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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** about this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Minmetals Land Limited, you should at once hand this circular to the purchaser or to the transferee or to the bank, licensed securities dealer or other agent through whom the sale or the transfer was effected for transmission to the purchaser or the transferee.

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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**

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\* *For identification purpose only*

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## DEFINITIONS

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

“Agreement”	the agreement dated 23 December 2008 made between Fantastic Assets as vendor and First Brilliant as purchaser;
“Announcement”	the announcement dated 23 December 2008 issued by the Company in relation to the Transaction;
“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 opened in the name of the Vendor’s solicitors and designated as the “JOCH Escrow Account” which is 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;

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## DEFINITIONS

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“Latest Practicable Date”	7 January 2009, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular;
“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 circular excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan);
“Sale Shares”	100 ordinary 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 the Announcement;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Shares”	shares of par value of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	shareholder(s) of the Company; and
“Transaction”	the disposal of the Sale Shares and the repayment of the Loan.

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## LETTER FROM THE BOARD

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# 五礦建設有限公司\*

**MINMETALS LAND LIMITED**

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 230)

*Non-executive Director:*

Mr. ZHOU Zhongshu, *Chairman*

*Executive Directors:*

Mr. QIAN Wenchao, *Deputy Chairman*

Mr. HE Jianbo, *Managing Director*

Mr. YAN Xichuan, *Deputy Managing Director*

Mr. YIN Liang, *Deputy Managing Director*

Ms. HE Xiaoli

*Independent Non-executive Directors:*

Mr. LAM Chun, Daniel

Mr. Selwyn MAR

Ms. TAM Wai Chu, Maria

*Registered office:*

Canon's Court  
22 Victoria Street  
Hamilton HM 12  
Bermuda

*Principal place of business  
in Hong Kong:*

18th Floor  
China Minmetals Tower  
79 Chatham Road South  
Tsimshatsui  
Kowloon  
Hong Kong

12 January 2009

*To the Shareholders*

Dear Sir or Madam,

## DISCLOSEABLE TRANSACTION

### Disposal of Subsidiaries

#### INTRODUCTION

Reference is made to the Announcement dated 23 December 2008 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. The Transaction was completed on 31 December 2008.

\* For identification purpose only

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## LETTER FROM THE BOARD

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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. This circular aims at providing further information in relation to the Transaction to the Shareholders.

### THE AGREEMENT

#### Date of the Agreement

23 December 2008

#### Parties to the Agreement

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 the Announcement.

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

A total sum of HK\$13,880,000, being 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, was satisfied by the Purchaser by way of cashier orders as follows:

- (i) a sum of HK\$1,388,000 was deposited into the Escrow Account upon the signing of the Agreement;
- (ii) the remaining balance of HK\$12,492,000 was paid to the Vendor before 3:00 p.m. (Hong Kong time) on 31 December 2008.

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

The Company intends to apply the sale proceeds to meet the general working capital requirements of the Group.

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## LETTER FROM THE BOARD

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### Completion

On 31 December 2008, 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 have been paid in full and the Transaction has been completed.

### INFORMATION ON JAEGER GROUP

Jaeger Group was principally engaged in the manufacturing and trading of industrial lubricant oil, 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:

	<b>For the year ended 31 December</b>	
	<b>2007</b>	<b>2006</b>
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.

The total sum paid 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.

### FINANCIAL EFFECTS

Following Completion and as at the Latest Practicable Date, the Group does not hold any shares in JOCH and accordingly, Jaeger Group ceased to be subsidiaries of the Company. The assets and liabilities of Jaeger Group will not be consolidated into the assets and liabilities of the Group as at 31 December 2008.

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

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## LETTER FROM THE BOARD

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Jaeger Group and the consideration for the Sale Shares of approximately HK\$12,055,000. After Completion, the results of Jaeger Group would not be consolidated into the income statement of the Group starting from 1 January 2009.

### **ADDITIONAL INFORMATION**

Your attention is drawn to the additional information contained in the appendix to this circular.

