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五礦資源有限公司

MINMETALS RESOURCES LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 1208)

ANNOUNCEMENT

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

On 30 April 2008 and on 1 January 2009, MMA started to enter into the 2008 Transactions and 2009 Transactions, respectively, with Guangxi Huayin. The aggregate values of the 2008 Transactions amounted to RMB571,486,495 (approximately HK\$640,064,874) and the aggregate values of the 2009 Transactions for the period from 1 January 2009 to 30 November 2009 amounted to RMB582,287,538 (approximately HK\$663,807,793), respectively.

On 1 December 2009, MMA entered into the Sale and Purchase Agreement with Guangxi Huayin in relation to the Continuing Connected Transactions for the period from 1 December 2009 to 31 December 2012.

Chinalco is a substantial shareholder of a non wholly-owned subsidiary of the Company and hence a connected person of the Company. As Chalco is and during the relevant period had been owned as to over 30% by Chinalco, it is and during the relevant period had been an associate of Chinalco under the Listing Rules and hence a connected person of the Company. Further, since Chinalco and Chalco, taken together, are and during the relevant period had been directly or indirectly interested in over 30% of the equity interests in Guangxi Huayin, Guangxi Huayin is and during the relevant period had also been an associate of Chinalco under the Listing Rules and hence a connected person of the Company. Therefore, transactions between MMA and Guangxi Huayin constitute connected transactions of the Company under the Listing Rules.

As the relevant percentage ratios in respect of each of the 2008 Transactions, the 2009 Transactions and the Continuing Connected Transactions are more than 2.5%, they constitute non-exempt continuing connected transactions of the Company under the Listing Rules and are subject to the reporting, announcement and Independent Shareholders' approval requirements under the Listing Rules.

MMA injected additional capital in a total sum of RMB34,001,400 (approximately HK\$38,761,596) into Guangxi Huayin on 21 April 2009 and 7 August 2009 in proportion to the shareholding of MMA in Guangxi Huayin. Since Guangxi Huayin is a connected person of the Company, the Capital Injection constitutes a connected transaction of the Company under the Listing Rules. As the relevant percentage ratios in respect of the Capital Injection is less than 2.5%, it is subject to the reporting and announcement requirements and is exempted from the Independent Shareholders' approval requirements under the Listing Rules.

The Company has obtained a written Shareholders' approval on 1 December 2009 from Coppermine Resources and Top Create Resources, a closely allied group of Shareholders (i) approving, and ratifying the entering into of, the 2008 Transactions and the 2009 Transactions and (ii) approving the Continuing Connected Transactions and the Annual Caps. As at the date of the Sale and Purchase Agreement, Coppermine Resources was interested in 45,000,000 Shares, representing approximately 2.22% of the issued share capital of the Company, and Top Create Resources was interested in 1,239,467,826 Shares, representing approximately 61.17% of the issued share capital of the Company. Coppermine Resources is a wholly-owned subsidiary of China Minmetals Corporation and Top Create Resources is a wholly-owned subsidiary of China Minmetals Non-ferrous Metals Company Limited, which in turn is owned as to 90.27% by China Minmetals Corporation. Coppermine Resources and Top Create Resources together hold more than 50% of the issued share capital of the Company giving the right to attend and vote at a general meeting of the Company. None of the Shareholders is required to abstain from voting if the Company were to convene a general meeting for the purpose of approving the 2008 Transactions, 2009 Transactions and the Continuing Connected Transactions. The Company has applied for a waiver pursuant to Rule 14A.43 of the Listing Rules from the requirement under the Listing Rules for the Company to hold a general meeting to consider and approve the Continuing Connected Transactions and the Annual Caps.

A circular containing, among other things, (i) details of the 2008 Transactions, the 2009 Transactions and the Continuing Connected Transactions; (ii) a letter from the independent board committee of the Company to the Independent Shareholders; and (iii) a letter from the independent financial adviser to the independent board committee of the Company and the Independent Shareholders, will be sent to the Shareholders in due course.

