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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 OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2008

Financial Highlights

	Year ended 31 December		Change
	2008	2007	
	<i>HK\$ million</i>	<i>HK\$ million</i>	
Revenue	8,450.3	7,337.2	+15%
Profit attributable to equity holders of the Company	12.5	845.7	-99%
Earnings per share			
- Basic	HK0.61 cent	HK45.3 cents	-99%
- Diluted	HK0.61 cent	HK45.1 cents	-99%
Dividend per share			
Interim – Paid	-	HK0.5 cent	
Final – Proposed	-	HK2.5 cents	

	As at 31 December		Change
	2008	2007	
	<i>HK\$ million</i>	<i>HK\$ million</i>	
Total assets	8,909.9	8,711.0	+2%
Shareholders' funds	6,092.1	6,308.1	-3%

The board of Directors (the “Board”) of Minmetals Resources Limited (the “Company” or “Minmetals Resources”) herewith announces the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2008, together with the comparative figures for 2007. The financial information set out in this announcement does not constitute the Group's statutory financial statements for the year ended 31 December 2008, but represents an extract from those financial statements. The financial information has been reviewed by the Company's audit committee and agreed by the Company's auditor, PricewaterhouseCoopers.

CONSOLIDATED INCOME STATEMENT

	Note	Year ended 31 December	
		2008	2007
		HK\$'000	(Restated) HK\$'000
Revenue	4	8,450,300	7,337,175
Cost of sales		(8,114,099)	(6,477,364)
Gross profit		336,201	859,811
Selling expenses		(107,260)	(79,963)
Administrative expenses		(190,690)	(162,852)
Other income	5	31,309	90,534
Other gains - net	6	57,225	158,936
(Provision for)/Reversal of provision for impairment of alumina purchasing rights	7	(46,215)	257,622
Fair value losses on convertible bonds		-	(182,032)
Operating profit	8	80,570	942,056
Finance costs - net	9	(24,647)	(28,622)
Share of post-tax profits less losses of jointly-controlled companies		(55,543)	14,311
Provision for losses in a jointly-controlled company		(6,071)	(817)
Share of post-tax profits less losses of associates		22,474	34,259
Profit before income tax		16,783	961,187
Income tax credit/(expense)	10	3,623	(99,373)
Profit for the year		20,406	861,814
Attributable to:			
Equity holders of the Company		12,543	845,658
Minority interest		7,863	16,156
		20,406	861,814
Earnings per share for profit attributable to equity holders of the Company	11		
- Basic		HK0.61 cent	HK45.3 cents
- Diluted		HK0.61 cent	HK45.1 cents
Dividend per share	12		
Interim - paid		-	HK0.5 cent
Final - proposed		-	HK2.5 cents

CONSOLIDATED BALANCE SHEET

		As at 31 December	
	Note	2008	2007
		<i>HK\$'000</i>	(Restated) <i>HK\$000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		520,703	483,566
Construction in progress		103,639	13,878
Investment properties		13,110	9,820
Land use rights		9,303	10,425
Alumina purchasing rights		2,558,400	2,745,755
Goodwill		6,849	-
Interests in jointly-controlled companies		1,125,868	117,136
Interests in associates		89,247	87,242
Long-term receivables		177,840	32,100
Available-for-sale financial assets		309,790	476,084
Deferred income tax assets		60,027	15,401
		<u>4,974,776</u>	<u>3,991,407</u>
Current assets			
Inventories		693,907	744,747
Trade and bills receivables	13	776,029	625,235
Prepayments, deposits and other receivables		538,385	598,910
Amount due from a fellow subsidiary		-	249
Derivative financial instruments		3,925	13,913
Current income tax assets		17,039	-
Pledged bank deposits		38,176	40,591
Cash and cash equivalents		1,867,712	2,695,939
		<u>3,935,173</u>	<u>4,719,584</u>
Total assets		<u>8,909,949</u>	<u>8,710,991</u>
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	15	101,455	102,936
Reserves		5,990,624	6,205,156
		<u>6,092,079</u>	<u>6,308,092</u>
Minority interest		<u>193,134</u>	<u>251,828</u>
Total equity		<u>6,285,213</u>	<u>6,559,920</u>

CONSOLIDATED BALANCE SHEET (Continued)

	Note	As at 31 December	
		2008	2007
		HK\$'000	(Restated) HK\$000
LIABILITIES			
Non-current liabilities			
Deferred income		23,967	25,064
Derivative financial instruments		7,426	11,563
Deferred income tax liabilities		128,987	132,227
Bank borrowings		541,860	475,799
		<u>702,240</u>	<u>644,653</u>
Current liabilities			
Trade and bills payables	14	802,336	766,053
Accruals, receipts in advance and other payables		476,786	429,067
Advances from banks for discounted bills		87,297	49,514
Amounts due to immediate holding company, fellow subsidiaries, a jointly-controlled company and an associate		200,285	8,148
Derivative financial instruments		47,330	5,612
Current income tax liabilities		1,742	26,172
Bank borrowings		306,720	221,852
		<u>1,922,496</u>	<u>1,506,418</u>
Total liabilities		<u>2,624,736</u>	<u>2,151,071</u>
Total equity and liabilities		<u>8,909,949</u>	<u>8,710,991</u>
Net current assets		<u>2,012,677</u>	<u>3,213,166</u>
Total assets less current liabilities		<u>6,987,453</u>	<u>7,204,573</u>

NOTES

1. Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of buildings, available-for-sale financial assets, financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss and investment properties.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

2. Adoption of new/revised accounting standards, amendments and interpretations

The Group has adopted, for the first time, the following amendments and interpretations to existing standards issued by the Hong Kong Institute of Certified Public Accountants, which are effective for the accounting period beginning on or after 1 January 2008. The adoption of these amendments and interpretations to existing standards has no material financial impact on the Group’s results and financial position for the current or prior years.

HKAS 39 and HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC)-Int 11	HKFRS 2 – Group and Treasury Share Transactions
HK(IFRIC)-Int 12	Service Concession Arrangements
HK(IFRIC)-Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The Group has not early adopted any new/revised standards, amendments or interpretations that have been issued but not yet effective for the accounting period ended on 31 December 2008.

