

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims 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 or offer to acquire, purchase or subscribe for securities.



五礦建設有限公司*
MINMETALS LAND LIMITED

(Incorporated in Bermuda with limited liability)

Stock Code: 230

MAJOR AND CONNECTED TRANSACTION

AND

CONTINUING CONNECTED TRANSACTIONS

Financial Advisor to Minmetals Land Limited

Deutsche Bank 

The Board is pleased to announce that MLI, a wholly-owned subsidiary of the Company (as purchaser) has, on 5 June 2008, entered into the Acquisition Agreement with the Vendor (as seller) and Minmetals HK (as seller's guarantor and warrantor) for the acquisition of the entire issued share capital of Target and the benefits in the entire shareholder's loan and amounts due owing by Target to the Vendor in the amount of HK\$343,428,032. Target is principally engaged in property investment and is the sole owner of the Property.

The consideration for the Acquisition of HK\$537,200,000 will be satisfied in full by the allotment and issue of 340,000,000 Consideration Shares to June Glory at the direction of the Vendor at HK\$1.58 per Consideration Share. 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 about 53.83% of the existing issued share capital of the Company as at the date of this announcement. The Consideration Shares represent about 43.94% of the existing issued share capital of the Company as at the date of this announcement and about 30.53% of the enlarged issued share capital of the Company immediately after Completion (assuming that there will be no change in the Company's issued share capital from the date of this announcement to Completion save for the issue of the Consideration Shares). Accordingly, immediately following Completion, China Minmetals, will, through June Glory, hold approximately 67.93% of the issued share capital of the Company.

The Vendor is a wholly-owned subsidiary of Minmetals HK, which in turn is a wholly-owned subsidiary of China Minmetals and therefore a connected person of the Company. The Acquisition constitutes a major and connected transaction of 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.

China Minmetals has indicated to the Board that it intends 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 specialised construction corporation.

Immediately following Completion, Target will continue to lease various units of the Property to members of China Minmetals Group. The transactions will constitute Non-exempt Continuing Connected Transactions of the Enlarged Group. As the relevant size tests ratios are less than 2.50%, the Non-exempt Continuing Connected Transactions are subject to reporting and announcement requirements only and are exempt from Independent Shareholders' approval requirement under rule 14A.34 of the Listing Rules.

A circular containing, among other things, further particulars of the Acquisition, Target, the Property and the Non-exempt Continuing Connected Transactions, together with, among other things, 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, 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 5 JUNE 2008

Parties:

1. MLI, a wholly-owned subsidiary of the Company, as purchaser;
2. The Vendor, a wholly-owned subsidiary of Minmetals HK and a wholly-owned subsidiary of China Minmetals and principally engaged in property investment, as seller; and
3. Minmetals HK, an indirect wholly-owned subsidiary of China Minmetals, as the seller's guarantor and warrantor.

Assets involved:

The entire issued share capital of Target and the benefits in the entire shareholder's loan and the account due owing by Target to the Vendor amounted to HK\$343,428,032 as at the date of this announcement. These shareholder's loan and account payable are due on an unsecured basis and was subject to interest at the rate of 5.46% per annum for the period from 1 January 2008 to 31 May 2008 and is interest free thereafter. Target is principally engaged in property investment and is the sole owner of the Property (please refer to the section headed "Particulars of the Group, Target and the Property" below for further details about Target and the Property). Upon Completion, Target will become a wholly-owned subsidiary of the Company.

Consideration:

The consideration for the Acquisition of HK\$537,200,000 will be satisfied in full by the allotment and issue of 340,000,000 Consideration Shares to June Glory at the direction of the Vendor at HK\$1.58 per Consideration Share. The Consideration Shares shall be issued as fully paid and shall rank the same in all respect with the Shares in issue at the date of Completion.

