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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)**

**DISCLOSEABLE TRANSACTION  
IN RELATION TO CAPITAL INJECTION  
INTO YIN FA TRANSPORTATION**

The Directors is pleased to announce that on 5 November 2009, the Directors approved the Capital Increase Agreement pursuant to which North China Aluminium, an indirect non-wholly owned subsidiary of the Company, subscribed for new registered capital of Yin Fa Transportation in the amount of RMB1,567,642 (equivalent to approximately HK\$1,787,112). The Capital Injection of RMB1,567,642 (equivalent to approximately HK\$1,787,112) was contributed wholly by North China Aluminium and the equity interest in Yin Fa Transportation held by North China Aluminium increased from 48.5% to 65%.

As one of the applicable percentage ratios for the Capital Injection is more than 5% but less than 25%, the Capital Injection constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

**THE CAPITAL INCREASE AGREEMENT**

The Directors is pleased to announce that on 5 November 2009, the Directors approved the Capital Increase Agreement pursuant to which North China Aluminium, an indirect non-wholly owned subsidiary of the Company, subscribed for new registered capital of Yin Fa Transportation in the amount of RMB1,567,642 (equivalent to approximately HK\$1,787,112). Pursuant to the Capital Increase Agreement, certain capital reserve of Yin Fa Transportation would be capitalised into registered capital and after capitalisation, the registered capital of Yin Fa Transportation would be increased by RMB1,500,000 (equivalent to approximately HK\$1,710,000) to RMB2,300,000 (equivalent to approximately HK\$2,622,000) and its capital reserve would be increased by RMB67,642 (equivalent to approximately HK\$77,112). The said sum of RMB1,567,642 (equivalent to approximately HK\$1,787,112) was contributed wholly by North China Aluminium. The equity interest in Yin Fa Transportation held by North China Aluminium increased from 48.5% to 65%.

## AMOUNT OF THE CAPITAL INJECTION

The amount of the Capital Injection pursuant to the Capital Increase Agreement is RMB1,567,642 (equivalent to approximately HK\$1,787,112), which was paid by North China Aluminium in the following manner:

- (i) North China Aluminium transferred 15 forklifts to Yin Fa Transportation. The appraised value of 15 forklifts as at 31 December 2008 was RMB1,080,025 (equivalent to approximately HK\$1,231,229); and
- (ii) The remaining of RMB487,617 (equivalent to approximately HK\$555,883) was paid in cash.

The amount of the Capital Injection was arrived at after arm's length negotiation between North China Aluminium and Yin Fa Transportation with reference to the appraised net asset value of Yin Fa Transportation as at 31 December 2008 and appraised value of 15 forklifts as at 31 December 2008 which were transferred from North China Aluminium to Yin Fa Transportation. The Group funded the Capital Injection out of its internal financial resources.

## INFORMATION ABOUT YIN FA TRANSPORTATION

Yin Fa Transportation is a limited liability company incorporated in the PRC. Its principal business is provision of transportation services.

The following financial information is extracted from the audited financial statements of Yin Fa Transportation, which were prepared in accordance with the PRC generally accepted accounting principles:

	<b>For the year ended</b>	
	<b>31 December</b>	
	2008	2007
	<i>RMB</i>	<i>RMB</i>
Revenue	23,719,006	17,069,139
Profit before taxation	1,180,833	198,831
Profit after taxation	878,683	130,561
	<b>As at 31 December</b>	
	2008	2007
	<i>RMB</i>	<i>RMB</i>
Net asset value	2,128,381	1,329,698

## **FINANCIAL EFFECTS OF THE CAPITAL INJECTION ON THE GROUP**

Prior to completion of the Capital Increase Agreement, Yin Fa Transportation was owned by North China Aluminium as to 48.5% of its registered capital. The Group's interest in Yin Fa Transportation was equity accounted for as an interest in an associated company in the Group's consolidated financial statements. Following completion of the Capital Increase Agreement, Yin Fa Transportation became a 65%-owned subsidiary of North China Aluminium and financials of Yin Fa Transportation were consolidated in the Group's consolidated financial statements since then.

## **REASONS FOR AND BENEFITS OF THE CAPITAL INJECTION**

The additional funding under the Capital Increase Agreement provided further financial support to Yin Fa Transportation to expand its business. Given the Capital Injection, the Group increased its equity interest in Yin Fa Transportation from 48.5% to 65% and could enhance its participation in the management and operation of Yin Fa Transportation.

The Directors are of the view that the terms of the Capital Increase Agreement are fair and reasonable and in the interests of the Company and its 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 refinery and plica tubes production in the PRC.

## **GENERAL**

As one of the applicable percentage ratios for the Capital Injection is more than 5% but less than 25%, the Capital Injection constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

“Capital Increase Agreement”	an agreement dated 8 September 2009 entered into between North China Aluminium and Yin Fa Transportation in respect of the increase of registered capital of Yin Fa Transportation
“Capital Injection”	the injection as the additional capital of Yin Fa Transportation by North China Aluminium in the amount of RMB1,567,642 (equivalent to approximately HK\$1,787,112) pursuant to the Capital Increase Agreement
“Company”	Minmetals Resources Limited (五礦資源有限公司), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Hong Kong Stock Exchange

“Directors”	the board of directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“North China Aluminium”	華北鋁業有限公司 (North China Aluminium Company Limited), a sino-foreign equity joint venture established under the laws of the PRC and an indirect non-wholly owned subsidiary of the Company
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“RMB”	Renminbi, the lawful currency of the PRC
“Yin Fa Transportation”	涿州銀發運輸有限責任公司 (Zhuozhou Yin Fa Transportation Company Limited), a limited liability company established under the laws of the PRC
%	per cent

Solely for convenience and except as otherwise noted, this announcement contains translations of RMB amounts into HK dollars at a rate of RMB1.00 = HK\$1.14.

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

Hong Kong, 5 November 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.*