3. Changes in accounting policies

(a) Interests in jointly-controlled companies

In previous accounting periods, the Group adopted proportionate consolidation method under HKAS 31, “Interests in Joint Ventures”, to account for its interests in jointly-controlled companies. To cope with the business development of the Group – the acquisition of a sizable jointly-controlled company in 2008, the directors of the Company are of the view that equity method of accounting would provide more appropriate and relevant information of the Group’s interests in jointly-controlled companies to the users of the financial information. Therefore, with effect from 1 January 2008, the Group changed to adopt equity method of accounting, the alternative method under HKAS 31, to account for its interests in jointly-controlled companies.

The change in accounting policy has been applied retrospectively. This would not have any impact on the consolidated net assets as at 31 December 2008 and 2007 and the consolidated net profit, basic and diluted earnings per share for the years ended 31 December 2008 and 2007. The adjustment impact is set out below.

3. Changes in accounting policies (Continued)

(a) Interests in jointly-controlled companies (Continued)

Restatement of Consolidated Balance Sheet as at 31 December 2007

	As previously reported	Effect of change	As restated
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets			
Property, plant and equipment	522,688	(39,122)	483,566
Construction in progress	13,933	(55)	13,878
Investment properties	9,820	-	9,820
Land use rights	15,252	(4,827)	10,425
Alumina purchasing rights	2,745,755	-	2,745,755
Interests in jointly-controlled companies	-	117,136	117,136
Interests in associates	87,242	-	87,242
Long-term receivables	32,100	-	32,100
Available-for-sale financial assets	476,084	-	476,084
Deferred income tax assets	15,401	-	15,401
	<u>3,918,275</u>	<u>73,132</u>	<u>3,991,407</u>
Current assets			
Inventories	897,057	(152,310)	744,747
Trade and bills receivables	1,344,290	(719,055)	625,235
Prepayments, deposits and other receivables	620,639	(21,729)	598,910
Amount due from a fellow subsidiary	2,489	(2,240)	249
Derivative financial instruments	20,146	(6,233)	13,913
Pledged bank deposits	41,145	(554)	40,591
Cash and cash equivalents	2,880,370	(184,431)	2,695,939
	<u>5,806,136</u>	<u>(1,086,552)</u>	<u>4,719,584</u>
Total assets	<u><u>9,724,411</u></u>	<u><u>(1,013,420)</u></u>	<u><u>8,710,991</u></u>

3. Changes in accounting policies (Continued)

(a) Interests in jointly-controlled companies (Continued)

Restatement of Consolidated Balance Sheet as at 31 December 2007 (Continued)

	As previously reported	Effect of change	As restated
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Capital and reserves attributable to equity holders of the Company			
Share capital	102,936	-	102,936
Reserves	6,205,156	-	6,205,156
	<u>6,308,092</u>	-	<u>6,308,092</u>
Minority interest	251,828	-	251,828
Total equity	<u>6,559,920</u>	-	<u>6,559,920</u>
Non-current liabilities			
Deferred income	25,064	-	25,064
Derivative financial instruments	11,563	-	11,563
Deferred income tax liabilities	140,159	(7,932)	132,227
Bank borrowings	475,799	-	475,799
	<u>652,585</u>	<u>(7,932)</u>	<u>644,653</u>
Current liabilities			
Trade and bills payables	828,612	(62,559)	766,053
Accruals, receipts in advance and other payables	440,977	(11,910)	429,067
Advances from banks for discounted bills	478,260	(428,746)	49,514
Amounts due to immediate holding company and a fellow subsidiary	8,679	(531)	8,148
Derivative financial instruments	5,612	-	5,612
Current income tax liabilities	30,938	(4,766)	26,172
Bank borrowings	718,828	(496,976)	221,852
	<u>2,511,906</u>	<u>(1,005,488)</u>	<u>1,506,418</u>
Total liabilities	<u>3,164,491</u>	<u>(1,013,420)</u>	<u>2,151,071</u>
Total equity and liabilities	<u>9,724,411</u>	<u>(1,013,420)</u>	<u>8,710,991</u>
Net current assets	<u>3,294,230</u>	<u>(81,064)</u>	<u>3,213,166</u>
Total assets less current liabilities	<u>7,212,505</u>	<u>(7,932)</u>	<u>7,204,573</u>

3. Changes in accounting policies (Continued)

(a) Interests in jointly-controlled companies (Continued)

Restatement of Consolidated Income Statement for the Year Ended 31 December 2007

	As previously reported	Effect of change	As restated
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	10,504,622	(3,167,447)	7,337,175
Cost of sales	(9,569,107)	3,091,743	(6,477,364)
Gross profit	935,515	(75,704)	859,811
Selling expenses	(88,167)	8,204	(79,963)
Administrative expenses	(175,396)	12,544	(162,852)
Other income	90,534	-	90,534
Other gains - net	164,149	(5,213)	158,936
Reversal of provision for impairment of alumina purchasing rights	257,622	-	257,622
Fair value losses on convertible bonds	(182,032)	-	(182,032)
Operating profit	1,002,225	(60,169)	942,056
Finance costs - net	(63,909)	35,287	(28,622)
Share of post-tax profits less losses of jointly-controlled companies	-	14,311	14,311
Provision for losses in a jointly-controlled company	-	(817)	(817)
Share of post-tax profits less losses of associates	34,259	-	34,259
Profit before income tax	972,575	(11,388)	961,187
Income tax expense	(110,761)	11,388	(99,373)
Profit for the year	861,814	-	861,814
Attributable to:			
Equity holders of the Company	845,658	-	845,658
Minority interest	16,156	-	16,156
	861,814	-	861,814
Earnings per share for profit attributable to equity holders of the Company			
- Basic	HK45.3 cents	-	HK45.3 cents
- Diluted	HK45.1 cents	-	HK45.1 cents

3. Changes in accounting policies (Continued)

(a) Interests in jointly-controlled companies (Continued)

The effect of the change in accounting policy on the major financial statement line items as at and for the year ended 31 December 2008 is as follows:

	Reported by using proportionate consolidation method	Effect of change	Reported by using equity method
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Interests in jointly-controlled companies	-	1,125,868	1,125,868
Other non-current assets	6,750,432	(2,901,524)	3,848,908
Current assets	5,298,863	(1,363,690)	3,935,173
Total assets	<u>12,049,295</u>	<u>(3,139,346)</u>	<u>8,909,949</u>
Non-current liabilities	1,395,328	(693,088)	702,240
Current liabilities	4,368,754	(2,446,258)	1,922,496
Total liabilities	<u>5,764,082</u>	<u>(3,139,346)</u>	<u>2,624,736</u>
Share capital	101,455	-	101,455
Reserves	5,990,624	-	5,990,624
Minority interest	193,134	-	193,134
Total equity	<u>6,285,213</u>	<u>-</u>	<u>6,285,213</u>
Total equity and liabilities	<u>12,049,295</u>	<u>(3,139,346)</u>	<u>8,909,949</u>
Revenue	12,126,669	(3,676,369)	8,450,300
Operating profit	132,377	(51,807)	80,570
Profit for the year	20,406	-	20,406
Profit attributable to equity holders of the Company	<u>12,543</u>	<u>-</u>	<u>12,543</u>
Earnings per share for profit attributable to equity holders of the Company			
- Basic	<u>HK0.61 cent</u>	<u>-</u>	<u>HK0.61 cent</u>
- Diluted	<u>HK0.61 cent</u>	<u>-</u>	<u>HK0.61 cent</u>

3. Changes in accounting policies (Continued)

(b) Appropriation to PRC statutory reserves

In previous years, the Group's PRC subsidiaries reported their share of statutory reserves appropriations made by the entities consolidated in their consolidated financial statements based on the respective equity interests held by them in these entities.

Effective from 1 January 2008, these PRC subsidiaries began to prepare statutory financial statements in accordance with the new China Accounting Standards for Business Enterprises ("CAS"). According to CAS, the Group's PRC subsidiaries do not make such statutory reserves appropriations upon the preparation of their consolidated financial statements, and the corresponding changes to the statutory reserves have been restated retrospectively.

The directors of the Company consider that consistent application would enhance the comparability of financial information presented in the statutory financial statements prepared under CAS as well as the financial statements prepared under HKFRS. This accounting treatment is also adopted when preparing the Group's consolidated financial statements under HKFRS.

The change in accounting policy has been applied retrospectively and resulted in:

	Year ended 31 December	
	2008	2007
	HK\$'000	HK\$'000
Decrease in PRC statutory reserves brought forward	<u>42,140</u>	<u>14,686</u>
Increase in retained profits brought forward	<u>42,140</u>	<u>14,686</u>
Decrease in appropriation to PRC statutory reserves		<u>27,454</u>

This change in accounting policy would not have any impact on the consolidated net assets as at 31 December 2008 and 2007 and the consolidated net profit, basic and diluted earnings per share for the years ended 31 December 2008 and 2007.

4. Segment information

By business segments

At 31 December 2008, the Group's operations comprised the following major business segments:

- Trading : Trading of alumina and aluminium ingots
- Aluminium fabrication : Production and sale of aluminium foils and extrusions
- Other operations : Production and sale of aluminium processing equipment, production and sale of plica tubes and port logistics services

4. Segment information (Continued)

By business segments (Continued)

	For the year ended 31 December 2008					
	Trading	Aluminium fabrication	Other operations	Corporate and others	Inter-segment elimination	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
External revenue	6,310,402	1,875,915	263,983	-	-	8,450,300
Inter-segment revenue	667,931	-	17,071	-	(685,002)	-
Revenue	6,978,333	1,875,915	281,054	-	(685,002)	8,450,300
Segment result	63,255	29,865	12,230	(23,353)	(1,427)	80,570
Finance costs - net						(24,647)
Share of post-tax profits less losses of jointly-controlled companies						(55,543)
Provision for losses in a jointly-controlled company						(6,071)
Share of post-tax profits less losses of associates						22,474
Income tax credit						3,623
Profit for the year						20,406
Minority interest						(7,863)
Profit attributable to equity holders of the Company						12,543
Capital expenditure	271	138,528	16,622	3,086	-	158,507
	As at 31 December 2008					
	Trading	Aluminium fabrication	Other operations	Corporate and others	Inter-segment elimination	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets	4,722,711	1,425,018	550,636	609,613	-	7,307,978
Interests in jointly-controlled companies						1,125,868
Interests in associates						89,247
Available-for-sale financial assets						309,790
Deferred income tax assets						60,027
Current income tax assets						17,039
Total assets						8,909,949
Segment liabilities	1,311,771	737,566	432,638	12,032	-	2,494,007
Deferred income tax liabilities						128,987
Current income tax liabilities						1,742
Total liabilities						2,624,736

4. Segment information (Continued)

By business segments (Continued)

	For the year ended 31 December 2007 (Restated)					
	Trading	Aluminium fabrication	Other operations	Corporate and others	Inter-segment elimination	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
External revenue	5,373,038	1,813,975	150,162	-	-	7,337,175
Inter-segment revenue	423,678	1,291	4,135	-	(429,104)	-
Revenue	5,796,716	1,815,266	154,297	-	(429,104)	7,337,175
Segment result	1,065,984	52,219	12,732	(6,847)	-	1,124,088
Fair value losses on convertible bonds						(182,032)
Finance costs - net						(28,622)
Share of post-tax profits less losses of jointly-controlled companies						14,311
Provision for losses in a jointly-controlled company						(817)
Share of post-tax profits less losses of associates						34,259
Income tax expense						(99,373)
Profit for the year						861,814
Minority interest						(16,156)
Profit attributable to equity holders of the Company						845,658
Capital expenditure	423	16,892	5,995	407	-	23,717
	As at 31 December 2007 (Restated)					
	Trading	Aluminium fabrication	Other operations	Corporate and others	Inter-segment elimination	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets	5,539,885	1,269,337	318,798	887,108	-	8,015,128
Interests in jointly-controlled companies						117,136
Interests in associates						87,242
Available-for-sale financial assets						476,084
Deferred income tax assets						15,401
Total assets						8,710,991
Segment liabilities	1,073,087	642,171	275,301	2,113	-	1,992,672
Deferred income tax liabilities						132,227
Current income tax liabilities						26,172
Total liabilities						2,151,071

4. Segment information (Continued)

By geographical segments

The Group's activities are conducted predominately in the Mainland China, Australia and Hong Kong.

