

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult an exchange participant or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional advisor.

If you have sold or transferred all your shares in Minmetals Resources Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, exchange participant or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)**

**RE-ELECTION OF DIRECTORS,  
GENERAL MANDATES TO ISSUE AND TO REPURCHASE SHARES  
AND  
AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

The Notice of Annual General Meeting of Minmetals Resources Limited to be held at Kowloon Room I, M/F, Kowloon Shangri-La Hotel, 64 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Monday, 15 May 2006 at 10:30 a.m. is set out on pages 16 to 20 of this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the share registrar of the Company, Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the Annual General Meeting or any adjourned meeting should you so wish.

19 April 2006

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## DEFINITIONS

*In this circular, the following expressions have the following meanings unless the context otherwise requires:*

|                           |   |
|---------------------------|---|
| “AGM”                     | the annual general meeting of the Company to be held at Kowloon Room I, M/F, Kowloon Shangri-La Hotel, 64 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Monday, 15 May 2006 at 10:30 a.m.;   |
| “Articles of Association” | the articles of association of the Company;   |
| “Board”                   | the board of Directors of the Company including independent non-executive directors or any duly authorised committee thereof;   |
| “China Minmetals”         | China Minmetals Corporation, a stated-owned enterprise incorporated in the PRC and the ultimate controlling Shareholder;  |
| “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 in the PRC and owned as to approximately 82.23% by China Minmetals;   |
| “Companies Ordinance”     | the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time;   |
| “Company”                 | Minmetals Resources Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Stock Exchange;  |
| “Coppermine”              | Coppermine Resources Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary of Minmetals HK, currently holding approximately 16.06% of the issued share capital of the Company;     |
| “Director(s)”             | the director(s) of the Company;   |
| “Group”                   | the Company and its subsidiaries (within the meaning of the Companies Ordinance and/or the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants) for the time being and from time to time; |
| “Hong Kong”               | Hong Kong Special Administrative Region of the PRC;   |

## DEFINITIONS

|                           |   |
|---------------------------|---|
| “HK\$”                    | Hong Kong dollar(s), the lawful currency of Hong Kong;  |
| “Issue Mandate”           | the general and unconditional mandate to the Directors to exercise the powers of the Company to allot, issue and deal with Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing the resolution approving such mandate; |
| “Latest Practicable Date” | 11 April 2006, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular;  |
| “Listing Rules”           | the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time;  |
| “Minmetals Group”         | China Minmetals and its subsidiaries;   |
| “Minmetals HK”            | China Minmetals H.K. (Holdings) Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of China Minmetals;   |
| “PRC”                     | People’s Republic of China;   |
| “Repurchase Mandate”      | the general and unconditional mandate to the Directors authorising the repurchases by the Company on the Stock Exchange of Shares not exceeding 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing the resolution approving such mandate; |
| “SFO”                     | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time;   |
| “Shareholder(s)”          | holder(s) of Shares;  |
| “Share(s)”                | fully paid shares of HK\$0.05 each or such other nominal amount prevailing from time to time in the capital of the Company;   |
| “Stock Exchange”          | The Stock Exchange of Hong Kong Limited;  |

## DEFINITIONS

|                  |  |
|------------------|--|
| “Takeovers Code” | the Hong Kong Code on Takeovers and Mergers; and   |
| “Top Create”     | Top Create Resources Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary of CMN, currently holding approximately 58.86% of the issued share capital of the Company. |

LETTER FROM THE BOARD



**五礦資源有限公司**

**MINMETALS RESOURCES LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 1208)**

*Chairman:*

ZHOU Zhongshu

*(Non-executive Director)*

*Vice Chairman:*

ZHU Guang

*(Non-executive Director)*

*Executive Directors:*

XU Huizhong

WANG Lixin

*Non-executive Directors:*

SHEN Ling

ZHANG Shoulian

LI Linhu

ZONG Qingsheng

*Independent Non-executive Directors:*

LIU Hongru

CHAN Wai Dune

TING Leung Huel, Stephen

*Registered Office:*

9th Floor

China Minmetals Tower

79 Chatham Road South

Tsimshatsui

Kowloon

Hong Kong

19 April 2006

*To the Shareholders*

Dear Sir or Madam,

**RE-ELECTION OF DIRECTORS,  
GENERAL MANDATES TO ISSUE AND TO REPURCHASE SHARES  
AND  
AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

**1. INTRODUCTION**

The purpose of this circular is to provide you with requisite information regarding resolutions to be proposed at the AGM. These include resolutions relating to (i) re-election of Directors; (ii) grant of general mandates to issue and to repurchase Shares; and (iii) amendments to the Articles of Association.

