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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)

FIRST HARVEST LIMITED

(Incorporated in British Virgin Islands

with limited liability)

JOINT ANNOUNCEMENT

The Company and the Issuer entered into the Supplemental Trust Deed on 20 June 2007 with the Trustee, pursuant to which the Issuer relinquished its Cash Settlement Option relating to the Bonds with effect from the date of the Supplemental Trust Deed.

Reference is made to the announcements of the Company dated 20 October 2006, 27 November 2006, 30 November 2006 and 5 December 2006 relating to the HK\$1,000,000,000 zero coupon guaranteed convertible bonds due 2011 (“**Bonds**”) convertible into ordinary shares (“**Shares**”) of Minmetals Resources Limited (“**Company**”). The Bonds were issued by First Harvest Limited (“**Issuer**”), a wholly owned subsidiary of the Company, on 7 December 2006 and listed on The Stock Exchange of Hong Kong Limited (stock code: 1508). In connection with the Bonds, the Company and the Issuer had entered into a trust deed dated 7 December 2006 (“**Trust Deed**”) with The Bank of New York (“**Trustee**”). As at the date hereof, HK\$761,310,000 of the Bonds are outstanding. The Shares issuable upon conversion of the Bonds will be issued and allotted by the Company pursuant to the general mandate granted to the directors of the Company at the annual general meeting of the Company held on 15 May 2006. The Bonds are convertible into Shares at an initial conversion price of HK\$2.925 (subject to adjustment).

The Trustee has agreed, by entering into a supplemental trust deed with the Company and the Issuer dated 20 June 2007 (“**Supplemental Trust Deed**”), that the Issuer shall relinquish its option to pay cash in lieu of delivering Shares to the holders of the Bonds (“**Bondholders**”) who exercise their conversion rights (“**Cash Settlement Option**”). It has also been agreed that any and all references to the Cash Settlement Option and the cash settlement amount in connection therewith shall be disregarded in construing the Trust Deed and the terms and conditions of the Bonds (“**Conditions**”). Such amendments shall take effect from the date of execution of the Supplemental Trust Deed. Save for the above, all the provisions of the Trust Deed and the Conditions remain unchanged.

The following table summarises the shareholding structure of the Company as at the date of this announcement:

Name of Shareholders	Existing (as at the date of this announcement)		Assuming the Bonds are fully converted into Shares at the initial conversion price of HK\$2.925 each	
	No. of Shares	% of issued share capital of the Company	No. of Shares	% of enlarged issued share capital of the Company
Interests of China Minmetals Corporation and its associates	1,284,467,826	71.50%	1,284,467,826	62.45%
Public Shareholders:				
Other Shareholders	430,472,695	23.96%	430,472,695	20.93%
Bondholders	81,603,405	4.54%	341,880,341	16.62%
Total	1,796,543,926	100%	2,056,820,862	100%

The Trustee has agreed to the modification, being the removal of an option of the Issuer rather than a right of any Bondholder, as it is of the opinion that such modification is not materially prejudicial to the interests of the Bondholders.

The Company had applied to The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) for, and was granted by the Stock Exchange, approval of the above amendments to the Conditions.

The Cash Settlement Option may cause the derivative component of the Bonds be treated as a liability carried at fair value through profit or loss following applicable accounting standards and may impact the income statement of the Company. The directors of the Company consider that (i) the exercise of the Cash Settlement Option is remote and (ii) a change in the value of the Cash Settlement Option will not affect the cashflow or adversely impact the overall financial position of the Company. To enable future income statements of the Company to better reflect the operating results of the Company, the Company proposed to the Trustee that the Cash Settlement Option be removed by way of the Supplemental Trust Deed. The directors of the Company consider that the terms of the Supplemental Trust Deed are fair and reasonable and in the best interests of the Company and its shareholders as a whole.

By order of the board
Minmetals Resources Limited
Xu Huizhong
Executive Director and President

By order of the board
First Harvest Limited
Xu Huizhong
Director

Hong Kong, 20 June 2007

As at the date of this announcement, the board of directors of the Company comprises 11 directors, of which three are executive directors, namely Mr. Xu Huizhong, Mr. Wang Lixin and Mr. Ren Suotang; six are non-executive directors, namely Mr. Zhou Zhongshu (Chairman), Ms. Shen Ling, Mr. Zhang Shoulian, Mr. Zong Qingsheng and Mr. Cui Hushan; and three are independent non-executive directors, namely Mr. Liu Hongru, Mr. Chan Wai Dune and Mr. Ting Leung Huel, Stephen.

As at the date of this announcement, the board of directors of the Issuer comprises 3 directors, namely Mr. Xu Huizhong, Mr. Wang Lixin and Mr. Ren Suotang.

“Please also refer to the published version of this announcement in The Standard, South China Morning Post and Asian Wall Street Journal.”