五礦建設有限公司*
MINMETALS LAND LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code: 230)

VERY SUBSTANTIAL ACQUISITION AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF TARGET INVOLVING AN ISSUE OF CONVERTIBLE PREFERENCE SHARES AND AN INCREASE IN AUTHORISED SHARE CAPITAL

Joint Financial Advisors to Minmetals Land Limited

Deutsche Bank

MCL CAPITAL

The Board is pleased to announce that MLI, a wholly-owned subsidiary of the Company (as purchaser) has, on 7 November 2008, entered into the Acquisition Agreement with the Vendor (as seller) and Minmetals HK (as the seller's guarantor and warrantor) for the acquisition of the entire issued share capital of Target. Target is a company newly established by the Vendor to hold its 10.6452% attributable interest in Jin Mao i.e. the "**Jin Mao Investment**" and the proceeds arising from the disposal of this Jin Mao Investment to Franshion as announced by Franshion in its announcement dated 5 June 2008, i.e. the "**Franshion Announcement**". Such proceeds will comprise HK$527,007,887 in cash and the Franshion Shares. The Franshion Shares represent approximately 3.26% of the entire issued share capital of Franshion as enlarged immediately after Franshion completes the acquisition of the Jin Mao Investment under the Franshion Agreement as well as the remaining issued share capital of Jin Mao as stated in the Franshion Announcement. Franshion is a company established in Hong Kong whose shares are listed on the Stock Exchange. The Franshion Group is engaged in property development, hotel operations and property investment and management in the PRC.

The Consideration for the Acquisition will be satisfied by the allotment and issue of Convertible Preference Shares credited as fully paid, convertible into Shares i.e. the "**Converted Shares**" on initially a one on one basis (subject to adjustment in the event of a consolidation or subdivision of Shares but not otherwise).

No part of the Convertible Preference Shares will be listed on the Stock Exchange, but an application will be made for the listing of and permission to deal in the Converted Shares.

The Vendor is an indirect wholly-owned subsidiary of China Minmetals, the ultimate Controlling Shareholder of the Company with an indirect holding (held through June Glory) of approximately 67.93% of the issued share capital of the Company as at the date of this announcement. On full conversion of the Convertible Preference Shares, China Minmetals will, through June Glory and the Vendor, hold more than 75% of the Company's total issued Shares. Under the terms of the Convertible Preference Shares, China Minmetals Group shall not exercise any conversion rights attaching to the Convertible Preference Shares to an extent where the public float of the Shares will be less than 25% immediately following such conversion.

The Vendor is a wholly-owned subsidiary of Minmetals HK which in turn is an indirect wholly-owned subsidiary of China Minmetals and therefore a connected person of the Company. The Acquisition constitutes a very substantial acquisition and connected transaction for the Company under Chapters 14 and 14A of the Listing Rules and is subject to the reporting and announcement requirements, and approval of the Independent Shareholders at the SGM. Voting will be conducted by poll and June Glory and its Associates will abstain from voting at the SGM.

In order to cater for the issue of the Convertible Preference Shares to the Vendor and the Converted Shares which may be issued upon conversion of the Convertible Preference Shares, the Board proposed to increase the authorised share capital of the Company from HK$200,000,000 to HK$700,000,000 divided into 7,000,000,000 shares by the creation of an additional 2,800,000,000 Convertible Preference Shares and 2,200,000,000 Shares. The proposed increase in the authorised share capital of the Company is conditional upon the Independent Shareholders approving the Acquisition at the SGM.

A circular containing, among other things, further particulars of the Acquisition and the proposed amendment of the Bye-Laws of the Company on the creation of the Convertible Preference Shares and the increase of the authorised share capital of the Company, together with, the recommendations of the independent board committee of the Company, a letter of advice from the independent financial adviser to advise the independent board committee and the Independent Shareholders, and a notice convening the SGM will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

As Completion is subject to the fulfillment of the Conditions, including the completion of the Franshion Agreement, the Acquisition may or may not be completed. Shareholders and potential investors should exercise caution when dealing in the Shares.