## LETTER FROM THE BOARD

### 2. RE-ELECTION OF DIRECTORS

The Board currently comprises eleven Directors, of which two are executive Directors, namely Mr. Xu Huizhong and Mr. Wang Lixin; six are non-executive Directors, namely Mr. Zhou Zhongshu, Dr. Zhu Guang, Ms. Shen Ling, Mr. Zhang Shoulian, Mr. Li Linhu and Mr. Zong Qingsheng; and three are independent non-executive Directors, namely Mr. Liu Hongru, Mr. Chan Wai Dune and Mr. Ting Leung Huel, Stephen.

In accordance with Article 85 of the Articles of Association, Mr. Zhou Zhongshu, Dr. Zhu Guang, Mr. Wang Lixin, Ms. Shen Ling, Mr. Zhang Shoulian, Mr. Li Linhu and Mr. Zong Qingsheng, being Directors appointed by the Board after the Company's annual general meeting held on 18 May 2005, will hold office only until the conclusion of AGM. Save as Dr. Zhu Guang who has informed the Company that he will retire and does not offer himself for re-election at the AGM, all these retiring Directors, being eligible, offer themselves for re-election at the AGM.

In accordance with Article 101 of the Articles of Association, Mr. Chan Wai Dune will retire by rotation and, being eligible, offer himself for re-election at the AGM.

The biographical and other details of the Directors proposed to be re-elected at the AGM are set out in Appendix I to this circular.

### 3. GENERAL MANDATES TO ISSUE AND TO REPURCHASE SHARES

At the annual general meeting of the Company held on 18 May 2005, ordinary resolutions were passed to grant general mandates to the Directors, inter alia, (i) to allot, issue and deal with Shares up to a limit equal to 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing the relevant resolution and adding to such general mandate so granted to the Directors any Shares representing the aggregate nominal amount of Shares repurchased by the Company under the Repurchase Mandate and (ii) a Repurchase Mandate to purchase not exceeding 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing the relevant resolution. Such mandates will lapse at the conclusion of the AGM.

It will be proposed at the AGM to grant to the Directors new Issue Mandate and Repurchase Mandate as well as to extend the Issue Mandate by adding to it the aggregate nominal amount of the Shares repurchased by the Company pursuant to the Repurchase Mandate.

An explanatory statement, as required by the Listing Rules to be given to Shareholders in connection with the Repurchase Mandate, is set out in Appendix II to this circular.

## LETTER FROM THE BOARD

### 4. AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Listing Rules have recently been amended by the Stock Exchange by, inter alia, replacing the Code of Best Practice in Appendix 14 with a new Code on Corporate Governance Practices ("CG Code"). Subject to certain transitional arrangements, the amendments took effect on 1 January 2005.

The Company proposes to make amendments to Articles 84, 85 and 101 of the Articles of Association to ensure compliance with the CG Code to the effect that:

- (i) any Director appointed by the Board to fill a casual vacancy should be subject to election by Shareholders at the first general meeting after their appointment; and
- (ii) every Director should be subject to retirement by rotation at least once every three years.

In addition, since there have been a number of amendments to the Articles of Association in recent years, the Directors propose to reprint and adopt a new Memorandum and Articles of Association of the Company incorporating all the special resolutions passed up to the conclusion of the AGM in connection with amendments to the Articles of Association (including the proposed resolutions for amendment of Articles of Association as if approved by the Shareholders in the AGM).

Details relating to the proposed amendments to the Articles of Association are set out in resolution no. 7 in the notice of AGM on pages 16 to 20 of this circular.

