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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 TRANSACTION**

### **RULE 14A.66 OF THE LISTING RULES**

On 23 December 2011, MMG entered into the Facility Agreement with Album Enterprises pursuant to which MMG agreed to make loan facilities available to Album Enterprises on an uncommitted basis.

Album Enterprises is a substantial shareholder of the Company and a wholly-owned subsidiary of CMN, and is therefore a connected person of the Company under the Listing Rules. As a result, the Facility Agreement constitutes a continuing connected transaction for the Company. As the relevant percentage ratios in respect of the Facility Agreement are less than 5%, it constitutes a continuing connected transaction which is subject to the reporting and announcement requirements under Rule 14A.66 of the Listing Rules but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

### **THE FACILITY AGREEMENT**

On 23 December 2011, MMG entered into the Facility Agreement with Album Enterprises pursuant to which MMG agreed to make loan facilities available to Album Enterprises on an uncommitted basis, which loans are to be used for general corporate purposes of Album Enterprises. The principal terms of the Facility Agreement are set out below:

- Parties : (1) MMG  
(2) Album Enterprises
- Annual limit of loan facility : US\$100,000,000 (equivalent to approximately HK\$778,000,000), or such other amount as may be notified by MMG in its absolute discretion to Album Enterprises in writing from time to time. Monies may be advanced under a revolving cash advance facility for a period of 7 days, 14 days, 30 days, 60 days or such other period as agreed by MMG.

- Availability period : A period of 1 year commencing on the date of the Facility Agreement.
- Interest : Interest accrues on monies outstanding under the loan at the base rate (to be calculated based on the relevant LIBOR rate, rates quoted by the relevant reference banks or MMG's cost of funding, as appropriate), plus 1.50% per annum.
- Repayment terms : Amounts advanced under a loan must be repaid on the earlier of: (1) the last day of the interest period for that loan; (2) the date falling 1 year after the date of the Facility Agreement; and (3) an early repayment date specified in a written notice from MMG.

The terms of the Facility Agreement were arrived at after arm's length negotiations between MMG and Album Enterprises.

#### **LISTING RULES IMPLICATIONS**

Album Enterprises is a substantial shareholder of the Company and a wholly-owned subsidiary of CMN, and is therefore a connected person of the Company under the Listing Rules. As a result, the Facility Agreement constitutes a continuing connected transaction for the Company. Album Enterprises is an investment holding company.

The Directors (including the independent non-executive Directors) are of the view that the Facility Agreement is on normal commercial terms, and is fair and reasonable and in the interests of the shareholders of the Company as a whole. No Director has any material interest in the transaction contemplated under the Facility Agreement which prohibits him/her to vote on the resolution of the Board to approve the Facility Agreement and no Director has abstained from approving such Board resolution.

As the relevant percentage ratios in respect of the Facility Agreement are less than 5%, it constitutes a continuing connected transaction which is subject to the reporting and announcement requirements under Listing Rule 14A.66 of the Listing Rules but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

#### **INFORMATION ABOUT THE GROUP**

The Group is engaged in mining, processing and production of zinc, copper, gold, silver and lead, exploration for mineralization and development of mining projects, trading of non-ferrous metals, production of alumina and manufacturing and distribution of aluminium and copper products.

## DEFINITIONS

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

- “Album Enterprises”** Album Enterprises Limited, a company incorporated on 19 January 2005 in Hong Kong with limited liability and a wholly-owned subsidiary of CMN.
- “Board”** the board of directors of the Company.
- “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.
- “CMCL”** 中國五礦股份有限公司 (China Minmetals Corporation Limited), a joint stock limited company incorporated on 16 December 2010 under the laws of the PRC and owned as to 87.5% by CMC and as to 1% by 中國五金製品有限公司 (China National Metal Products Co., Ltd.), a wholly-owned subsidiary of CMC. CMC has an attributable interest of 88.5% in CMCL as at the date of this announcement.
- “CMNH”** 五礦有色金屬控股有限公司 (China Minmetals Non-ferrous Metals Holding Company Limited), a joint stock limited company incorporated on 22 December 2009 under the laws of PRC and a wholly-owned subsidiary of CMCL. CMNH is a controlling shareholder of CMN holding, approximately 91.57% directly and approximately 0.18% through Zigong Cemented Carbide Corporation Limited, of CMN as at the date of this announcement.
- “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% directly and approximately 0.18% (through Zigong Cemented Carbide Corporation Limited) by CMNH and 1.85% by CMCL as at the date of this announcement. CMN is the controlling shareholder of the Company, holding directly and indirectly approximately 71.71% of the issued share capital of the Company as at the date of this announcement.

<b>“Company”</b>	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.
<b>“connected person”</b>	has the meaning ascribed to it under the Listing Rules.
<b>“controlling shareholder”</b>	has the meaning ascribed to it under the Listing Rules.
<b>“Director(s)”</b>	the director(s) of the Company.
<b>“Facility Agreement”</b>	the agreement dated 23 December 2011 between MMG and Album Enterprises pursuant to which MMG agreed to make loan facilities available to Album Enterprises on an uncommitted basis.
<b>“Group”</b>	the Company and its subsidiaries from time to time.
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the People’s Republic of China.
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange.
<b>“MMG”</b>	MMG Limited, formerly known as MMR Finance Limited, a company incorporated on 15 June 2011 in Hong Kong with limited liability and a wholly owned subsidiary of the Company.
<b>“PRC”</b>	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).
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited.
<b>“subsidiary”</b>	has the meaning ascribed to it under the Companies Ordinance (Chapter 32 of the Laws of Hong Kong).
<b>“%”</b>	percentage.

*Unless otherwise specified, conversion of US\$ into HK\$ in this announcement is based on the exchange rate of US\$1.00 = HK\$7.78 for the purpose of illustration only. No representation is made and there is no assurance that US\$ or HK\$ can be purchased or sold at such rate.*

By order of the Board  
**Minmetals Resources Limited**  
**Andrew Gordon Michelmore**  
*CEO and Executive Director*

Hong Kong, 23 December 2011

*As at the date of this announcement, the board of directors of the Company comprises eleven directors, of which four are executive directors, namely Mr. Hao Chuanfu (Vice Chairman), Mr. Andrew Gordon Michelmore, Mr. David Mark Lamont and Mr. Li Liangang; four are non-executive directors, namely Mr. Wang Lixin (Chairman), Mr. Jiao Jian, Mr. Xu Jiqing and Mr. Gao Xiaoyu; and three are independent non-executive directors, namely Mr. Loong Ping Kwan, Dr. Peter William Cassidy and Mr. Anthony Charles Larkin.*