	2008		2007 (Restated)	
	Revenue	Contribution to gross profit	Revenue	Contribution to gross profit
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Mainland China	7,752,130	267,701	6,819,441	868,375
Australia	606,503	45,285	8,201	859
Hong Kong	1,268	115	4,368	225
Others	775,401	27,368	934,269	(5,514)
Inter-segment elimination	(685,002)	(4,268)	(429,104)	(4,134)
Total	8,450,300	336,201	7,337,175	859,811

5. Other income

	2008	2007
	HK\$'000	(Restated) HK\$'000
Sales of by-products and other services income	8,628	6,702
Reversal of provision for impairment of receivables	5,550	4,767
- Trade receivables	3,216	3,640
- Amount due from an associate	2,334	1,127
Compensation received from customers for cancellation of contracts	4,359	-
Amortisation of deferred income	2,688	2,450
Government grant and tax refund on reinvestment in a PRC subsidiary	2,642	70,945
Rental income from investment properties	615	268
Reversal of provision for property tax and surcharges	-	2,037
Others	6,827	3,365
	31,309	90,534

6. Other gains – net

	2008	2007
	<i>HK\$'000</i>	(Restated) <i>HK\$'000</i>
Exchange gains - net	67,205	120,291
Net (losses)/gains on derivative financial instruments	(12,897)	34,680
- Aluminium forward/futures contracts	(12,897)	31,003
- Foreign exchange forward contracts	-	3,677
Fair value gains on investment properties	3,188	2,430
(Losses)/Gains on disposal of property, plant and equipment	(168)	75
Gain on disposal of an associate	-	1,360
Gains on disposal of investment properties	-	100
Others	(103)	-
	57,225	158,936

7. (Provision for)/Reversal of provision for impairment of alumina purchasing rights

In view of the drastic decline in the aluminium and alumina market prices and the downturn in the world economy, the Group appointed an independent professional appraiser to perform a valuation of its alumina purchasing rights as at 31 December 2008. By reference to the valuation result, the Company's directors decided to make a provision for the impairment of the alumina purchasing rights of HK\$46,215,000 for the year ended 31 December 2008 (2007: Reversal of provision of HK\$257,622,000).

8. Operating profit

Operating profit is determined after charging/(crediting) the following:

	2008	2007
	<i>HK\$'000</i>	(Restated) <i>HK\$'000</i>
Employee benefit expense (including directors' emoluments)	148,491	105,522
Write-down/(Reversal of write-down) of inventories	142,726	(5,284)
Amortisation		
- Alumina purchasing rights	141,140	134,016
- Land use rights	1,773	1,684
Depreciation	62,256	60,927
Operating lease rental on properties	4,211	4,020
Auditor's remuneration	3,170	2,300

9. Finance costs – net

	2008	2007
	<i>HK\$'000</i>	(Restated) <i>HK\$'000</i>
Finance costs		
- Interest on bank borrowings wholly repayable within five years	(30,150)	(19,332)
- Interest on bank borrowings wholly repayable after five years	(22,560)	(34,769)
- Fair value loss on interest rate swaps	(9,195)	(10,793)
- Interest on convertible bonds wholly repayable within five years	-	(46,980)
	(61,905)	(111,874)
Finance income		
- Interest income	37,258	83,252
Finance costs - net	(24,647)	(28,622)

10. Income tax credit/(expense)

No provision for Hong Kong profits tax has been made as the Group has tax losses brought forward to offset the assessable profit generated in Hong Kong for the year (2007: Nil). Taxation on profits arising from other jurisdictions has been calculated on the estimated assessable profits for the year at the rates prevailing in the relevant jurisdictions.

	2008	2007
	<i>HK\$'000</i>	(Restated) <i>HK\$'000</i>
Current income tax expense		
PRC income tax	(40,169)	(118,326)
Overseas income tax	(3,379)	(1,619)
	(43,548)	(119,945)
Deferred income tax credit	47,171	20,572
Income tax credit/(expense)	3,623	(99,373)

11. Earnings per share

(a) Basic

The calculation of basic earnings per share is based on the profit attributable to equity holders of the Company of approximately HK\$12,543,000 (2007: HK\$845,658,000) and the weighted average number of 2,053,676,690 ordinary shares (2007: 1,865,763,775 ordinary shares) in issue during the year.

(b) Diluted

The calculation of diluted earnings per share is based on the profit attributable to equity holders of the Company and the weighted average number of ordinary shares in issue during the year after adjusting for the dilutive potential ordinary shares in respect of the share options not yet exercised.

	2008 HK\$'000	2007 <i>HK\$'000</i>
Profit attributable to equity holders of the Company	<u>12,543</u>	<u>845,658</u>
	Number of shares	Number of shares
Weighted average number of ordinary shares in issue	2,053,676,690	1,865,763,775
Add: Dilutive potential ordinary shares in respect of share options	<u>-</u>	<u>7,919,253</u>
Adjusted weighted average number of ordinary shares in issue	<u>2,053,676,690</u>	<u>1,873,683,028</u>
Diluted earnings per share	<u>HK0.61 cent</u>	<u>HK45.1 cents</u>

12. Dividends

No interim dividend was paid (2007: HK\$10,057,000) and the directors do not recommend the payment of final dividend for the year ended 31 December 2008 (2007: HK\$51,468,000).

	2008 HK\$'000	2007 <i>HK\$'000</i>
Interim dividend paid of nil (2007: HK0.5 cent) per ordinary share	-	10,057
Final dividend proposed of nil (2007: HK2.5 cents) per ordinary share	<u>-</u>	<u>51,468</u>
	<u>-</u>	<u>61,525</u>

13. Trade and bills receivables

The majority of sales derived from trading operation are under the arrangement of delivery upon payment from customers, with the remaining amounts on letters of credit. For the aluminium fabrication and other industrial operations, sales are normally made with credit periods ranging from 30 to 90 days. The aging analysis of the trade receivables was as follows:

	2008		2007 (Restated)	
	HK\$'000	%	HK\$'000	%
Trade receivables				
Less than 6 months	175,754	76	102,452	64
6 months – 1 year	7,022	3	3,743	2
Over 1 year	48,317	21	54,816	34
	231,093	100	161,011	100
Less: Provision for impairment of receivables	(48,011)		(57,472)	
Trade receivables – net	183,082		103,539	
Bills receivable (Note)	592,947		521,696	
	776,029		625,235	

Note : Bills receivable are with maturity dates of less than 6 months. As at 31 December 2008, approximately HK\$527,562,000 (2007(Restated): HK\$366,887,000) of which were discounted to banks or endorsed to suppliers.

