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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)**

## **CONTINUING CONNECTED TRANSACTIONS**

This announcement is made pursuant to Rule 14A.41 of the Listing Rules.

On 26 August 2010, MMA, a direct wholly-owned subsidiary of the Company, entered into: (a) the Purchase Framework Agreement with Shanxi Guanlv in relation to the purchase of aluminium ingots by MMA from Shanxi Guanlv; and (b) the Sale Framework Agreement with Shanxi Guanlv in relation to the sale of alumina by MMA to Shanxi Guanlv.

CMC, through holding of approximately 91.57% equity interests in CMN, which in turn holds approximately 63.39% of the issued share capital of the Company as at the date of this announcement, is an ultimate controlling shareholder of the Company. CMC also holds approximately 29.9% in the equity interests in Shanxi Guanlv. Prior to the Extraordinary General Meeting, CMC nominated four out of nine directors of the Shanxi Guanlv Board. At the Extraordinary General Meeting, the shareholders of Shanxi Guanlv approved the appointment of an additional director nominated by CMC to fill a vacancy in the Shanxi Guanlv Board. Upon the approval by the shareholders of Shanxi Guanlv at the Extraordinary General Meeting, the directors nominated by CMC became to hold a majority of the voting rights at the Shanxi Guanlv Board, rendering Shanxi Guanlv a subsidiary of CMC and hence a connected person of the Company.

Pursuant to Rule 14A.41 of the Listing Rules, the Transactions became continuing connected transactions of the Company on 12 November 2010 and the Company is required to comply with the reporting and disclosure requirements. Going forward, any transaction to be entered into between the Company and/or its subsidiaries on the one hand and Shanxi Guanlv and/or its subsidiaries on the other will be subject to the relevant requirements under Chapter 14A of the Listing Rules.

## THE PURCHASE FRAMEWORK AGREEMENT

On 26 August 2010, MMA entered into the Purchase Framework Agreement with Shanxi Guanlv in relation to the purchase of aluminium ingots by MMA from Shanxi Guanlv. The principal terms of the Purchase Framework Agreement are set out below:

Parties	:	(1) MMA (as purchaser) (2) Shanxi Guanlv (as seller)
Product to be purchased	:	Aluminium ingots
Pricing	:	The price of the aluminium ingots is to be determined by reference to the monthly average of the settlement price of aluminium ingots quoted on the Shanghai Futures Exchange for the month during which such aluminium ingots are delivered less an agreed sum per tonne
Term	:	From September 2010 to December 2011
Maximum volume to be purchased per month	:	The maximum volume of aluminium ingots to be purchased shall not exceed 8,000 tonnes per month
Payment terms	:	Payment shall be made within three working days after the goods are delivered and the issuance of invoice for the month

The terms of the Purchase Framework Agreement were arrived at after arm's length negotiations between the Group and Shanxi Guanlv.

The maximum amount of the Purchase Transactions for the period from 12 November 2010 to 31 December 2010 will be RMB180,816,533 (approximately HK\$211,555,344) (net of value-added tax) and the maximum annual amount of the Purchase Transactions for the financial year ending 31 December 2011 will be RMB1,328,448,000 (approximately HK\$1,554,284,160) (net of value-added tax) by reference to the latest settlement price of aluminium ingots quoted on the Shanghai Futures Exchange, and the maximum volume of aluminium ingots to be purchased under the Purchase Framework Agreement.

## **THE SALE FRAMEWORK AGREEMENT**

On 26 August 2010, MMA entered into the Sale Framework Agreement with Shanxi Guanlv in relation to the sale of alumina by MMA to Shanxi Guanlv. The principal terms of the Sale Framework Agreement are set out below:

Parties	:	(1) Shanxi Guanlv (as purchaser) (2) MMA (as seller)
Product to be sold	:	Alumina
Pricing	:	The price of the alumina is to be determined with reference to the prevailing market price of the alumina
Term	:	From September 2010 to December 2011
Maximum volume to be sold	:	The maximum volume of alumina to be sold shall not exceed 280,000 tonnes
Payment terms	:	Payment shall be made in cash or by bank's acceptance bill. Detailed payment terms shall be agreed prior to each transaction

The terms of the Sale Framework Agreement were arrived at after arm's length negotiations between the Group and Shanxi Guanlv.

The maximum amount of the Sale Transactions for the period from 12 November 2010 to 31 December 2010 will be RMB70,858,083 (approximately HK\$82,903,957) (net of value-added tax) and the maximum annual amount of the Sale Transactions for the financial year ending 31 December 2011 will be RMB520,590,000 (approximately HK\$609,090,300) (net of value-added tax) by reference to the latest market price of alumina in the PRC market, and the maximum volume of alumina to be sold under the Sale Framework Agreement.