A. THE ACQUISITION AGREEMENT DATED 7 NOVEMBER 2008

Parties:

1. MLI, a wholly-owned subsidiary of the Company, as purchaser, which is principally engaged in investment holding;

2. The Vendor, a wholly-owned subsidiary of Minmetals HK and an indirect wholly-owned subsidiary of China Minmetals newly established to hold Target, as seller; and

3. Minmetals HK, a direct wholly-owned subsidiary of China Minmetals, as the seller's guarantor and warrantor, which is principally engaged in investment holding and corporate management services business.

Assets involved:

The entire issued share capital of Target.

Target is a company newly established by the Vendor to hold the Jin Mao Investment and the proceeds arising from the disposal of this Jin Mao Investment to Franshion as announced by Franshion in the Franshion Announcement. Such proceeds will comprise HK$527,007,887 in cash and the Franshion Shares. The Franshion Shares represent approximately 3.26% of the entire issued share capital of Franshion as enlarged immediately after Franshion completes the acquisition of the Jin Mao Investment pursuant to the Franshion Agreement, as well as the rest of the remaining issued share capital of Jin Mao under the Other Franshion Agreements as stated in the Franshion Announcement. The Franshion Agreement is conditional upon a number of conditions which are expected to be satisfied on or before 31 December 2008, and completion will take place within 60 days from the date the conditions are fulfilled or waived. For details, please refer to the section headed "Particulars of the Group, Target and Franshion" below.

Franshion is a company established in Hong Kong whose shares are listed on the Stock Exchange. The Franshion Group is engaged in property development, hotel operations and property investment and management in the PRC. For details, please refer to the section headed "Particulars of the Group, Target and Franshion" below.

Consideration:

The Consideration for the Acquisition was determined based on the face value of the cash portion of sale proceeds arising under the Franshion Agreement (i.e. HK$527,007,887) and the agreed value ("**Agreed Value**") of the Franshion Shares 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, and subject to:-

(i) Maximum Franshion Share Price - i.e. HK$1.68 per Franshion Share, being 120% of the Franshion Current Market Price as at the date of this announcement; and

(ii) Minimum Franshion Share Price - i.e. HK$1.12 per Franshion Share, being 80% of the Franshion Current Market Price as at the date of this announcement.

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

(a) a discount of approximately 51.02% and 67.35% 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 30.23% and a discount of approximately 13.18% to the closing price of HK$1.29 per Franshion Share as quoted on the Stock Exchange on 7 November 2008, being the date of the Acquisition Agreement; and

(c) a premium of approximately 31.25% and a discount of approximately 12.50% to the 10-day average closing price of HK$1.28 per Franshion Share as quoted on the Stock Exchange, from 27 October 2008 to 7 November 2008.

The Consideration will be satisfied by the allotment and issue of Convertible Preference Shares credited as fully paid at the Convertible Preference Shares Issue Price determined based on the MML Current Market Price on the Price Fixing Date, i.e. the 20-day average closing price per Share as quoted on the Stock Exchange ending on the Price Fixing Date, and subject to:-

(i) Maximum MML Share Price - i.e. HK$0.53 per Share, being 120% of the MML Current Market Price as at the date of this announcement; and

(ii) Minimum MML Share Price - i.e. HK$0.35 per Share, being 80% of the MML Current Market Price as at the date of this announcement.

The Convertible Preference Shares are convertible into Shares and issued on a one on one basis (subject to adjustment in the event of a consolidation or subdivision of Shares but not otherwise). Further details on the terms and rights of the Convertible Preference Shares are set out in the section headed "Effects of the Acquisition on the Company - Share Capital" below.

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

(a) a premium of approximately 23.26% and a discount of approximately 18.60% to the closing price per Share of HK$0.43 as quoted on the Stock Exchange on 7 November 2008, being the date of the Acquisition Agreement;

(b) a premium of approximately 39.47% and a discount of approximately 7.89% to the 10-day average closing price per Share of HK$0.38 as quoted on the Stock Exchange for the period from 27 October 2008 to 7 November 2008;

(c) a premium of approximately 12.77% and a discount of approximately 25.53% to the one-month average closing price per Share of HK$0.47 as quoted on the Stock Exchange for the period from 8 October 2008 to 7 November 2008; and

(d) a discount of approximately 25.35% and 50.70% to the three-month average closing price per Share of HK$0.71 as quoted on the Stock Exchange for the period from 7 August 2008 to 7 November 2008.