THE 2008 TRANSACTIONS AND THE 2009 TRANSACTIONS

On 30 April 2008 and on 1 January 2009, MMA started to enter into the 2008 Transactions and 2009 Transactions, respectively, with Guangxi Huayin. The principal terms of the 2008 Transactions and the 2009 Transactions are set out below:

Parties	: MMA and Guangix Huayin
Product purchased	: Alumina
Pricing	: The price of the alumina for the month during which the alumina was delivered was determined by reference to the weighted average of the three-month aluminium future closing price of the preceding month quoted on the Shanghai Futures Exchange

The terms of the 2008 Transactions and the 2009 Transactions were arrived at after arm's length negotiations between the Group and Guangxi Huayin.

The aggregate values of the 2008 Transactions amounted to RMB571,486,495 (approximately HK\$640,064,874) and the aggregate values of the 2009 Transactions for the period from 1 January 2009 to 30 November 2009 amounted to RMB582,287,538 (approximately HK\$663,807,793), respectively.

THE SALE AND PURCHASE AGREEMENT

On 1 December 2009, MMA entered into the Sale and Purchase Agreement in relation to the Continuing Connected Transactions with Guangxi Huayin. The principal terms of the Sale and Purchase Agreement are set out below:

- Date : 1 December 2009
- Parties : MMA and Guangxi Huayin
- Product to be purchased : Alumina
- Pricing : The price of the alumina for the month during which the alumina is delivered is to be determined by reference to the weighted average of the three-month aluminium future closing price of the preceding month quoted on the Shanghai Futures Exchange
- Term : From 1 December 2009 to 31 December 2012
- Conditions precedent : The Sale and Purchase Agreement is conditional upon the Company obtaining the approval from the Independent Shareholders and complying with all the relevant requirements for continuing connected transactions under the Listing Rules

The terms of the Sale and Purchase Agreement were arrived at after arm's length negotiations between the Group and Guangxi Huayin.

The Company proposes that the maximum amount of the Continuing Connected Transactions for the one month ending 31 December 2009 will be RMB132,000,000 (approximately HK\$150,480,000) and the maximum annual amounts of the Continuing Connected Transactions for the three financial years ending 31 December 2010, 2011 and 2012 will be RMB1,611,000,000 (approximately HK\$1,836,540,000), RMB1,611,000,000 (approximately HK\$1,836,540,000) and RMB1,611,000,000 (approximately HK\$1,836,540,000), respectively.

The Annual Caps were determined by reference to the historical market price of alumina in the PRC market and the planned annual production capacity of Guangxi Huayin.

THE CAPITAL INJECTION

MMA injected additional capital in a total sum of RMB34,001,400 (approximately HK\$38,761,596) into Guangxi Huayin on 21 April 2009 and 7 August 2009.

The amount of the Capital Injection was paid by MMA in the following manner:

- (i) a sum of RMB17,000,700 (approximately HK\$19,380,798,) was paid to Guangxi Huayin on 21 April 2009 in cash; and
- (ii) a further sum of RMB17,000,700 (approximately HK\$19,380,798) was paid to Guangxi Huayin on 7 August 2009 in cash.

The amount of the Capital Injection was arrived at after arm's length negotiations between MMA and Guangxi Huayin with reference to the projected working capital and capital expenditure requirements of Guangxi Huayin and in proportion to the shareholding of MMA in Guangxi Huayin. The Group funded the Capital Injection out of its internal financial resources.

REASONS FOR AND BENEFITS OF THE 2008 TRANSACTIONS, 2009 TRANSACTIONS, THE CONTINUING CONNECTED TRANSACTIONS AND THE CAPITAL INJECTION

The Group is principally engaged in the trading of non-ferrous metals, with alumina as its main products. The 2008 Transactions, the 2009 Transactions and the Continuing Connected Transactions increased/will increase the Group's secured source of alumina for its trading business and represented/will represent a good opportunity for the Group to leverage on its existing market position to achieve further vertical integration.

The Group has a 33% equity interest in Guangxi Huayin. The Capital Injection provides additional funding to Guangxi Huayin to finance its working capital and capital expenditure requirements.

The Directors (excluding, in respect of the 2008 Transactions, the 2009 Transactions and the Continuing Connected Transactions, the independent non-executive Directors who will express their view after considering the independent financial adviser's advice letter to be included in the circular) are of the view that the terms of the 2008 Transactions, the 2009 Transactions, the Continuing Connected Transactions and the Capital Injection are on normal commercial terms, and are fair and reasonable and in the interests of the Shareholders as a whole.