## **REASONS FOR AND BENEFITS OF THE TRANSACTIONS**

The Group is principally engaged in the trading of non-ferrous metals, with alumina as its main products. The Purchase Transactions increased/will increase the Group's secured source of aluminium ingots for its trading business. The Sale Transactions increased/will increase the Group's sale of alumina.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Sale Framework Agreement and the Purchase Framework Agreement are on normal commercial terms, and are fair and

reasonable and in the interests of the shareholders of the Company as a whole. No Director has any material interest in the Transactions which prohibits him/her to vote and no Director has abstained from approving the unanimous Board resolution.

## **LISTING RULES IMPLICATIONS**

This announcement is made pursuant to Rule 14A.41 of the Listing Rules.

CMC, through holding of approximately 91.57% equity interests in CMN, which in turn holds approximately 63.39% of the issued share capital of the Company as at the date of this announcement, is an ultimate controlling shareholder of the Company. CMC also holds approximately 29.9% in the equity interests in Shanxi Guanlv. Prior to the Extraordinary General Meeting, CMC nominated four out of nine directors of the Shanxi Guanlv Board. At the Extraordinary General Meeting, the shareholders of Shanxi Guanlv approved the appointment of an additional director nominated by CMC to fill a vacancy in the Shanxi Guanlv Board. Upon the approval by the shareholders of Shanxi Guanlv at the Extraordinary General Meeting, the directors nominated by CMC became to hold a majority of the voting rights at the Shanxi Guanlv Board, rendering Shanxi Guanlv a subsidiary of CMC and hence a connected person of the Company.

Pursuant to Rule 14A.41 of the Listing Rules, the Transactions became continuing connected transactions of the Company on 12 November 2010 and the Company is required to comply with the reporting and disclosure requirements. Going forward, any transaction to be entered into between the Company and/or its subsidiaries on the one hand and Shanxi Guanlv and/or its subsidiaries on the other will be subject to the relevant requirements under Chapter 14A of the Listing Rules.

## **INFORMATION ABOUT THE COMPANY**

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 SHANXI GUANLV**

Shanxi Guanlv, a company established under the laws of the PRC and is listed on the Shenzhen Stock Exchange in the PRC. It is currently owned as to 29.9% by CMC. Shanxi Guanlv is principally engaged in the production and sale of aluminium ingots and related products.

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“Board”	the board of Directors
“CMC”	中國五礦集團公司 (China Minmetals Corporation), formerly known as 中國五金礦產進出口總公司 (China National Metals and Minerals Import and Export Corporation), a State-owned enterprise incorporated on 7 April 1950 under the laws of the PRC and the ultimate controlling shareholder of the Company
“CMN”	五礦有色金屬股份有限公司 (China Minmetals Non-Ferrous Metals Company Limited), a joint stock limited company incorporated on 27 December 2001 under the laws of the PRC and owned as to approximately 91.57% by CMC as at the date of this announcement. CMN is a controlling shareholder of the Company, holding approximately 63.39% of the issued share capital of the Company as at the date of this announcement
“Company”	Minmetals Resources Limited, a company incorporated on 29 July 1988 in Hong Kong with limited liability, the shares of which are listed and traded on the main board of the stock exchange operated by the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Extraordinary General Meeting”	the extraordinary general meeting of Shanxi Guanlv held on 12 November 2010
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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
“Purchase Framework Agreement”	the sale and purchase agreement entered into between MMA and Shanxi Guanlv on 26 August 2010 which is supplemented by a supplemental agreement dated 30 August 2010 in relation to the purchase of aluminium ingots by MMA from Shanxi Guanlv for the period from September 2010 to December 2011
“Purchase Transactions”	the transactions contemplated under the Purchase Framework Agreement
“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
“Sale Framework Agreement”	the sale and purchase agreement entered into between MMA and Shanxi Guanlv on 26 August 2010 in relation to the sale of alumina by MMA to Shanxi Guanlv for the period from September 2010 to December 2011
“Sale Transactions”	the transactions contemplated under the Sale Framework Agreement
“Shanxi Guanlv”	山西關鋁股份有限公司 (Shanxi Guanlv Co., Ltd.), a company established under the laws of the PRC the shares of which are listed on the Shenzhen Stock Exchange in the PRC and is currently owned as to 29.9% by CMC
“Shanxi Guanlv Board”	the board of directors of Shanxi Guanlv
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“subsidiary”	has the meaning ascribed to it under the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Transactions”	the Sales Transactions and the Purchase Transactions
“%”	percentage

*Unless otherwise specified, conversion of RMB into HK\$ in this announcement is based on the exchange rate of RMB1.00 = HK\$1.17 for the purpose of illustration only. No representation is made and there is no assurance that RMB or HK\$ can be purchased or sold at such rate.*

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

Hong Kong, 15 November 2010

*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), Ms. Shen Ling, Mr. Wang Lixin, Mr. Zong Qingsheng, Mr. Xu Jiqing and Mr. Li Liangang; and three are independent non-executive directors, namely Mr. Li Dongsheng, Mr. Ting Leung Huel, Stephen and Mr. Loong Ping Kwan.*