The Agreed Value of the Franshion Shares and the Convertible Preference Shares Issue Price were determined based on arms' length negotiations between the parties. As the Agreed Value of the Franshion Shares will be at a discount to the prevailing trading price of the Franshion Shares, and the Convertible Preference

Shares Issue Price will be marked to the prevailing trading price of the Shares, the Directors (other that 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 Convertible Preference Shares to be fair and reasonable.

Conditions:

Completion is conditional upon the fulfillment of the following Conditions on or before 31 March 2009 or such later date as may be agreed among the parties to the Acquisition Agreement:

(a) the completion of the Franshion Agreement in accordance with the terms thereof;

(b) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Converted Shares;

(c) the Independent Shareholders approving the Acquisition Agreement, the creation of the Convertible Preference Shares and the transactions contemplated thereunder, including without limitation, the allotment and issue of the Convertible Preference Shares and the Converted Shares and the increase of the authorised share capital of the Company; and

(d) the Company being satisfied that the warranties given by the Vendor in the Acquisition Agreement are complete, accurate and true.

Completion:

The Acquisition shall be completed within 3 Business Days after all the Conditions have been fulfilled. If the Conditions are not fulfilled on or before 31 March 2009 (or such later date as may be agreed among the parties to the Acquisition Agreement), the Acquisition will lapse and the parties to the Acquisition Agreement shall be released from all their obligations thereunder without liability (without prejudice to the rights of any such parties in respect of antecedent breaches).

B. PARTICULARS OF THE GROUP, TARGET AND FRANSHION

The Group

The Company was incorporated in Bermuda and its Shares have been listed on the Main Board of the Stock Exchange since 20 December 1991. The Group is engaged in real estate development and project management, specialised construction, property leasing, and manufacturing and trading businesses. For the year ended 31 December 2007, the Group's real estate development and project management and specialised construction operations accounted for about 0.54% and 80.23% of its turnover respectively.

Target

Background of Target

Target is a company newly established by the Vendor to hold the Jin Mao Investment, a 10.6452% attributable equity interest in Jin Mao. Following the completion of the Franshion Agreement, it will hold the proceeds arising from the disposal of this Jin Mao Investment to Franshion, namely HK$527,007,887 in cash and the Franshion Shares. Save as aforesaid, it has no other assets on its own.

Jin Mao Investment

Jin Mao is a company established in the PRC principally engaged in the ownership, development and management of luxury hotels and upscale commercial properties in the PRC. As at 31 December 2007, Jin Mao owns the entire equity interest of Jinmao Tower (which houses Grand Hyatt Shanghai), JW Marriott Shenzhen, the Ritz-Carlton Sanya and Westin Beijing, Chaoyang, and 60% of the equity interest of Hilton Sanya Resort & Spa. In addition, Jin Mao also purchased Jin Mao Yuklong Snow Mountain Golf Club Villa Project and the Jin Mao World Heritage Park Redevelopment Project in March 2008. Both projects are still in the redevelopment planning stage and are expected to be redeveloped into five star luxury hotel and resort areas.

On 5 June 2008, Minmetals HK, the holding company of the Vendor, entered into the Franshion Agreement with Franshion whereby Minmetals HK will dispose of the entirety of its indirect interest in Jin Mao to Franshion at a consideration of RMB1,170,972,000. Such consideration will be settled as to 40% in cash, i.e. RMB468,388,800, in the equivalent sum of HK$ or US$ and the remaining 60% by the allotment and issuance of Franshion Shares at HK$3.43 each. On 10 October 2008, Minmetals HK entered into various agreements with, among others, the Vendor and Target, whereby Target will become the holding vehicle of the Jin Mao Investment and will replace Minmetals HK as the vendor under the Franshion Agreement. Accordingly, on completion of the Franshion Agreement, Target will hold the cash consideration, namely HK$527,007,887, being the HK$ equivalent of the RMB468,388,800 cash consideration and the Franshion Shares. Such Franshion Shares would represent approximately 3.26% of the issued share capital of Franshion as enlarged immediately after Franshion completes the acquisition of the entire issued share capital of Jin Mao pursuant to the Franshion Agreement and the Other Franshion Agreements. Under the Franshion Agreement, Target has undertaken that it will not, without the prior written consent of Franshion, for a period of six months from completion of the Franshion Agreement, offer, lend, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of any of the Franshion Shares or any interests in the Franshion Shares, directly or indirectly.