INFORMATION ABOUT THE GROUP

The Group is engaged in the trading of non-ferrous metals, with alumina as its main product, and the investment in non-ferrous metals related industrial projects, including aluminium fabrication, alumina production, copper fabrication and plica tubes production in the PRC.

INFORMATION ABOUT GUANGXI HUAYIN

Guangxi Huayin is a company established under the laws of the PRC on 18 February 2003 and is currently owned as to 33% by MMA, 33% by Chalco and 34% by Guangxi Investment. Guangxi Huayin is principally engaged in the production and sale of alumina and related products. Guangxi Huayin commenced its operation in May 2008 and has a planned annual production capacity of 1,600,000 tonnes of alumina.

The following financial information is extracted from the audited financial statements of Guangxi Huayin, which is prepared in accordance with the PRC generally accepted accounting principles:

	For the year ended 31 December	
	2008 <i>RMB</i>	2007 <i>RMB</i>
Profit before taxation	1,986,822	0
Profit after taxation	1,986,822	0
	As at 31 December	
	2008 <i>RMB</i>	2007 <i>RMB</i>
Net asset value	2,124,801,822	1,929,232,500

GENERAL

Chinalco is a substantial shareholder of a non wholly-owned subsidiary of the Company and hence a connected person of the Company. As Chalco is and during the relevant period had been owned as to over 30% by Chinalco, it is and during the relevant period had been an associate of Chinalco under the Listing Rules and hence a connected person of the Company. Further, since Chinalco and Chalco, taken together, are and during the relevant period had been directly or indirectly interested in over 30% of the equity interests in Guangxi Huayin, Guangxi Huayin is and during the relevant period had also been an associate of Chinalco under the Listing Rules and hence a connected person of the Company. Therefore, transactions between MMA and Guangxi Huayin constitute connected transactions of the Company under the Listing Rules.

As the relevant percentage ratios in respect of each of the 2008 Transactions, the 2009 Transactions and the Continuing Connected Transactions are more than 2.5%, they constitute non-exempt continuing connected transactions of the Company under the Listing Rules and are subject to the reporting, announcement and Independent Shareholders' approval requirements under the Listing Rules.

As the relevant percentage ratios in respect of the Capital Injection is less than 2.5%, it is subject to the reporting and announcement requirements and is exempted from the Independent Shareholders' approval requirements under the Listing Rules.

The Company has obtained a written Shareholders' approval on 1 December 2009 from Coppermine Resources and Top Create Resources, a closely allied group of Shareholders (i) approving, and ratifying the entering into of, the 2008 Transactions and the 2009 Transactions and (ii) approving the Continuing Connected Transactions and the Annual Caps. As at the date of the Sale and Purchase Agreement, Coppermine Resources was interested in 45,000,000 Shares, representing approximately 2.22% of the issued share capital of the Company, and Top Create Resources was interested in 1,239,467,826 Shares, representing approximately 61.17% of the issued share capital of the Company. Coppermine Resources is a wholly-owned subsidiary of China Minmetals Corporation and Top Create Resources is a wholly-owned subsidiary of China Minmetals Non-ferrous Metals Company Limited, which in turn is owned as to 90.27% by China Minmetals Corporation. Coppermine Resources and Top Create Resources together hold more than 50% of the issued share capital of the Company giving the right to attend and vote at a general meeting of the Company. None of the Shareholders is required to abstain from voting if the Company were to convene a general meeting for the purpose of approving the 2008 Transactions, 2009 Transactions and the Continuing Connected Transactions. The Company has applied for a waiver pursuant to Rule 14A.43 of the Listing Rules from the requirement under the Listing Rules for the Company to hold a general meeting to consider and approve the Continuing Connected Transactions and the Annual Caps.

A circular containing, among other things, (i) details of the 2008 Transactions, the 2009 Transactions and the Continuing Connected Transactions; (ii) a letter from the independent board committee of the Company to the Independent Shareholders; and (iii) a letter of advice from the independent financial adviser to the independent board committee of the Company and the Independent Shareholders, will be sent to the Shareholders in due course.