Yours faithfully,  
On behalf of the board of  
**Minmetals Land Limited**  
**He Jianbo**  
*Managing Director*

## 1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

## 2. DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at the Latest Practicable Date, the interests and short position of the Directors and the chief executive of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of the SFO), which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, or as recorded in the register kept by the Company pursuant to section 352 of the SFO, were as follows:

### Long Position in Shares

#### (a) Shares

Name of Director	Nature of interest	Number of Shares held	Percentage of total issued Shares
He Xiaoli	Personal	20,000	0.0018%

*(b) Share options*

Name of Director	Date of grant	Exercisable period <i>(Note)</i>	Exercise price <i>HK\$</i>	Number of share options outstanding as at the Latest Practicable Date	Percentage of total issued Shares
Zhou Zhongshu	1 December 2008	1 December 2010 to 30 November 2018	0.51	1,350,000	0.12%
Qian Wenchao	1 December 2008	1 December 2010 to 30 November 2018	0.51	1,300,000	0.12%
He Jianbo	1 December 2008	1 December 2010 to 30 November 2018	0.51	1,800,000	0.16%
Yan Xichuan	1 December 2008	1 December 2010 to 30 November 2018	0.51	1,200,000	0.11%
Yin Liang	1 December 2008	1 December 2010 to 30 November 2018	0.51	1,200,000	0.11%
He Xiaoli	1 December 2008	1 December 2010 to 30 November 2018	0.51	1,000,000	0.09%

*Note:* These options are exercisable at HK\$0.51 per Share in three tranches: the maximum percentage of options exercisable within the periods commencing from 1 December 2010 to 30 November 2018, from 1 December 2011 to 30 November 2018 and from 1 December 2012 to 30 November 2018 are 30%, 30% and 40% respectively.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and the chief executive of the Company or any of their associates had any personal, family, corporate or other interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of the SFO).

### 3. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter into, a service contract with any member of the Group which is not terminable by the Group within one year without payment of compensation, other than statutory compensation.

### 4. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors and his/her respective associates has any interests (as would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them were a controlling shareholder) in a business which competes or is likely to compete with the business of the Group.

### 5. SUBSTANTIAL SHAREHOLDERS

#### Substantial shareholders of the Company

Save as disclosed below, there was no person known to any Director or the chief executive of the Company, other than a Director or the chief executive of the Company or their respective associates, who, as at the Latest Practicable Date, had an interest or a short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Shareholder	Number of Shares held	Number of Convertible Preference Shares which may be issued <i>(Note 2)</i>	Percentage of total issued Shares
China Minmetals Corporation	756,585,852 <i>(Note 1)</i>	1,607,491,463 <i>(Note 3)</i>	212.25%
China Minmetals H.K. (Holdings) Limited	756,585,852 <i>(Note 1)</i>	1,607,491,463 <i>(Note 3)</i>	212.25%
June Glory International Limited	756,585,852	—	67.93%
Mountain Trend Global Limited	—	1,607,491,463 <i>(Note 3)</i>	144.32%

*Notes:*

1. These Shares are held by June Glory International Limited, an indirect wholly-owned subsidiary of China Minmetals H.K. (Holdings) Limited, which in turn is wholly owned by China Minmetals Corporation.
2. Pursuant to the Acquisition Agreement (as defined in the circular of the Company dated 28 November 2008), these Convertible Preference Shares (as defined in the circular of the Company dated 28 November 2008) are proposed to be convertible into Shares initially on a “one on one” basis (subject to adjustment in the event of a consolidation or subdivision of Shares but not otherwise). The creation of the Convertible Preference Shares is subject to the approval of the independent shareholders of the Company in relation to the Acquisition (as defined in the circular of the Company dated 28 November 2008).
3. Mountain Trend Global Limited has an interest in the Shares which may be converted from the Convertible Preference Shares if created and issued pursuant to the Acquisition Agreement. Mountain Trend Global Limited is a wholly-owned subsidiary of China Minmetals H.K. (Holdings) Limited, which in turn is wholly owned by China Minmetals Corporation. The total number of the Convertible Preference Shares to be issued to Mountain Trend Global Limited was determined without taking into consideration that China Minmetals Corporation 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.