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 about 53.83% of the existing issued share capital of the Company as at the date of this announcement. The Consideration Shares represent about 43.94% of the existing issued share capital of the Company as at the date of this announcement and about 30.53% of the enlarged issued share capital of the Company immediately after Completion (assuming that there will be no change in the Company's issued share capital from the date of this announcement to Completion save for the issue of the Consideration Shares). Immediately following Completion, China Minmetals, will, through June Glory, hold approximately 67.93% of the issued share capital of the Company. Incidental to the Acquisition, the Vendor will subscribe new shares representing 29.00% of the share capital of June Glory as enlarged by the new issue. As the Vendor is an indirect wholly-owned subsidiary of China Minmetals, China Minmetals' control over June Glory and the Company will remain unchanged.

The consideration for the Acquisition has been arrived at after arms' length negotiations among the parties and with reference to various factors including, but not limited to, the net asset value of Target as at 2 June 2008 based on the management accounts of the Target and taking into account the Appraised Value of the Property by the Independent Valuer as at the Valuation Reference Date of HK\$655,000,000.

The consideration for the Acquisition represents 6.64 times the unaudited net profit of Target before tax of about HK\$80,856,012 for the year ended 31 December 2007 (after adjusting for the profit attributable to activities conducted by Target other than in relation to the Property). The Appraised Value represents a premium of HK\$236,212 over the book value of the Property of around HK\$654,763,788 as at 31 December 2007, and a premium of HK\$170,000,000 over the development cost of the Property which was HK\$485,000,000. The issue price of HK\$1.58 per Consideration Share, which is the same as the closing price per Share of HK\$1.58 as quoted on the Stock Exchange on 5 June 2008, being the date of the Acquisition Agreement, represents:

- (a) a premium of about 0.64% to the 10-day average closing price per Share of HK\$1.57 as quoted on the Stock Exchange for the period from 23 May 2008 to 5 June 2008;
- (b) a discount of about 3.07% to the one-month average closing price per Share of about HK\$1.63 as quoted on the Stock Exchange for the period from 5 May 2008 to 5 June 2008; and
- (c) a discount of about 3.66% to the three-month average closing price per Share of about HK\$1.64 as quoted on the Stock Exchange for the period from 5 March 2008 to 5 June 2008.

Conditions:

Completion is conditional upon the fulfillment of, among other things, the following Conditions on or before 31 August 2008, or such later date as may be agreed among the parties to the Acquisition Agreement:

- (a) all governmental and regulatory approvals and permissions required in the PRC or elsewhere to give effect to the transactions contemplated under the Acquisition Agreement having been obtained;
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consideration Shares;
- (c) the Independent Shareholders approving the Acquisition Agreement and the transactions contemplated thereunder including without limitation the allotment and issue of the Consideration Shares; and
- (d) the result of the due diligence exercise carried out by the Company on the assets, liabilities, business and prospects of Target being satisfactory to the Company and 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 three business (3) days after all the Conditions have been fulfilled. If the Conditions are not fulfilled on or before 31 August 2008 (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 THE PROPERTY

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 has engaged in real estate development and project management, specialised construction, property leasing, manufacturing and trading, and securities investment and trading businesses. For the year ended 31 December 2007, the Group's real estate development and specialised construction operations accounted for about 0.54% and 80.23% of its turnover respectively.

Target

Target is principally engaged in property investment and is the sole owner of the Property. Based on the unaudited accounts of Target for the three years ended 31 December 2007: (i) the unaudited net profits, before taxation, of Target for the three years ended 31 December 2007 were about HK\$94,682,777, HK\$116,023,165 and HK\$70,838,390 respectively; (ii) the unaudited net profits, after taxation, of Target for the corresponding period were about HK\$92,478,291, HK\$113,111,093 and HK\$68,552,634 respectively; and (iii) the unaudited net asset value of Target was about HK\$323,016,746 as at 31 December 2007. Prior to the date of this announcement, Target has also conducted trading and investment in listed equity securities in Hong Kong and in the PRC. In order to focus its resources to develop property investment operations, Target is, as at the date of this announcement, engaged solely in property investment and is not engaged in these other activities unrelated to the Property. Profits attributable to these operations account for approximately 5.09%, 1.47% and 12.28% of Target's operating profit for the three years ended 31 December 2005, 31 December 2006 and 31 December 2007 respectively.

