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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

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTION

As disclosed in a connected transaction announcement of the Company dated 11 May 2007, Minmetals Aluminium (as seller) entered into the 2007 Agreement in its ordinary course of business with Suzhou Huameida (as buyer) on 9 May 2007 for the sale and purchase of aluminium ingots from May to July 2007. Subsequently, the same parties entered into the Remaining 2007 Agreements for the sale and purchase of aluminium ingots up to 31 December 2007. In view of the satisfactory performance of such agreements, the same parties entered into the 2008 Agreement for the sale and purchase of aluminium ingots from 18 January 2008 to 31 December 2008.

The consideration under each of the Remaining 2007 Agreements and the 2008 Agreement was determined after arm's length negotiations by reference to the prevailing market price of aluminium ingots. The actual aggregate consideration paid under the Remaining 2007 Agreements was approximately RMB33,837,000 (equivalent to approximately HK\$34,852,000 at the 2007 Exchange Rate). The aggregate consideration payable under the 2008 Agreement when fully executed will not exceed RMB100,000,000 (equivalent to approximately HK\$104,000,000 at the 2008 Exchange Rate).

The nature of the transactions under the Remaining 2007 Agreements and the 2008 Agreement is similar. It is not until after the satisfactory performance of the 2007 Agreements that the Group intended that the transactions should extend over a longer period of time and regarded them as continuing in nature. As in the case of the 2007 Agreement, each of the Remaining 2007 Agreements constitutes a connected transaction for the Company and the 2008 Agreement constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules. As each of the relevant percentage ratios for each of (i) the 2007 Agreements (even if aggregated pursuant to rule 14A.25 of the Listing Rules); and (ii) the 2008 Agreement when fully executed is less than 2.5%, the Remaining 2007 Agreements and the 2008 Agreement are only subject to the reporting and announcement requirements set out in rules 14A.45 and 14A.47 of the Listing Rules and are exempt from the independent shareholders' approval requirement.

BACKGROUND - 2007 AGREEMENT

Reference is made to a connected transaction announcement of the Company dated 11 May 2007. As disclosed therein, Minmetals Aluminium (as seller) entered into the 2007 Agreement in its ordinary course of business with Suzhou Huameida (as buyer) on 9 May 2007 for the sale and purchase of approximately 900 tonnes of aluminium ingots during the period from May to July 2007 pursuant to the 2007 Agreement. The actual aggregate consideration paid under the 2007 Agreement was approximately RMB13,214,000 (equivalent to approximately HK\$13,611,000 at the 2007 Exchange Rate).

CONNECTED TRANSACTIONS - REMAINING 2007 AGREEMENTS

Subsequently, Minmetals Aluminium (as seller) entered into the Remaining 2007 Agreements in its ordinary course of business with Suzhou Huameida (as buyer) for the sale and purchase of an aggregate of approximately 2,250 tonnes of aluminium ingots up to 31 December 2007 pursuant to the Remaining 2007 Agreements. The actual aggregate consideration paid under the Remaining 2007 Agreements was approximately RMB33,837,000 (equivalent to approximately HK\$34,852,000 at the 2007 Exchange Rate).

CONTINUING CONNECTED TRANSACTION - 2008 AGREEMENT

In view of the satisfactory performance of the 2007 Agreements, Minmetals Aluminium (as seller) entered into the 2008 Agreement in its ordinary course of business with Suzhou Huameida (as buyer) on 18 January 2008 for the sale and purchase of an aggregate of approximately 5,000 tonnes of aluminium ingots for the period from 18 January 2008 to 31 December 2008 pursuant to the 2008 Agreement.

CONSIDERATION

The consideration under each of the Remaining 2007 Agreements and the 2008 Agreement was determined after arm's length negotiations by reference to the prevailing market price of aluminium ingots quoted on the 長江有色金屬現貨市場(Changjiang Non-Ferrous Metal Spot Market). The aggregate consideration payable under the 2008 Agreement when fully executed will not exceed RMB100,000,000 (equivalent to approximately HK\$104,000,000 at the 2008 Exchange Rate) and is payable by cash on a delivery against payment basis.

REASONS FOR ENTERING INTO THE AGREEMENTS

The Group is engaged in the trading of non-ferrous metals (including alumina and aluminium ingots), aluminium fabrication and other industrial operations and port logistics services. The entering into of the 2007 Agreements and the 2008 Agreement is in the ordinary and usual course of business of the Group.