**Substantial shareholders of other members of the Group**

As at the Latest Practicable Date, so far as the Directors and the chief executive of the Company were aware, the following persons were, directly or indirectly, interested in 10% or more of the issued share capital carrying rights to vote at general meetings of members of the Group:

<b>Name of holder of shares or equity interest</b>	<b>Name of non wholly-owned subsidiary of the Group</b>	<b>Total number of shares/registered and paid up capital</b>	<b>Approximate percentage of shareholding</b>
World Ocean Development Limited	Oriental Dragon Construction Limited	2,900 ordinary shares of HK\$1.00 each	29%
湖南嘉盛房地產開發有限公司	五礦建設（湖南）嘉和日盛房地產開發有限公司 (formerly known as 湖南嘉和日盛房地產開發有限公司)	RMB186,200,000	49%
Turner Overseas Limited	Wellstep Management Limited	4,800 ordinary shares of US\$1.00 each	16%
Silver Lake Asia Corp.	Wellstep Management Limited	4,800 ordinary shares of US\$1.00 each	16%
Spirit Sunshine Inc.	Wellstep Management Limited	4,800 ordinary shares of US\$1.00 each	16%

Save as disclosed above, as at the Latest Practicable Date and so far as the Directors and the chief executive of the Company were aware, there were no other persons other than the Directors or the chief executive of the Company or their respective associates who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

## 6. LITIGATION

On 13 March 2003, the Company commenced legal proceedings in Hong Kong (the “Action”) against Mr. Yu Lap On Stephen (“Mr. Yu”), Mr. Ng Tze Kwan (“Mr. Ng”) and Mr. Cheung Sui Keung (“Mr. Cheung”), as well as companies controlled by them (namely Turner Overseas Limited, Spirit Sunshine Inc. and Silver Lake Asia Corporation respectively) (collectively, the “Defendants”). Mr. Yu, Mr. Ng and Mr. Cheung are directors of Condo Engineering (China) Limited and Condo Curtain Wall Company Limited (“CCW”), both of which are in liquidation. The claims are based on counter-indemnities executed on 23 March 1998, 5, 6 and 11 January 1999 by the Defendants in favour of the Company as referred to in items 1, 2, 3, 4 and 5 in the section headed “Counter-Indemnities” for CCW, Wellstep Management Limited and their respective subsidiaries in the “Letter from the Board” in the circular of the Company dated 10 November 2003 in respect of the liabilities and obligations covered by those counter-indemnities as more particularly described in that section. As at 15 January 2004, the principal amount claimed against each of the Defendants in the Action is approximately HK\$16,400,000.

On 8 April 2003 and 16 June 2003, the Company obtained judgment against Mr. Ng and Spirit Sunshine Inc. respectively. The Company also obtained judgment dated 14 January 2004 against Mr. Yu, Mr. Cheung, Turner Overseas Limited and Silver Lake Asia Corporation pursuant to the Company’s application for summary judgment. Pursuant to the said judgments, each of the Defendants is required to pay the Company a sum of HK\$16,418,527.51 together with accrued interests and costs. The said judgments took effect immediately from their respective dates, and are enforceable by the Company. Mr. Ng was made bankrupt by the High Court of Hong Kong (the “Court”) on 20 November 2003. The Company demanded Mr. Yu, Mr. Cheung, Turner Overseas Limited and Silver Lake Asia Corporation to make full payment of the judgment debt on 15 January 2004. Since no payment has been made by them, the Company filed a petition for a bankruptcy order against Mr. Yu on 15 April 2004, which petition was heard by the Court on 9 June 2004. A bankruptcy order was made against Mr. Yu by the Court on 9 June 2004. The Company filed a proof of debt on 12 July 2004 in the bankruptcy of Mr. Yu. The Company also applied for the examination of Mr. Cheung as to his assets, means and liabilities, and an order for examination was made by the Court on 5 May 2004. Meanwhile, Mr. Cheung filed a petition for a bankruptcy order against himself on 30 October 2004 and a bankruptcy order was made against Mr. Cheung by the Court on 30 November 2004. On 7 April 2005, a proof of debt was filed by the Company in the bankruptcy of Mr. Cheung.

As at the Latest Practicable Date, no payment has been received from any of the Defendants. Furthermore, no receivables on nor provisions for the claims by the Company under this litigation case have been recorded or made by the Company. Yet, the Directors consider that this litigation case would not have any material impact on the financial position of the Group as a whole.

Save as disclosed above, as at the Latest Practicable Date, none of the member of the Group is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against the Company or any of its subsidiaries.

## **7. MISCELLANEOUS**

- (a) The registered office of the Company is at Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda and the principal place of business in Hong Kong is at 18th Floor, China Minmetals Tower, 79 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong.
- (b) The branch share registrar and transfer office of the Company in Hong Kong is Computershare Investor Services Hong Kong Limited located at Shops 1712 to 1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (c) The secretary of the Company is Ms. Chung Wing Yee. Ms. Chung is an associate member of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators.
- (d) The English text of this circular shall prevail over the Chinese text.