The Property

The Property is situated at No. 79 Chatham Road South, in the heart of Tsimshatsui, a major commercial district of Kowloon and a hub for Hong Kong's major transportation networks. The Property was completed in August 1991 and comprises 14 floors of office space with a total gross floor of approximately 81,102 square feet, and 6 floors of retail commercial space with a gross floor area of approximately 35,022 square feet. According to the information provided by the Vendor, the Property enjoyed a 85.62% occupancy rate as at 31 March 2008. Two floors of the Property (namely the 17th and 18th Floor) are occupied by the Group, two units in the basement is occupied by Target and four floors and three extra units are leased to other members of China Minmetals Group

(please refer to the section headed “Relationship with China Minmetals and Continuing Connected Transactions” below for details). The lease term regarding the said three extra units have expired and they are currently vacant. The table below sets out certain key information on the Property as at 31 March 2008, the Valuation Reference Date:

Overall

Average Rent (HK\$/square feet/month)	15.91
Occupancy (%)	85.62
Average lease expiry (years)	0.97

Commercial

Average Rent (HK\$/square feet/month)	17.75
Occupancy (%)	95.23

Retail

Average Rent (HK\$/square feet/month)	11.45
Occupancy (%)	63.37

C. REASONS FOR AND BENEFITS OF THE ACQUISITION

On 6 July 2007, the China State-owned Assets Supervision and Administration Commission of the State Council 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, and 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 specialised construction corporation. China Minmetals Group has also indicated to the Board that it intends to, in compliance with the Listing Rules requirement and relevant formalities, gradually re-organise its real estate-related assets and businesses in the PRC for injection into the Company at an appropriate time, such that the Company may flourish in its business and results and bring about good returns to all Shareholders.

The injection of Target into the Company is a key strategic move in asset injection to the overall reorganisation of China Minmetal’s real estate business. Such act will expand the real estate portfolio of the Company and enhance the stability of its operating earnings. It is the intention of the Company to make real estate investment as one of the three core businesses of the Company alongside real estate development and specialised construction 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.

- **Transform the Company into a Fully Integrated Real Estate Development Company**

Currently, the Company is engaged in real estate development and specialised construction in the PRC market. The Acquisition will strengthen the Group's real estate investment assets in Hong Kong and help the Company to transform into a fully integrated real estate company with a balanced business mix covering development, construction and property investment. As at 31 December 2007, the Company had total assets of HK\$2,760,766,000 and an investment property holding of HK\$341,249,000. The Acquisition will significantly increase the Company's investment properties holding to HK\$989,349,000 and will lead to a 26.71% increase in total assets of the Company.

- **Enhance Earnings Stability and Visibility while Mitigating Risks**

Investment property portfolio strengthens the Company's earnings base in rental income and potential capital gains. As a result, the Acquisition will enhance the Company's earnings' stability, visibility and sustainability, mitigating the regulatory impact on its overall business and sheltering the Company through the cyclicity of the industry. Based on the market condition and the historical leasing performance of the Property, the Directors expect the Acquisition to make immediate contribution to the earnings of the Company.

- **Expand Future Funding Capacity and thus Improve the Company's Growth Prospect**

On a pro forma basis, the Company's equity base will increase from HK\$77,383,178 to HK\$111,383,178, which will offer the Company a greater financial flexibility and thus enhance its capacity to fund future development and expansion.

- **Strong Leasing Demand and Price Appreciation Potential**

There is strong economic fundamentals and vibrant consumer confidence for the Hong Kong property market to continue to enjoy substantial growth potential. The Acquisition enhances the Company presence to participate in the future growth of the Hong Kong property market and to enhance the Shareholders' return as a whole.