Further details of the Franshion Agreement and the Other Franshion Agreements are set out below.

Franshion

Background of Franshion

Franshion is a company established in Hong Kong whose shares are listed on the Stock Exchange. The Franshion Group is engaged in property development, hotel operations, property investment and management in the PRC, with properties in Shanghai, Beijing and Zhuhai and is the flagship real estate development arm of 中國中化集團公司 Sinochem Corporation, which is one of the central state-owned enterprise in the PRC with approval of the SASAC of the State Council of the PRC to develop, invest in and manage real estate projects as one of its core businesses. The Franshion Group has, as project companies, built landmark buildings in different cities including, among others, the Shanghai Fortune Plaza in Shanghai and the Chemsunny Plaza in Beijing.

Franshion Agreement and the Other Franshion Agreements

As mentioned above, Franshion has on 5 June 2008 entered into the Franshion Agreement to acquire the Jin Mao Investment, namely 10.6452% equity in Jin Mao. On the same date on 5 June 2008, Franshion has also entered into Other Franshion Agreements with the other shareholders of Jin Mao to acquire their remaining 89.3548% equity interest in Jin Mao.

Completion of the Franshion Agreement is subject to the satisfaction of a number of conditions disclosed in the Franshion Announcement which include the obtaining of the approval from the independent shareholders of Franshion, and of other licence, consents and approvals as may be required, including, the approvals from SASAC and the Ministry of Commerce of the PRC, and the Listing Committee of the Stock Exchange granting the listing of and permission to deal in Franshion Shares. The approval of the shareholders of Franshion was obtained by ordinary resolutions passed on 18 July 2008 and announced by Franshion on the same date. The approval from SASAC was obtained on 22 August 2008. So far as the Board is aware, save as mentioned, none of the other conditions to the Franshion Agreement has been completely satisfied.

As noted in the Franshion Announcement, neither the Franshion Agreement nor any of the Other Franshion Agreements are inter-conditional upon the other. Accordingly, in the event Franshion failed to complete any of the Other Franshion Agreements, Franshion and Target are, subject to the satisfaction of the other conditions of the Franshion Agreement, still required to complete the Franshion Agreement in accordance with its terms.

It is expected that all the conditions attaching to the Franshion Agreement will be satisfied on or before 31 December 2008, and completion of the Franshion Agreement will take place within 60 days from the date the conditions are fulfilled or waived.

Financial Information of the Franshion Group

The profit (both before and after taxation) of Franshion for the two financial years ended 31 December 2007, as extracted from its published audited financial statements, and the pro forma profit (both before and after taxation) of Franshion for the financial year ended 31 December 2007 assuming the Franshion Agreement and the Other Franshion Agreements had been completed on 1 January 2007, as extracted from the Franshion Circular, are set out below:

Year ended 31 December	Profit before Taxation (HK$)	Profit after Taxation (HK$)	Pro forma profit before Taxation (HK$)	Pro forma profit after Taxation (HK$)
2006	314,721,000	249,709,000	N/A	N/A
2007	2,938,281,000	2,167,330,000	4,186,315,000	2,898,894,000

The audited net asset values of Franshion for the two financial years ended 31 December 2007, as extracted from its published audited financial statements, and the pro forma net asset value of Franshion as at 31 December 2007 assuming the Franshion Agreement and the Other Franshion Agreements had been completed on 31 December 2007, as extracted from the Franshion Circular, are set out below:

As at 31 December	Net asset value (HK$)	Pro forma net asset value (HK$)
2006	1,515,173,000	N/A
2007	8,997,751,000	10,722,428,000

Shareholders are reminded that the financial figures and the pro forma figures in the above tables were prepared by the directors of Franshion. The pro forma figures, in particular, were prepared based on various assumptions, estimates and uncertainties set out in the Franshion Circular to the shareholders of Franshion for illustrative purposes only. They do not purport to describe the actual results that Franshion would attain on completion of the Franshion Agreement and the Other Franshion Agreements. The information has not been independently verified by the Directors and may or may not be materialised. Shareholders are reminded to read this information with caution and in the context of the assumptions and estimates and other information set out in the Franshion Circular as a whole.