14. Trade and bills payables

The aging analysis of the trade payables was as follows:

	2008		2007 (Restated)	
	HK\$'000	%	HK\$'000	%
Trade payables				
Less than 6 months	354,788	98	447,057	99
6 months – 1 year	3,787	1	965	1
Over 1 year	3,496	1	658	-
	362,071	100	448,680	100
Trade payables under endorsed bills	440,265		317,373	
	802,336		766,053	

15. Share Capital

	Number of shares		Ordinary shares	
	2008 <i>in thousand</i>	2007 <i>in thousand</i>	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Authorised:				
Ordinary shares of HK\$0.05 each at 1 January and 31 December	6,000,000	6,000,000	300,000	300,000
Issued and fully paid:				
At 1 January	2,058,721	1,714,441	102,936	85,722
Shares repurchased and cancelled during the year	(30,116)	-	(1,506)	-
Issue of new shares under share option scheme	500	2,400	25	120
Conversion of convertible bonds into the Company's shares	-	341,880	-	17,094
At 31 December	2,029,105	2,058,721	101,455	102,936

In 2008, the Company repurchased 30,916,000 shares of its own shares from the market, of which 30,116,000 shares were cancelled during the year and the remaining 800,000 shares were cancelled subsequent to the balance sheet date. Pursuant to Section 49H of the Hong Kong Companies Ordinance, an amount equivalent to the nominal value of these repurchased and cancelled shares of HK\$1,506,000 was transferred from retained profits to capital redemption reserve. The premium paid and the expenses incurred for the shares repurchased and cancelled during the year, amounting to HK\$30,711,000 and HK\$162,000 respectively, were charged to retained profits.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The global economic downturn as a result of the financial tsunami in the second-half of 2008 caused a sharp fall in the prices of aluminium and alumina. This, combined with the upsurge of cost of imported alumina as a result of the climbing global energy prices in the first three quarters of the year, severely affected the business performance of the Group in 2008. Despite this difficult situation, the Group completed the acquisition of 33% stake in Guangxi Huayin Aluminium Company Limited (“Guangxi Huayin”) and increased its equity stake in North China Aluminum Company Limited (“NCA”) to 72.8%. These moves of diversifying itself into up-stream and down-stream operations would make the Group less vulnerable to the risk of commodity cycle.

The Group recorded consolidated revenue of HK\$8,450.3 million for the year ended 31 December 2008, representing a 15.2% year-on-year increase. However, because of margin erosion, write-downs of inventories as well as the non-cash impairment provision for alumina purchasing rights, the profit attributable to equity holders of the Company declined from HK\$845.7 million in 2007 to HK\$12.5 million in 2008.

FINANCIAL REVIEW

Changes in accounting policies

The Group has changed its accounting policy on jointly-controlled companies from proportionate consolidation to equity method for accounting periods beginning on or after 1 January 2008. This new accounting policy has been applied retrospectively and certain comparative figures for 2007 are restated accordingly. However, such change would not have any impact on the Group’s consolidated net assets as at 31 December 2008 and 2007 and the Group’s consolidated net profit as well as the basic and diluted earnings per share for the years ended 31 December 2008 and 2007. For further details, please refer to Note 3 in the Notes to the Financial Information.

Revenue

	2008	2007	Increase/(Decrease)	
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	%
Trading	6,310.4	5,373.0	937.4	17.4
Aluminium fabrication	1,875.9	1,814.0	61.9	3.4
Other operations	264.0	150.2	113.8	75.8
Total external revenue	8,450.3	7,337.2	1,113.1	15.2

Despite the sustained decline in aluminium and alumina prices, the Group recorded 15.2% year-on-year revenue growth in 2008. Revenue from the Group’s core operations, including trading and aluminium fabrication, increased 17.4% and 3.4% respectively. The improvement was mainly driven by sales volume growth. This reflects the Group’s success in widening its procurement sources of alumina supply - in both international and the PRC markets, and expanding further into different segments along the aluminium business chain.

Gross profit

Due to the decrease in gross profit margin and a write-down of inventories of HK\$142.7 million at the year-end of 2008, the Group's gross profit decreased from HK\$859.8 million to HK\$336.2 million. Overall gross profit margin reduced from 11.7% in 2007 to 4.0% in 2008, which was mainly due to the reduction in gross profit margin of the core businesses – trading of alumina and aluminium ingots as well as the write-down of inventories as mentioned above.

In 2008, the Group suffered pressure on both the sales and cost sides of its trading operation. The adverse factors include: (i) the disruption in production of certain PRC aluminium smelters – because of the snow storms in Southern China in early 2008 – has driven down the demand for alumina; (ii) market sentiment turned even more negative with the hit of the financial tsunami – oversupply continues to grow; and (iii) imported cost alumina remained high in most of the time throughout the year because of rising fuel costs. The downturn of energy prices, though substantial in the last few months, provided little immediate relief on the procurement cost for 2008.

Selling expenses

During the year, the Group's selling expenses increased by 34.1% to HK\$107.3 million (2007: HK\$80.0 million). This was partly due to the growth in turnover and partly due to the escalating transportation charge and other logistics costs. Selling expenses to revenue ratio rose from 1.1% to 1.3%.

Administrative expenses

During the year, the Group's administrative expenses rose by 17.1% to HK\$190.7 million (2007: HK\$162.9 million). The increase was mainly due to: (i) legal and other professional fees incurred for the investment projects undertaken during the year; (ii) increased business expenses as a result of higher sales and production volume; and (iii) inflated labour and other running costs. Administrative expenses to revenue ratio increased from 2.2% to 2.3%.