D. EFFECTS OF THE ACQUISITION ON THE COMPANY

Ownership

On the basis that the Consideration Shares will be issued to June Glory at the direction of the Vendor, since China Minmetals currently has, by virtue of its interest in June Glory and in the Vendor, interest in a total of about 53.83% of the existing issued share capital of the Company as at the date of this announcement, it will have interest in about 67.93% of the enlarged issued share capital of the Company immediately after Completion (assuming that there will be no change in the Company's issued share capital from the date of this announcement to Completion save for the issue of the Consideration Shares). The shareholding structure of the Company before and after the Acquisition is set out below:

	Percentage shareholding in the Company as at the date of this announcement (see notes 2 and 3 below)	Percentage shareholding in the Company immediate after Completion assuming no change in the issued share capital of the Company other than the issue of the Consideration Shares
June Glory (<i>note 1</i>)	53.83%	67.93%
Public Shareholders:-		
Albertson Capital Limited (<i>note 2</i>)	5.28%	3.67%
Montpelier Asset Management Limited (<i>note 3</i>)	5.13%	3.57%
Other Public Shareholders	35.76%	24.83%
Sub-total of Public interest	46.17%	32.07%
Total	<u>100.00%</u>	<u>100.00%</u>

Note 1: June Glory is a direct wholly-owned subsidiary of Minmetals HK as at the date of this announcement. Immediately following Completion, June Glory will remain wholly owned by China Minmetals but will be held as to 71.00% directly by Minmetals HK and 29.00% by the Vendor.

Note 2: According to the register of interest kept by the Company under section 336 of the Securities and Futures Ordinance (Cap. 571), Albertson Capital Limited holds 40,848,000 Shares as at 16 August 2007 when it last disclosed its change of interest in the Company.

Note 3: According to the register of interest kept by the Company under section 336 of the Securities and Futures Ordinance (Cap. 571), Montpelier Asset Management Limited holds 39,728,000 Shares as at 3 April 2008 when it last disclosed its change of interest in the Company.

Consolidated net tangible assets value

Following Completion, Target will become a wholly-owned subsidiary of the Company and its financials will be consolidated into the financial statements of the Enlarged Group.

E. RELATIONSHIP WITH CHINA MINMETALS AND CONTINUING CONNECTED TRANSACTIONS

Target has entered into the following tenancy agreements with members of China Minmetals Group in relation to the Property:

- (1) Tenant : Eastern Master (HK) Limited, an indirect 65.54% owned subsidiary of China Minmetals which is principally engaged in investment holding business
- Premises : The whole of the ninth floor (9/F)
- Date of Tenancy Agreement : 20 February 2008
- Term : Two (2) years ending 31 December 2009
- Rent : HK\$133,239 (per calendar month) exclusive of rates, service, management and air-conditioning charges
- Charges : HK\$24,331 (per calendar month) for sharing of third parties' service, management and air-conditioning charges
- (2) Tenant : Cheerglory Traders Limited, an indirect wholly-owned subsidiary of China Minmetals which is principally engaged in trading of metallic product, investment holding and property investment
- Premises : The whole of the eleventh floor (11/F)
- Date of Tenancy Agreement : 13 December 2007
- Term : Two (2) years ending 31 December 2009 with an option for Cheerglory Traders Limited to renew for a further term of one (1) year at open market rent of the premises exclusive of rates, service, management and air-conditioning charges but otherwise subject to the same terms
- Rent : HK\$133,239 (per calendar month) exclusive of rates, service, management and air-conditioning charges
- Charges : HK\$24,331 (per calendar month) for sharing of third parties' service, management and air-conditioning charges

- (3) Tenant : the Vendor, an indirect wholly-owned subsidiary of China Minmetals principally engaged in investment holding and property investment
- Premises : The whole of the sixteenth floor (16/F)
- Date of Tenancy Agreement : 4 July 2007
- Term : Three (3) years ending 15 May 2010
- Rent : HK\$133,240 (per calendar month) exclusive of rates, service, management and air-conditioning charges
- Charges : HK\$24,331 (per calendar month) for sharing of third parties' service, management and air-conditioning charges
- (4) Tenant : Minmetals HK, a direct wholly-owned subsidiary of China Minmetals which is principally engaged in investment holding and the provision of corporate management services
- Premises : The whole of the nineteenth floor (19/F)
- Date of Tenancy Agreement : 4 July 2007
- Term : Three (3) years ending 31 May 2010
- Rent : (a) HK\$103,685 (per calendar month) exclusive of rates, service, management and air-conditioning charges for the period from 1 June 2007 to 31 December 2007
- (b) HK\$133,240 (per calendar month) exclusive of rates, service, management and air-conditioning charges for the period from 1 January 2008 to 31 May 2010
- Charges : HK\$18,934 (per calendar month) for sharing of third parties' service, management and air-conditioning charges

