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## **五礦建設有限公司\*** **MINMETALS LAND LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 230)**

### **DISCLOSEABLE TRANSACTION**

#### **Disposal of Subsidiaries**

The Board announces that, on 23 December 2008, Fantastic Assets as the Vendor has entered into the Agreement with First Brilliant as the Purchaser for the sale and purchase of the Sale Shares and repayment of the Loan for a total sum of HK\$13,880,000.

As one of the relevant size tests ratios under Rule 14.07 of the Listing Rules exceeds 5% but is less than 25%, the transaction contemplated under the Agreement constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules which is subject to reporting and announcement requirements and is exempt from Shareholders' approval requirement under Chapter 14 of the Listing Rules.

A circular containing, inter alia, details of the Agreement will be despatched to the Shareholders as soon as practicable.

### **THE AGREEMENT DATED 23 DECEMBER 2008**

#### **Parties**

Vendor: Fantastic Assets, an indirect wholly-owned subsidiary of the Company

Purchaser: First Brilliant, which is principally engaged in investment holding

To the best of the Directors' knowledge, information and belief and after having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are Independent Third Parties.

### **Assets involved**

The Sale Shares, representing the entire issued share capital of JOCH as at the date of this announcement.

### **Consideration for the Sale Shares and repayment of the Loan**

The total sum of HK\$13,880,000 payable by the Purchaser comprises the consideration for the Sale Shares of approximately HK\$12,055,000 and the repayment of the Loan in the sum of approximately HK\$1,825,000 which is determined with reference to the unaudited net assets value of Jaeger Group as at 30 November 2008 of approximately HK\$16,386,000, and will be satisfied by the Purchaser by way of cashier orders as follows:

- (i) a sum of HK\$1,388,000 be deposited into the Escrow Account upon the signing of the Agreement;
- (ii) the remaining balance of HK\$12,492,000 be paid to the Vendor at or before 3:00 p.m.(Hong Kong time) on 31 December 2008 or such other date or time as the Vendor and the Purchaser may agree.

The amount standing to the credit of the Escrow Account (including the amount of interest accrued thereon) shall be paid to the Vendor upon Completion.

The proceeds from the Sale Shares will be used as general working capital for the Group.

### **Completion**

Completion is conditional upon the fulfillment of, amongst other things, the sums as referred to in items (i) and (ii) in the sub-paragraph headed "Consideration for the Sale Shares and repayment of the Loan" above having been paid in full.

### **INFORMATION ON JAEGER GROUP**

Jaeger Group was principally engaged in the manufacturing and trading of industrial lubrication oils, industrial tools and chemical products.

Details of the profit (before and after income tax and extraordinary items) attributable to the Sale Shares for the two financial years ended 31 December 2007 are shown as follows:

	For the year ended 31 December	
	<u>2007</u>	<u>2006</u>
Profit before income tax and extraordinary items	HK\$2,150,354	HK\$4,930,102
Profit after income tax and extraordinary items	HK\$926,571	HK\$3,627,787

## **PURPOSE OF THE TRANSACTION**

The Group is principally engaged in the businesses of real estate development and project management, specialised construction, property leasing, and manufacturing and trading. As stated in the annual report of the Company for the year ended 31 December 2007, one of the key objectives/strategies of the Group is to continue to grow its core business of real estate development business in the PRC. The entering into the Agreement provided a good opportunity for the Group to realise its investments in the manufacturing and trading business segment and accordingly, to allow the Group to focus its resources in the core business of real estate development business.

Upon Completion, Jaeger Group will cease to be subsidiaries of the Company.

The unaudited net assets value of Jaeger Group as at 30 November 2008 was approximately HK\$16,386,000, the estimated loss arising from the disposal of the Sale Shares is approximately HK\$4,331,000, being the difference between the net assets value of Jaeger Group and the consideration for the Sale Shares of approximately HK\$12,055,000.

The total sum payable is based on the net assets value of Jaeger Group and the Loan. As such, the Directors are of the view that the terms of the Agreement are fair and reasonable and on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As one of the relevant size tests ratios under Rule 14.07 of the Listing Rules exceeds 5% but is less than 25%, the transaction contemplated under the Agreement constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules which is subject to reporting and announcement requirements and is exempt from Shareholders' approval requirement under Chapter 14 of the Listing Rules.

A circular containing, inter alia, details of the Agreement will be despatched to the Shareholders as soon as practicable.

## GENERAL

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.

## DEFINITIONS

“Agreement”	the agreement dated 23 December 2008 made between Fantastic Assets as vendor and First Brilliant as purchaser;
“Board”	the board of Directors of the Company;
“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 of Hong Kong Limited;
“Completion”	completion of the transaction contemplated under the Agreement pursuant to the terms and conditions therein;
“Directors”	the directors of the Company;
“Escrow Account”	a bank account to be opened in the name of the Vendor’s solicitors and designated as the “JOCH Escrow Account” and which is to be operated in the manner set out in the Agreement;
“Fantastic Assets” or “Vendor”	Fantastic Assets Limited, a company incorporated in Samoa with limited liability and an indirect wholly-owned subsidiary of the Company;
“First Brilliant” or “Purchaser”	First Brilliant Holdings Limited, a company incorporated in the British Virgin Islands with limited liability;
“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 Third Party(ies)”	person(s) who or company(ies) together with its/their ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief and having

made all reasonable enquires, is/are third party(ies) independent of the Company and connected persons (as defined under the Listing Rules) of the Company;

“JOCH”	Jaeger Oil & Chemical Holdings Limited, a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of the Company before Completion;
“Jaeger Group”	JOCH and its subsidiaries;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time;
“Loan”	the shareholder’s loan owing from Jaeger Group to the Group together with the accrued interest thereon in an aggregate amount of approximately HK\$1,825,000 as at 30 November 2008;
“PRC”	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);
“Sale Shares”	100 shares of par value of US\$1.00 each in the share capital of JOCH, representing the entire issued share capital of JOCH as at the date of this announcement; and
“Shareholder(s)”	shareholder(s) of the Company.

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

Hong Kong, 23 December 2008

\* *For identification purpose only*