Other income

The Group recorded other income of HK\$31.3 million in 2008, as compared to HK\$90.5 million in 2007. The difference was mainly attributable to a tax refund granted to the Group in 2007 as a result of its reinvestment in a PRC subsidiary.

Other gains - net

Other gains – net decreased from HK\$158.9 million in 2007 to HK\$57.2 million in 2008. The decrease in other gains – net was mainly attributable to: (i) a decrease in the net exchange gains from HK\$120.3 million in 2007 to HK\$67.2 million in 2008 as a result of the depreciation of Australian dollars and the slowing down of appreciation of Renminbi against other currencies; and (ii) net losses of HK\$12.9 million were reported in respect of the realised gains/losses and mark-to-market fair value adjustments on aluminium forward/futures contracts in 2008, compared to net gains of HK\$31.0 million in 2007.

Finance costs - net

Finance costs – net decreased by HK\$4.0 million to HK\$24.6 million (2007: HK\$28.6 million) in 2008. The decrease was mainly attributable to: (i) no interest on convertible bonds was recorded in 2008 (2007: HK\$47.0 million) as the conversion of outstanding bonds had been completed in 2007; and (ii) decrease in interest income because of the reduction in interest rates as well as cash surplus in 2008.

Share of post-tax profits less losses of jointly-controlled companies

The Group's share of the results of its jointly-controlled companies is as follows:

Jointly-controlled company	Interest held	2008 <i>HK\$ million</i>	2007 <i>HK\$ million</i>
Changzhou Jinyuan Copper Company Limited ("Changzhou Jinyuan")	36%	(4.4)	18.2
Guangxi Huayin	33%	(33.6)	-
Mincenco Limited ("Mincenco") (Note)	51%	(17.5)	(3.9)
Share of post-tax profits less losses of jointly- controlled companies		(55.5)	14.3

Note : In addition to the above share of losses, the Group also made a provision for the losses in Mincenco of HK\$6.1 million (2007: HK\$0.8 million).

- Changzhou Jinyuan - Sales volume and revenues of copper rods and copper wires decreased by 3.7% and 7.9% respectively because of weakened demand and severe market competition. However, the most critical factor that caused the loss for 2008 was the significant decline in copper prices near the year end, bringing a mark-to-market loss in respect of outstanding copper futures contracts, as opposite to a gain in 2007, to Changzhou Jinyuan.
- Guangxi Huayin - Reported loss in 2008 because of write-down of inventories at the year end in response to the substantial decline in alumina price at that time.
- Mincenco - No revenue was derived in 2008 since the Jamaican alumina refinery project was still in the exploration and feasibility study stage.

Share of post-tax profits less losses of associates

The Group's share of the results of its associates is as follows:

Associate	Interest held	2008 <i>HK\$ million</i>	2007 <i>HK\$ million</i>
Sino Nickel Pty Ltd ("Sino Nickel")	40%	13.7	30.8
Qingdao M.C. Packaging Limited ("Qingdao M.C.")	20%	7.9	3.4
Others		0.9	0.1
Share of post-tax profits less losses of associates		22.5	34.3

- Sino Nickel - Average selling price of nickel concentrate spiralled down by more than 30% compared to 2007 and trading profit margin also lowered than before.
- Qingdao M.C. - Profit from aluminum cans production improved due to reduced raw material costs and sales growth.

SEGMENTAL ANALYSIS

Trading

In 2008, trading business accounted for 74.7% (2007: 73.2%) of the Group's external revenue and contributed HK\$63.3 million (2007: HK\$1,066.0 million) to the Group's operating profit. Alumina and aluminium ingots remained the major trading products for the year, representing about 73.6% (2007: 73.6%) and 26.4% (2007: 26.3%) respectively of the external revenue of this segment.

		2008	2007	Increase/ (Decrease)	%
External revenue	(HK\$ million)				
Alumina		4,641.4	3,954.5	686.9	17.4
Aluminium ingot		1,666.3	1,412.9	253.4	17.9
Others		2.7	5.6	(2.9)	(51.8)
Total		6,310.4	5,373.0	937.4	17.4
Sales volume	('000 tonnes)				
Alumina		1,429.0	1,128.0	301.0	26.7
Aluminium ingot		101.5	83.4	18.1	21.7
Average selling price	(HK\$ per tonne)				
Alumina		3,248	3,506	(258)	(7.4)
Aluminium ingot		16,420	16,950	(530)	(3.1)
Segment result	(HK\$ million)	63.3	1,066.0	(1,002.7)	(94.1)

Weakening demand and negative market sentiment posed significant challenge to the Group's trading business. Compared to 2007, the market price of alumina in the PRC experienced much volatile changes in 2008.

In 2007, alumina price rebounded to RMB3,600 per tonne in the first quarter after hitting a low level of RMB2,500 per tonne by end of 2006. Price then showed some ease back in the middle of the year. But in the last two months, price started to rise again and reached the level of about RMB4,200 to RMB4,500 per tonne.

In 2008, except in the first few months, alumina price showed a continuous slide throughout the year. Price began to lose its strength in the second quarter and dropped to about RMB3,900 per tonne at the quarter end. And in the next few months, price continued to decline and fall to about RMB2,900 per tonne in October. The situation went from bad to worse by the end of the year. Price plummeted even further to about RMB2,000 per tonne or lower amid the global financial crisis.

Despite the sustained decline in alumina price, the Group still managed to achieve revenue growth of 17.4% in its trading business. During the year, the Group leveraged on its competitive strengths in the imported alumina market and expanded into upstream operation. Through the acquisition of 33% interest in Guangxi Huayin, it has secured a stable and long-term supply of the PRC domestically-produced alumina and strengthened its market position. Therefore, the trade volume of alumina could still grow by 26.7% under the difficult market situation in 2008.

To further diversify risk and expand its customer network, the Group also engaged in tolling, sourcing and trading of aluminium ingots. Through the cooperation with aluminium smelters, the Group could be more flexible in meeting the customers' demand for alumina and aluminium ingots and thus enhanced its marketing capabilities. Trading volume of aluminium ingots increased 21.7% in 2008 when compared to 2007.