C. REASONS FOR AND BENEFITS OF THE ACQUISITION

On 6 July 2007, the SASAC of the State Council of the PRC has approved the inclusion of real estate development and operation as one of the core businesses of China Minmetals Group. China Minmetals has indicated to the Board that it intends to consolidate its real estate resources to develop its real estate business to achieve full synchronization of real estate business and capital market. China Minmetals has also expressed its intention to turn the Company into its sole listed real estate development flagship, and eventually develop the Company to become a leading and competitive PRC real estate development and specialized construction corporation.

The injection of Target is a further move by China Minmetals to consolidate its real estate interest into the Company and to continue to strengthen the Company's position as the sole real estate development flagship of China Minmetals. This Acquisition will also bring in immediate cash, which will significantly increase the Company's liquidity, and position the Group well in expanding its real estate portfolio and businesses. The Directors believe that the Acquisition will bring various commercial benefits to the Company and is in conformity with the aligned interests of the Company and the Shareholders as a whole including:

1. **Expand future funding capability and thus improve the Company's growth prospective**

   On a pro forma basis, the Company's equity base will increase as a result of the Acquisition, which will offer the Company a greater financing flexibility and funding capacity. The cash proceeds arising from the intended Acquisition will also provide further working capital for the Company to develop its existing projects and to acquire new land bank and quality projects including those projects held by China Minmetals Group when suitable opportunity arises.

2. **Investment's appreciation potential enhance Company's financial flexibility**

   The Directors believe that Franshion will enjoy enhanced scale and greater development ability after its acquisition of Jin Mao. With a large portfolio and a strong mix of high end properties, the Directors also believe that the Franshion Shares represent an attractive investment opportunity to the Group to participate in the future appreciation in the PRC property market as well as in the market value of the Franshion Shares.

3. **Improved in liquidity**

   The cash proceeds arising from the intended Acquisition will be utilized as working capital for the development of its existing projects and for acquiring new land bank and quality projects including those projects held by China Minmetals Group when suitable opportunity arises.

D. EFFECTS OF THE ACQUISITION ON THE COMPANY

Share capital

On completion of the Acquisition Agreement, the share capital of the Company will comprise Shares, being ordinary shares of HK$0.10 each and Convertible Preference Shares. The Convertible Preference Shares would only carry limited voting rights, have no right to dividend payment by the Company but can be converted into Shares on a one on one basis. This Conversion Ratio will only be adjusted where there is an alteration to the nominal value of a Share as a result of a consolidation or subdivision of the Shares. It will not be adjusted for other changes to the share capital of the Company or any dilutive events.

The rights of the Convertible Preference Shares will be set out in the Resolutions, and a summary of which is set out below:

Par Value:	HK$0.10
Issue Price:	The Convertible Preference Share Issue Price
Conversion Ratio:	Each New Convertible Preference Share carries the right to convert into one Share (subject to adjustment only in the event of an alternation to the nominal value of the Shares as a result of consolidation or subdivision of the Shares and not otherwise).
Dividends:	Holders of Convertible Preference Share are not entitled to any dividend payment.
Conversion:	Holders shall have the right to convert, in whole or in part, during the Conversion Period, each Convertible Preference Share into one Share provided that the public float of the Shares shall not be less than 25% (or any given percentage as required by the Listing Rules or the Stock Exchange of the issued Shares at any one time in compliance with the Listing Rules) immediately following the exercise of such conversion right.
Conversion Period:	Perpetual as from the first anniversary of the date of issue.
Redemption:	Non-redeemable.
Transferability:	Convertible Preference Shares are freely transferable from the date of issue.
Voting Rights:	Holders of Convertible Preference Shares shall be entitled to receive notices of and attend any Shareholders' meetings but shall not be entitled to vote at any Shareholders' meeting by reason only of being holders of Convertible Preference Shares save where the resolutions in question relate to the dissolution or winding up of the Company or variation or abrogation of the rights attaching to the Convertible Preference Shares in which cases the holders of the Convertible Preference Shares will have the same voting rights as those attaching to the Shares on an as-converted basis.
Ranking:	Rank in priority to the Shares as to a return of capital on a winding up or otherwise. The Converted Shares shall rank pari passu in all respect with all other Shares in issue upon liquidation or dissolution of the Company.

