868,896	24.85	615,868,896	29.79
<b>Total</b>	<b>1,670,747,674</b>	<b>100.00</b>	<b>2,478,770,593</b>	<b>100.00</b>	<b>2,067,601,976</b>	<b>100.00</b>

#### *Notes:*

*Note 1: June Glory is an indirect wholly-owned subsidiary of China Minmetals held as to 71% directly by Minmetals HK and 29% by Cheemimet Finance Limited, a wholly-owned subsidiary of Minmetals HK.*

*Note 2: The Vendor is an indirect wholly-owned subsidiary of China Minmetals.*

*Note 3: As set out in the second column of the above table, less than 25% of the issued shares of the Company may be held by the public as a result of completion of the Acquisition based on the new Maximum Frانشion Share Price and the new Minimum MML Share Price. As mentioned above, the Company would not, and would not be required to issue any Consideration Shares to an extent where its public float immediately following Completion would be less than 25% of the Company's total issued share capital. For this purpose, the Vendor, Minmetals HK and June Glory have given an irrevocable undertaking in favour of the Company on the date of this announcement, whereby each of the Vendor and Minmetals HK has undertaken to the Company to procure June Glory and June Glory has undertaken to the Company, in the event the Company is unable to satisfy the 25% public float requirement under Rule 8.08 of the Listing Rules immediately after completion of the Acquisition as a result of the issue of the Consideration Shares, to take appropriate measures, including selling its own interest in the Company, to restore the public float of the Company to at least 25% of the Company's total issued share capital on or before Completion.*

Further announcement on the determination of the consideration of the Acquisition and the number of Consideration Shares to be issued, and where required, the measures to be taken to restore the public float of the Company, will be made as and when appropriate.

## **PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL**

As at the date of this announcement, the existing authorised share capital of the Company are HK\$200,000,000 divided into 2,000,000,000 Shares, of which 1,670,747,674 Shares have been issued and are fully paid or credited as fully paid. As such, the existing balance of authorised but unissued share capital of 329,252,326 Shares will be used for the allotment and issue of the Consideration Shares.

In order to cater for the issue of the Consideration Shares to the Vendor, the Board proposed to increase the authorised share capital of the Company from HK\$200,000,000 divided into 2,000,000,000 Shares to HK\$1,000,000,000 divided into 10,000,000,000 Shares by the creation of an additional 8,000,000,000 Shares.

## **REASONS FOR AND BENEFITS OF THE THIRD SUPPLEMENTAL AGREEMENT**

The Directors believe that the amendments to the Acquisition Agreement on terms of the Third Supplemental Agreement allow the re-set of the Maximum Franshion Share Price and the Minimum Franshion Share Price, as well as the Maximum MML Share Price and the Minimum MML Share Price which would more accurately reflect the latest trading prices of the Shares and the Franshion Shares.

Furthermore, the issue of the ordinary shares of HK\$0.10 each in the share capital of the Company as the Consideration Shares in lieu of Convertible Preference Shares in satisfaction of the Consideration payable by the Group will remove the technical complexity of the Acquisition and leave the Company with a more simple share capital structure than it would have been under the previous terms in respect of the Consideration under the Acquisition Agreement.

The Directors (other than the independent non-executive Directors whose opinion will be provided after reviewing the advice of the independent financial adviser) consider that the Acquisition Agreement as supplemented and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

An independent board committee of the Company comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders in respect of the Acquisition as supplemented. An independent financial adviser has been appointed to advise the independent board committee of the Company and the Independent Shareholders in this connection.

In light of the above developments, the Directors also considered it desirable to leave the Acquisition SGM, convened and adjourned on 23 December 2008, adjourned *sine die* (i.e. indefinitely) and to convene the New Acquisition SGM to consider and, if thought fit, approve the Acquisition Agreement as supplemented and the transactions contemplated thereunder.

A supplemental circular containing, among other things, further particulars of the Acquisition, together with the recommendations of the independent board committee of the Company, a letter of advice from the independent financial adviser of the Company to advise the independent board committee of the Company and the Independent Shareholders and the

notice convening the New Acquisition SGM will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

## DEFINITIONS

*In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:*

<b>“Consideration Shares”</b>	such number of Shares to be allotted and issued by the Company to the Vendor pursuant to the terms and conditions of the Acquisition Agreement as supplemented;
<b>“Consideration Shares Issue Price”</b>	the issue price for the Consideration Shares calculated by reference to the formula set out under the Acquisition Agreement as supplemented;
<b>“New Acquisition SGM”</b>	special general meeting of the Company to be held to consider and approve the Acquisition Agreement as supplemented and the transactions contemplated thereunder (including the Acquisition);
<b>“Price Fixing Date”</b>	five Business Days preceding the New Acquisition SGM or any adjournment in relation thereto; and
<b>“Third Supplemental Agreement”</b>	the third supplemental agreement dated 23 July 2009 entered into among the parties to the Acquisition Agreement.

By order of the Board  
**He Jianbo**  
*Managing Director*

Hong Kong, 23 July 2009

*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*