However, climbing global energy prices increased the cost of imported alumina as well as transportation cost. The downturn of these costs, which occurred in the last few months of the year, offered no great help to the overall result for 2008. At the year end of 2008, due to the drastic decline in the market prices of aluminium and alumina, the Group wrote down the aluminium and alumina stocks of this segment by approximately HK\$130.4 million. Besides, a provision for impairment of alumina purchasing rights of HK\$46.2 million, as opposite to a reversal of provision of HK\$257.6 million in last year, was made in 2008. Significant decline in sales price, rising procurement cost, massive write-down of inventories and provision for impairment of alumina purchasing rights caused the contribution from the Group's trading segment decreased sharply by HK\$1,002.7 million to HK\$63.3 million in 2008.

Aluminium Fabrication

Aluminium fabrication accounted for 22.2% (2007: 24.7%) of the Group's external revenue and contributed HK\$29.9 million (2007: HK\$52.2 million) to the Group's operating profit in 2008. The Group operated its aluminium fabrication business through NCA, a subsidiary owned as to 72.8% by the Group as at 31 December 2008.

		2008	2007	Increase/ (Decrease) %	
External revenue	(HK\$ million)	1,875.9	1,814.0	61.9	3.4
Sales volume	('000 tonnes)	78.4	76.6	1.8	2.3
Segment result	(HK\$ million)	29.9	52.2	(22.3)	(42.7)

As compared to 2007, sales volume and external sales revenue in this segment recorded a slight growth of 2.3% and 3.4% respectively. However, significant decline in aluminium price in the third quarter of 2008 severely undermined the growth momentum carried forward from the first-half of 2008.

In 2008, NCA strived to expand its market share in the aluminium foil stock and PS plate market. Improvement in product quality and reliability has gained widespread acceptance among different customers. Besides, NCA also spared no effort in optimising its product mix so as to maintain and improve its profit margin. However, surging operating costs, such as labour, repair and maintenance as well as research and development expenses, caused a drop in the contribution from this segment from HK\$52.2 million in 2007 to HK\$29.9 million in 2008.

The construction of a new aluminium foil production line is underway. It is anticipated that this new production line, which can enhance NCA's annual production capacity by 25,000 tonnes, can commence production in the last quarter of 2009.

Other operations

This segment, which mainly included the production and sale of aluminium processing equipment, production and sale of plica tubes (flexible metals conduits) and port logistics services, accounted for 3.1% (2007: 2.0%) of the Group's external revenue and contributed HK\$12.2 million (2007: HK\$12.7 million) to the Group's operating profit in 2008.

OTHER FINANCIAL INFORMATION

Financial Resources and Liquidity

Notwithstanding the rapid downturn of the global economy and the volatile changes in the commodity market, the Group has maintained a healthy financial and liquidity position in 2008. During the year, total assets and shareholders' equity increased by 2.3% to HK\$8,909.9 million and decreased by 3.4% to HK\$6,092.1 million respectively. As at 31 December 2008, current ratio was 2.0 (2007: 3.1).

As at 31 December 2008, the Group was in a net cash position of HK\$970.0 million, representing cash and bank deposits of HK\$1,905.9 million less total borrowings of HK\$935.9 million (comprising bank borrowings of HK\$848.6 million and advances from banks for discounted bills of HK\$87.3 million). Hence, gearing ratio (defined as total borrowings less cash and bank deposits divided by shareholders' equity) is not applicable.

The Group's cash and bank deposits, amounting to HK\$1,905.9 million at 31 December 2008, were mainly denominated in Hong Kong dollars (14%), Renminbi (30%) and US dollars (55%).

As at 31 December 2008, the profile of the Group's bank borrowings was as follows:

- (1) 44% were in Renminbi and 56% in US dollars;
- (2) 28% were in fixed rates and 72% were in floating rates;
- (3) 36% were repayable within 1 year, 12% were repayable between 1 and 2 years, 23% were repayable between 2 and 5 years and 29% were repayable after 5 years.

Material Acquisitions and Disposals

In mid-January 2008, the Group completed the acquisition of 16.31% interest in NCA, a non-wholly owned subsidiary of the Group engaging in the production of aluminium foils and extrusions, and increased its equity interest in NCA to 67.31%. Through a capital injection in September 2008, for which the Group contributed RMB98.8 million (equivalent to approximately HK\$112.6 million) in cash, the Group's stake in NCA further increased to 72.8%.

By the end of April 2008, the Group completed the acquisition of 33% interest in Guangxi Huayin Aluminium Company Limited, a jointly-controlled company engaging in the production and sale of alumina and related products. The total cost for this acquisition was about RMB920.4 million (equivalent to approximately HK\$1,012.5 million).

In light of the adverse and sustained volatile market conditions, the Company announced on 2 December 2008 the exit from the proposed investment in Qinghai Province Investment Group Limited ("Qinghai Investment"). Deposit of approximately US\$28.7 million (equivalent to approximately HK\$223.6 million) previously made by the Group to Qinghai Investment was refunded in December 2008.

Except for the above, there was no material acquisition or disposal of investments by the Group for the year ended 31 December 2008.

Significant Investments Held

Taking into account the additional shares acquired through the rights issue of shares made by Sino Gold Limited ("Sino Gold") in 2008, the Group held approximately 11.5 million shares in Sino Gold, with a carrying value of approximately HK\$309.8 million as at 31 December 2008. Sino Gold is a gold mining company with a primary listing in Australia and a secondary listing in Hong Kong.

Contingent Liabilities

The Group had no material contingent liability as at 31 December 2008.

Capital Expenditure and Commitments

The Group incurred capital expenditure of approximately HK\$158.5 million for year ended 31 December 2008, mainly related to the construction of a new aluminium foil production line and the upgrade of other production facilities.

The Group's capital commitments as at 31 December 2008 amounted to HK\$283.0 million, which were mainly related to the construction of a new aluminium foils production line as well as the expansion of other production facilities in the Group's aluminium fabrication business.

Charge on Assets

As at 31 December 2008, the following assets of the Group were pledged to certain banks for the banking facilities granted to the Group:

- (1) All the equity interests of a wholly owned subsidiary, Sino Mining Alumina Limited ("Sino Mining") and all the assets of Sino Mining;
- (2) Certain property, plant and equipment, land use rights as well as inventories of the Group with a total carrying amount of approximately HK\$476.2 million; and
- (3) Bank deposits of approximately HK\$38.2 million.