DEFINITIONS

In this announcement, unless otherwise indicated in the context, the following expressions have the meanings set out below:

“2008 Transactions”	the purchase of alumina from Guangxi Huayin by MMA for the period from 30 April 2008 to 31 December 2008
“2009 Transactions”	the purchase of alumina from Guangxi Huayin by MMA for the period from 1 January 2009 to 30 November 2009
“Annual Caps”	the maximum amount of the Continuing Connected Transactions for the one month ending 31 December 2009 being RMB132,000,000 (approximately HK\$150,480,000) and the maximum annual amounts of the Continuing Connected Transactions for three financial years ending 31 December 2010, 2011 and 2012 being RMB1,611,000,000 (approximately HK\$1,836,540,000), RMB1,611,000,000 (approximately HK\$1,836,540,000) and RMB1,611,000,000 (approximately HK\$1,836,540,000), respectively

“Board”	the board of Directors
“Capital Injection”	the additional capital injection by MMA in a total sum of RMB34,001,400 (approximately HK\$38,761,596) into Guangxi Huayin on 21 April 2009 and 7 August 2009
“Chalco”	中國鋁業股份有限公司(Aluminium Corporation of China Limited), a joint stock limited company incorporated under the laws of the PRC, the shares of which are listed on the Stock Exchange (Stock Code: 2600)
“Chinalco”	中國鋁業公司 (Aluminium Corporation of China)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Continuing Connected Transactions”	the purchase of alumina from Guangxi Huayin by MMA for the period from 1 December 2009 to 31 December 2012 pursuant to the Sale and Purchase Agreement
“Company”	Minmetals Resources Limited (五礦資源有限公司), a company incorporated on 29 July 1988 in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“Coppermine Resources”	Coppermine Resources Limited, holder of approximately 2.22% of the issued share capital of the Company
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Guangxi Huayin”	廣西華銀鋁業有限公司(Guangxi Huayin Aluminium Company Limited), a company established under the laws of the PRC on 18 February 2003 and is currently owned as to 33% by MMA, 33% by Chalco and 34% by Guangxi Investment
“Guangxi Investment”	廣西投資(集團)有限公司 (Guangxi Investment Group Co., Ltd.)

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	Shareholders who are not required to abstain from voting in respect of the resolutions (i) approving and the ratifying the 2008 Transactions and the 2009 Transactions; and (ii) approving the Continuing Connected Transactions and the Annual Caps
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“MMA”	五礦鋁業有限公司(Minmetals Aluminium Company Limited), a company established under the laws of the PRC on 22 October 2004 and a wholly-owned subsidiary of the Company
“percentage ratios”	has the meaning ascribed to it under the Listing Rules
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC)
“RMB”	Renminbi, the lawful currency of the PRC
“Top Create Resources”	Top Create Resources Limited, holder of approximately 61.17% of the issued share capital of the Company
“Sale and Purchase Agreement”	the sale and purchase agreement entered into between MMA and Guangxi Huayin on 1 December 2009 in relation to the purchase of alumina by MMA from Guangxi Huayin for the period from 1 December 2009 to 31 December 2012
“Share(s)”	fully paid shares of HK\$0.05 each or such other nominal amount prevailing from time to time in the capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules

Solely for convenience and except as otherwise noted, this announcement contains translations of RMB amounts into HK\$ at a rate of RMB1.00 = HK\$1.12 for the 2008 Transactions and at a rate of RMB1.00 = HK\$1.14 for the 2009 Transactions, the Continuing Connected Transactions and the Capital Injection.

By Order of the Board
Minmetals Resources Limited
Hao Chuanfu
Executive Director and President

Hong Kong, 4 December 2009

As at the date of this announcement, the board of directors of the Company comprises eleven directors, of which two are executive directors, namely Mr. Hao Chuanfu and Mr. Zhan Wei; six are non-executive directors, namely Mr. Li Fuli (Chairman), Mr. Wang Lixin (Vice Chairman), Ms. Shen Ling, Mr. Zong Qingsheng, Mr. Cui Hushan and Mr. Xu Jiqing; and three are independent non-executive directors, namely Mr. Li Dongsheng, Mr. Ting Leung Huel, Stephen and Mr. Loong Ping Kwan.