Ownership and Dilution

No part of the Convertible Preference Shares will be listed on the Stock Exchange, but an application will be made for the listing of and permission to deal in the Converted Shares. Based on the Maximum Franshion Share Price and the Minimum MML Share Price (in which case the largest number of Convertible Preference Shares will be issued) and the initial Conversion Ratio of one on one, the highest number of Converted Shares to be issued will represent approximately 234.5% of the existing issued share capital of the Company as at the date of this announcement and approximately 182.8% of the enlarged issued share capital of the Company immediately after Completion and full conversion of the Convertible Preference Shares (assuming that there will be no change in the Company's issued share capital from the date of this announcement to full conversion of the Convertible Preference Shares save for the issue of the Converted Shares, and without taking into account any restriction on conversion applicable to China Minmetals Group in relation to the public float of the Company).

June Glory is an indirect wholly-owned subsidiary of China Minmetals, the ultimate Controlling Shareholder of the Company with an indirect holding (held through June Glory) of approximately 67.93% of the existing issued share capital of the Company as at the date of this announcement. On full conversion of the Convertible Preference Shares, China Minmetals will, through June Glory and the Vendor, hold more than 75% of the total issued Shares. Under the terms of the Convertible Preference Shares as noted above, China Minmetals shall not exercise any conversion rights attaching to the Convertible Preference Shares to an extent where the public float of the Shares will be less than 25% immediately following such conversion.

Based on the Maximum Franshion Share Price and the Minimum MML Share Price, the holding structure of the share capital of the Company after full conversion of the Convertible Preference Shares to the extent permissible under its terms pursuant to the initial Conversion Ratio of one on one (assuming no change in the issued share capital of the Company other than the issue of the Convertible Preference Shares and the Converted Shares) is set out below:

	Percentage shareholding in the Company as at the date of this announcement (see note 2 below)	Percentage shareholding in the Company after Completion and after full conversion of the Convertible Preference Shares to the extent permissible under its terms	
		No. of Shares	*No. of Convertible Preference Shares*
June Glory (note 1)	756,585,852 (67.93%)	756,585,852 (52.95%)	- (0%)
The Vendor (note 2)	- (0%)	315,151,941 (22.05%)	2,296,840,499 (100%)
	756,585,852 (67.93%)	1,071,737,793 (75%)	2,296,840,499 (100%)
Public Shareholders	357,245,931 (32.07%)	357,245,931 (25%)	- (0%)
Total:	1,113,831,783 (100%)	1,428,983,724 (100%)	2,296,840,499 (100%)

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.*

As at the date of this announcement, the Company does not have any securities in issue other than the Shares.

Neither Completion nor conversion of the Convertible Preference Shares will result in any change of control of the Company, China Minmetals will remain as the ultimate Controlling Shareholder of the Company.

E. 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 1,113,831,783 Shares have been issued and are fully paid or credited as fully paid. As such, most of the existing balance of authorised but unissued share capital of 886,168,217 Shares may be used for the allotment and issue of the Convertible Preference Shares.

In order to cater for the issue of the Convertible Preference Shares to the Vendor and the Converted Shares which may be issued upon conversion of the Convertible Preference Shares, the Board proposed to increase the authorised share capital of the Company from HK$200,000,000 to HK$700,000,000 divided into 7,000,000,000 shares by the creation of an additional 2,800,000,000 Convertible Preference Shares and 2,200,000,000 Shares. The proposed increase in the authorised share capital of the Company is conditional upon the Independent Shareholders approving the

Acquisition at the SGM.