The Independent Valuers have confirmed that, in view of the prevailing market conditions and the rental level of similar properties at the vicinity, the rentals payable under the above leases are fair and reasonable. The Board also considers that the Non-exempt Continuing Connected Transactions to be fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Following Completion, the above leases will constitute continuing connected transactions of the Enlarged Group. Pursuant to the existing rentals under the above leases, the maximum rents payable by the above members of China Minmetals Group for each of the three financial years ending 31 December 2010 shall not exceed the Annual Cap of HK\$6,400,000, representing approximately 1.48% of the Group's turnover. The Annual Cap does not include the management charges, air-

conditioning charges and third parties' service charges stated in the above since they are payable to independent third parties. As the relevant size tests ratios in aggregate are less than 2.50%, the Non-exempt Continuing Connected Transactions are subject to reporting and announcement requirements and are exempt from Independent Shareholders' approval requirement under rule 14A.34 of the Listing Rules.

F. RELEVANT LISTING RULES REQUIREMENTS

As mentioned above, the Vendor is a subsidiary of China Minmetals and therefore a connected person of the Company. Accordingly, the Acquisition constitutes a major and connected transaction of 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 about 53.83% 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 Consideration 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 will be 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, Target, the Property and the Non-exempt Continuing Connected Transactions, together with, among other things, 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.

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

I. 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 and the benefits in the entire shareholder’s loan and account payable owing by Target to the Vendor which amounted to approximately HK\$343,428,032 pursuant to the Acquisition Agreement;
“Acquisition Agreement”	the conditional sale and purchase agreement dated 5 June 2008 entered into between MLI (as purchaser), the Vendor (as seller) and Minmetals HK (as seller’s guarantor and warrantor) relating to the Acquisition;
“Annual Cap”	the cap amount on Non-exempt Continuing Connected Transactions set out in the section headed “Relationship with China Minmetals and Continuing Connected Transactions” in this announcement;
“Appraised Value”	the appraised value of the Property by the Independent Valuers as at the Valuation Reference Date;
“Associates”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors (including executive Directors, non-executive Directors and independent non-executive Directors);
“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;

“connected persons”	has the meaning ascribed to it under the Listing Rules;
“Consideration Shares”	the new Shares to be allotted and issued, at the direction of the Vendor, to June Glory in connection with the Acquisition;
“Controlling Shareholder”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	directors (including independent non-executive directors) of the Company;
“Enlarged Group”	the Group following completion of the Acquisition;
“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;
“Independent Valuer”	Knight Frank Petty Limited, independent property valuers;
“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;
“Non-exempt Continuing Connected Transactions”	the transactions set out in the section headed “Relationship with China Minmetals and Continuing Connected Transactions” in this announcement;
“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);

“Property”	China Minmetals Tower, situated at No. 79 Chatham Road South, TsimShaTsui, Kowloon, Hong Kong;
“SGM”	the special general meeting of the Company to be held to consider and approve, among other things, the Acquisition, the issue of the Consideration Shares and the Non-exempt Continuing Connected Transactions;
“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”	Texion Development Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Vendor as at the date of this announcement;
“Valuation Reference Date”	31 March 2008;
“Vendor”	Cheemimet Finance Limited, a company incorporated in Hong Kong with limited Liability and a wholly-owned subsidiary of Minmetals HK; and
“%”	percentage.

By order of the Board
He Jianbo
Managing Director

Hong Kong, 5 June 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 purpose only*