Risk Management

Set out below are the major risk areas that the Group may enter into derivative contracts from time to time to hedge against the risks.

(a) Commodity price risk

To mitigate the price risk of the commodity cycle that may cause to its trading and aluminium fabrication operations, the Group has entered into certain aluminium forward/futures contracts in 2008. As at 31 December 2008, the Group's long and short positions in aluminium forward/futures contracts amounted to approximately 10,040 tonnes and 7,625 tonnes respectively.

(b) Interest rate risk

To reduce the impact of interest rate fluctuation on its operation, the Group has arranged interest rate swaps of certain floating-rate bank borrowings into fixed-rate borrowings. The outstanding principal amount of the Group's interest rate swaps as at 31 December 2008 amounted to approximately HK\$475.8 million.

(c) Foreign exchange risk

The Group's foreign exchange risk exposure primarily lies on its operations in Hong Kong, Mainland China and Australia. Given the exchange rate peg between Hong Kong dollars and United States dollars, it is not foreseen that the Group will be exposed to significant risk for transactions conducted in these two currencies. However, exchange rate fluctuations between Renminbi or Australian dollars and Hong Kong dollars may affect the Group's performance and asset value. The Group had not entered into any derivative contracts to hedge against this risk for the year ended 31 December 2008.

Human Resources

At 31 December 2008, the Group's total headcount stood at approximately 2,414 (not including the employees of jointly-controlled companies and associates), of which 18 were based in Hong Kong, 12 were in Australia and the remaining ones were in Mainland China. The total staff costs, including the directors' emoluments, for the year ended 31 December 2008 amounted to HK\$148.5 million.

The Group adopts salary policies in line with market practice and motivates its staff with performance-based remuneration package. Award such as discretionary bonuses and share options are granted to eligible staff in accordance with individual and group performance. Training and development programmes will be offered to staff at different levels as and when appropriate.

Outlook

Under the highly volatile market conditions, the management had taken a cautious approach to ensure business operations stability with special emphases on strengthening risk and treasury management. Looking forward, global economic environment is expected to remain difficult. The strategies of Minmetals Resources include the following: we will continue riding on alumina and aluminium ingot trading business and our competitive edges to expedite integration by expanding resources and fabrication segments in the business supply chain; we will cultivate new investment projects and profit growth drivers by developing businesses which the Group has profound niches and distinct competitiveness; by capitalising on its status as China Minmetals Corporation's overseas platform for non-ferrous metals businesses, we will gradually develop into an international metals and mining conglomerate.

The management of Minmetals Resources will unflinchingly work step-by-step towards the long-term goals in accordance with the predetermined strategies. This means we will continue to grasp investment and acquisition opportunities, enhance business supply chain and the Company's core competitiveness for creating shareholder value and return.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 20 May 2009 to 25 May 2009, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the annual general meeting of the Company to be held on 25 May 2009, all completed transfer forms accompanied by the relevant share certificates must be lodged with the share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on 19 May 2009.

CORPORATE GOVERNANCE

Corporate Governance Practices

The Company is committed to maintain a high standard of corporate governance practices by emphasising a quality board of directors, sound internal control, transparency and accountability to all the shareholders of the Company.

The Company has complied with all the code provisions set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") throughout the year ended 31 December 2008 except for the deviation from code provision E.1.2 that the chairman of the Board should attend the annual general meeting. The chairman of the Board had not attended the annual general meeting of the Company held on 14 May 2008 due to ad hoc business commitment. The chairman of the Board will endeavor to attend all future annual general meetings of the Company.

Securities Transactions by Directors

The Company has adopted a code for securities transactions by directors of the Company (the "Code of Conduct") on terms no less exacting than the required standard of the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules.

Having made specific enquiry with all the directors of the Company, all of them confirmed that they have complied with the required standard set out in the Model Code and the Code of Conduct during the year ended 31 December 2008.

Audit Committee

The audit committee of the Company comprises three independent non-executive directors, namely Mr. Li Dongsheng, Mr. Chan Wai Dune and Mr. Ting Leung Huel, Stephen and one non-executive director, Mr. Zong Qingsheng. Mr. Ting Leung Huel, Stephen is the chairman of the audit committee. The principal duties of the audit committee include the review and supervision of the financial reporting process and internal control system of the Group. The audit committee has reviewed the financial statements of the Group for the year ended 31 December 2008.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year, the Company repurchased a total of 30,916,000 ordinary shares of HK\$0.05 each of the Company on the Stock Exchange. The repurchases were effected by the Board for the enhancement of long-term shareholder value. Details of the repurchases by month are as follows:

Month of repurchases	Number of shares repurchased	Purchase price per Share		Aggregate purchase price HK\$
		Highest HK\$	Lowest HK\$	
September 2008	13,416,000	1.57	1.10	17,994,400
October 2008	8,268,000	1.31	0.62	7,093,400
November 2008	6,032,000	0.88	0.67	4,698,920
December 2008	3,200,000	1.13	0.90	3,301,000
	<u>30,916,000</u>			<u>33,087,720</u>

For all the shares repurchased in 2008, 30,116,000 shares were cancelled on delivery of share certificates during the year and the remaining 800,000 shares were cancelled on delivery of share certificates subsequent to the financial year. The premium paid and the expenses incurred for the shares repurchased and cancelled during the year, amounting to approximately HK\$30,711,000 and approximately HK\$162,000 respectively, were charged to retained profits.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is also published on the website of the Company at www.minmetalsresources.com. The Annual Report 2008 of the Company will be despatched to the shareholders and will be available on the websites of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the Company respectively in due course.

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

Hong Kong, 31 March 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. Ren Suotang; six are non-executive directors, namely Mr. Zhou Zhongshu (Chairman), Mr. Xu Huizhong (Vice Chairman), Ms. Shen Ling, Mr. Zong Qingsheng, Mr. Wang Lixin and Mr. Cui Hushan; and three are independent non-executive directors, namely Mr. Li Dongsheng, Mr. Chan Wai Dune and Mr. Ting Leung Huel, Stephen.