F. RELEVANT LISTING RULES REQUIREMENTS

As mentioned above, the Vendor is an indirect wholly-owned subsidiary of China Minmetals and therefore a connected person of the Company. Accordingly, the Acquisition constitutes a very substantial acquisition and connected transaction for the Company under Chapters 14 and 14A of the Listing Rules and is subject to reporting and announcement requirements, and approval of the Independent Shareholders at the SGM.

Voting at the SGM will be conducted by poll. June Glory, the Controlling Shareholder holding approximately 67.93% of the existing issued share capital of the Company as at the date of this announcement, and its Associates will abstain from voting at the SGM. An application will be made to the Stock Exchange for the listing of and permission to deal in the Converted Shares.

G. GENERAL

The Board (other than the independent non-executive Directors whose opinion will be provided after reviewing the advice of the independent financial adviser) considers that the Acquisition 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.

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

A circular containing, among other things, further particulars of the Acquisition and the proposed amendment of the Bye-Laws of the Company on the creation of the Convertible Preference Shares and the increase of the authorised share capital of the Company, together with, the recommendations of the independent board committee, a letter of advice from the independent financial adviser to advise the independent board committee and the Independent Shareholders and the notice convening the SGM will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

An announcement will be issued to inform the Shareholders of the final amount of the Consideration and the number of Convertible Preference Shares to be issued pursuant to the Acquisition Agreement as soon as practicable after the Price Fixing Date.

As Completion is subject to the fulfillment of the Conditions, including the completion of the Franshion Agreement, the Acquisition may or may not be completed. Shareholders and potential investors should exercise caution when dealing in the Shares.

H. DEFINITIONS

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

"**Acquisition**"	the proposed acquisition of the entire issued share capital of Target pursuant to the Acquisition Agreement;
"**Acquisition Agreement**"	the conditional sale and purchase agreement dated 7 November 2008 entered into between Minmetals Land Investments Limited (as purchaser), the Vendor (as seller) and Minmetals HK (as the seller's guarantor and warrantor) relating to the Acquisition;
"**Agreed Value**"	the trading value per Franshion Share to be used for determining the Consideration calculated by reference to the formula set out under the sub-section headed "Consideration" in this announcement;
"**Associates**"	has the meaning ascribed to it under the Listing Rules;
"**Board**"	the board of Directors (including executive Directors, non-executive Director and independent non-executive Directors);
"**Business Day**"	a day other than a Saturday or Sunday, on which banks are open in Hong Kong to the general public for business;
"**China Minmetals**"	China Minmetals Corporation, formerly known as China National Metals and Minerals Import and Export Corporation, a State-owned enterprise incorporated on 7 April 1950 under the laws of the PRC and the ultimate Controlling Shareholder of the Company;
"**China Minmetals Group**"	China Minmetals and its subsidiaries excluding the Group and Target;
"**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;
"**Completion**"	completion of the Acquisition pursuant to the terms and conditions of the Acquisition Agreement;
"**Conditions**"	conditions precedent to Completion as set out in the Acquisition Agreement and summarised in the

	section headed "Conditions" in this announcement;
"**Consideration**"	the consideration for which Target will be sold to the Group under the Acquisition;
"**Controlling Shareholder**"	has the meaning ascribed to it under the Listing Rules;
"**Conversion Ratio**"	ratio applicable for converting the Convertible Preference Shares into Shares and initially being a "one on one" basis;
"**Converted Share(s)**"	Shares that will be issued on exercise of the conversion rights attaching to the Convertible Preference Shares;
"**Convertible Preference Shares** "	convertible preference shares of HK$0.10 each to be created in the share capital of the Company and having the rights and benefits and subject to the restrictions set out in the Resolution;
"**Convertible Preference Shares Issue Price**"	the issue price for the Convertible Preference Shares calculated by reference to the formula set out under the sub-section headed "Consideration" in this announcement;
"**Director(s)**"	directors (including independent non-executive directors) of the Company;
"**Franshion**"	Franshion Properties (China) Limited (方興地產（中國）有限公司), a company incorporated in Hong Kong with limited liability whose shares are listed on the Stock Exchange;
"**Franshion Agreement**"	the sale and purchase agreement dated 5 June 2008 as supplemented by a subsequent agreement dated 10 October 2008 whereby, among others, Target as the vendor agreed to dispose of the Jin Mao Investment to Franshion;
"**Franshion Announcement**"	the announcement issued by Franshion on 5 June 2008 in relation to, among other things, the Franshion Agreement and the Other Franshion Agreements;
"**Franshion Circular**"	the circular issued by Franshion to its shareholders dated 30 June 2008 in relation to, among other things, the Franshion Agreement and the Other Franshion Agreements;
"**Franshion Current Market Price**"	in respect of any date, 90% of the average closing price per Franshion Share as quoted on the Stock Exchange for the last 20 trading days ending on and