The Directors (including the independent non-executive Directors) consider that (a) the entering into of each of the Remaining 2007 Agreements and the 2008 Agreement (including the annual cap under the 2008 Agreement) is on normal commercial terms and in the ordinary and usual

course of business of the Group; and (b) the terms of each of these agreements are fair and reasonable and in the interests of the shareholders of the Company as a whole.

INFORMATION ABOUT SUZHOU HUAMEIDA

Suzhou Huameida is engaged in the aluminium scraps processing and sales of secondary aluminium alloys. As Suzhou Huameida is wholly owned by Minmetals Inc. which in turn is wholly owned by China Minmetals, the ultimate controlling shareholder of the Company, Suzhou Huameida is regarded as an associate of China Minmetals and therefore is a connected person of the Company under the Listing Rules. As such, each of the Remaining 2007 Agreements constitutes a connected transaction for the Company and the 2008 Agreement constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

GENERAL

The nature of the transactions under the Remaining 2007 Agreements and the 2008 Agreement is similar. It is not until after the satisfactory performance of the 2007 Agreements that the Group intended that the transactions should extend over a longer period of time and regarded them as continuing in nature.

This announcement is made pursuant to rule 14A.32 (in respect of the Remaining 2007 Agreements) and rule 14A.34 (in respect of the 2008 Agreement) of the Listing Rules. As each of the relevant percentage ratios for each of (i) the 2007 Agreements (even if aggregated pursuant to rule 14A.25); and (ii) the 2008 Agreement when fully executed is less than 2.5%, the Remaining 2007 Agreements and the 2008 Agreement are only subject to the reporting and announcement requirements set out in rules 14A.45 and 14A.47 of the Listing Rules and are exempt from the independent shareholders' approval requirement. Details of these agreements will be included in the annual report and accounts of the Company in accordance with rule 14A.45 of the Listing Rules.

DEFINITIONS

“2007 Agreement”	the sale and purchase agreement dated 9 May 2007 entered into between Minmetals Aluminium and Suzhou Huameida
“2007 Agreements”	the 2007 Agreement and the Remaining 2007 Agreements
“2008 Agreement”	the sale and purchase agreement dated 18 January 2008 entered into between Minmetals Aluminium and Suzhou Huameida
“aluminium ingots”	a cast form of aluminium from an aluminium smelter, meeting international specifications such as the London Metal Exchange aluminium futures contract specifications, to facilitate handling, storage, shipping, trading or smelting and fabricating

“China Minmetals”	中國五礦集團公司 (China Minmetals Corporation), a State-owned enterprise established on 7 April 1950 under the laws of the PRC and the ultimate controlling shareholder of the Company and indirectly owns approximately 62.37% of the Company
“Company”	Minmetals Resources Limited 五礦資源有限公司, a company incorporated on 29 July 1988 in Hong Kong with limited liability, the shares of which are listed on The Stock Exchange of Hong Kong Limited
“Director(s)”	the director(s) 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
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Minmetals Aluminium”	五礦鋁業有限公司 (Minmetals Aluminium Company Limited), a wholly foreign owned enterprise incorporated in the PRC engaged in the trading of alumina and other aluminium products and indirectly wholly owned by the Company
“Minmetals Inc.”	Minmetals, Inc., a company incorporated in New Jersey, U.S.A. and wholly owned by China Minmetals
“PRC” or “China”	the People's Republic of China (for the purpose of this announcement, excluding Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC)
“Remaining 2007 Agreements”	the sale and purchase agreements entered into between Minmetals Aluminium and Suzhou Huameida dated 15 July 2007 and 8 September 2007 respectively
“RMB”	Renminbi, the lawful currency of the PRC
“Suzhou Huameida”	蘇州華美達鋁業有限公司 (Suzhou Huameida Aluminium Co. Ltd), a wholly foreign owned enterprise incorporated in the PRC wholly owned by Minmetals Inc.

Solely for convenience and except as otherwise noted, this announcement contains translations of RMB amounts into Hong Kong dollars at a rate of RMB1.00 = HK\$1.03 (“2007 Exchange Rate”) or RMB1.00 = HK\$1.04 (“2008 Exchange Rate”).

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

Hong Kong, 22 January 2008

As at the date of this announcement, the board of directors of the Company comprises ten directors, of which two are executive directors, namely Mr. Xu Huizhong and Mr. Ren Suotang; five are non-executive directors, namely Mr. Zhou Zhongshu (Chairman), Ms. Shen Ling, Mr. Zong Qingsheng, Mr. Wang Lixin 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.