	inclusive of such date or, if that is not a dealing day, the immediately preceding dealing day;
"**Franshion Group**"	Franshion and its subsidiaries;
"**Franshion Shares**"	230,469,921 ordinary shares of HK$1.00 each in Franshion which will be issued to Target on completion of the Franshion Agreement;
"**Group**"	the Company and its subsidiaries;
"**HK$**"	Hong Kong dollars, the lawful currency of Hong Kong;
"**Hong Kong**"	the Hong Kong Special Administrative Region of the PRC;
"**Independent Shareholders**"	the Shareholders other than June Glory and its Associates;
"**Jin Mao**"	中國金茂(集團)股份有限公司(China Jin Mao (Group) Company Limited), a company limited by shares and established under the laws of the PRC;
"**Jin Mao Group**"	Jin Mao and its subsidiaries;
"**Jin Mao Investment**"	equity interest in Jin Mao representing 10.6452% of its share capital;
"**June Glory**"	June Glory International Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of China Minmetals;
"**Listing Rules**"	the Rules Governing the Listing of Securities on the Stock Exchange;
"**Minmetals HK**"	China Minmetals H.K. (Holdings) Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of China Minmetals;
"**MLI**"	Minmetals Land Investments Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company and the purchaser under the Acquisition Agreement;
"MML Current Market Price"	in respect of any date, the average closing price per Share as quoted on the Stock Exchange for the last 20 trading days ending on and inclusive of such date or, if that is not a dealing day, the immediately preceding dealing day;

"Maximum Franshion Share Price"	HK$1.68, being 120% of the Franshion Current Market Price as at the date of this announcement;
"Maximum MML Share Price"	HK$0.53, being 120% of the MML Current Market Price as at the date of this announcement;
"Minimum Franshion Share Price"	HK$1.12, being 80% of the Franshion Current Market Price as at the date of this announcement;
"Minimum MML Share Price"	HK$0.35, being 80% of the MML Current Market Price as at the date of this announcement;
"**Other Franshion Agreements**"	the sale and purchase agreements dated 5 June 2008 whereby Franshion as purchaser agree to acquire collectively 89.3548% interest in Jin Mao, being all the interest in Jin Mao held by the shareholders of Jin Mao other than China Minmetals Group and Target;
"**PRC**" or "**China**"	the People's Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan);
"**Price Fixing Date**"	5 Business Days preceding the SGM;
"**RMB**"	Renminbi, the lawful currency of the PRC;
"**Resolution**"	the special resolution to be proposed at the SGM in relation to, inter alia, the creation of the Convertible Preference Shares;
"**SASAC**"	State-owned Assets Supervision and Administration Commission of the State Council of the PRC;
"**SGM**"	the special general meeting of the Company to be held to consider and approve, among other things, the Acquisition, the Resolution, the proposed amendment of the Bye-Laws of the Company on the creation of the Convertible Preference Shares and the Converted Shares, and the increase of the authorised share capital 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;
"**Target**"	Luck Achieve Limited, a company incorporated in the British Virgin Islands and a wholly-owned

	subsidiary of the Vendor;
"**US$**"	United States dollars, the lawful currency of the United States;
"**Vendor**"	Mountain Trend Global Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of Minmetals HK; and
"**%**"	percentage.

For the purpose of illustration only and unless otherwise stated, conversion of HK$ into RMB in this announcement is based on the exchange rate of HK$1.00 to RMB0.88877. Such conversion should not be construed as a representation that any amount has 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, 7 November 2008

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