### 5. ANNUAL GENERAL MEETING

A notice convening the AGM to be held on Monday, 15 May 2006 is set out on pages 16 to 20 of this circular. A form of proxy for use at the AGM is also enclosed with the Annual Report 2005. You are requested to complete the form of proxy and return it to the share registrar of the Company, Computershare Hong Kong Investor Services Limited, in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof, whether or not you intend to be present at the AGM. Completion and return of the form of proxy will not prevent you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

### 6. PROCEDURES FOR DEMANDING A POLL

Pursuant to Article 65 of the Articles of Association, at any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or the withdrawal of any other demand for a poll) a poll is demanded by:

- (i) the chairman of the meeting; or



## LETTER FROM THE BOARD

- (ii) at least three Shareholders present in person or by proxy for the time being entitled to vote at the meeting; or
- (iii) by any Shareholder or Shareholders present in person or by proxy and representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the meeting; or
- (iv) by any Shareholder or Shareholders present in person or by proxy and holding Shares in the Company conferring a right to vote at a meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right.

Article 66 further provides that the demand for a poll may be withdrawn with the consent of the chairman of the meeting, at any time before the close of the meeting or the taking of the poll, whichever is the earlier.

### 7. RECOMMENDATION

The Board is of the opinion that the re-election of Directors, the granting of general mandates to Directors to issue and repurchase Shares and the amendments to the Articles of Association are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of all the relevant resolutions to be proposed at the AGM.

Yours faithfully,  
By Order of the Board  
**Xu Huizhong**  
*Director and President*

The biographical and other details of the Directors proposed to be re-elected at the AGM are set out as follows:

**MR. ZHOU ZHONGSHU**

Mr. Zhou, aged 53, was appointed as the chairman and a non-executive director of the Company in October 2005. He is the president of China Minmetals, the chairman of each of CMN and Minmetals HK and the chairman and an executive director of ONFEM Holdings Limited (a company listed on the Stock Exchange). He has been the chairman of Minmetals Development Co., Ltd. (a company listed on the Shanghai Stock Exchange) since March 2005. Mr. Zhou has also served as a director of two subsidiaries of the Company, namely Peak Strategic Industries Limited and Sino Mining International Limited.

Mr. Zhou graduated from Shanghai International Studies University in the PRC and majored in Spanish language. He joined the China Minmetals Group in 1978. From 2000 to 2002, Mr. Zhou was Commercial Counsellor of Chinese Embassy in Spain. Mr. Zhou has over twenty years of experience in non-ferrous metals industry.

Mr. Zhou does not have any relationship with any other directors, senior management, substantial or controlling shareholders of the Company. He does not have any interests (within the meaning of Part XV of the SFO) in the Shares.

Mr. Zhou has entered into a service contract with the Company for a term of three years commencing from 6 October 2005. The amount of director's fee as specified in the service agreement is HK\$150,000 per annum but was subsequently waived by Mr. Zhou. The emoluments of the non-executive Directors are determined by reference to remuneration benchmark in the industry and the prevailing market conditions.

In relation to the proposed re-election of Mr. Zhou as a Director at the AGM, there is no information that is required to be disclosed pursuant to Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules, and there is no other matters which need to be brought to the attention of the Shareholders.

**MR. WANG LIXIN**

Mr. Wang, aged 38, was appointed as an executive Director and vice president of the Company in October 2005. Mr. Wang is responsible for the management of the Group's alumina and aluminium operations. He has also served as a director of four subsidiaries of the Company, namely Minmetals Aluminium Company Limited (also acts as the general manager), Minmetals Non-ferrous Lianyungang Company Limited, Sino Mining Alumina Limited and Sino Mining International Limited. He has resigned as the vice president of CMN on 6 October 2005.

Mr. Wang earned his Bachelor of Arts degree in International Trade from the University of International Business and Economics in the PRC in 1990. Mr. Wang joined the Ministry of Foreign Trade and Economic Cooperation in 1990 and subsequently, the China Minmetals Group in 1995. He has over ten years of experience in foreign trade and corporate management, as well as five years of experience with government services.

Mr. Wang does not have any relationship with any other directors, senior management, substantial or controlling shareholders of the Company. He does not have any interests (within the meaning of Part XV of the SFO) in the Shares.

Mr. Wang has entered into a service agreement with the Company for a term of three years commencing from 6 October 2005. The amount of director's emolument of Mr. Wang is HK\$1,860,000 per annum (including an accommodation benefit of HK\$300,000 per annum). He is also entitled to a management bonus to be determined by the Board (in their absolute discretion) on or before 30 April of each year with reference to the Group's net profits after taxation (but before extraordinary items and non-recurring items as to be determined by the Board) in respect of any financial year ending 31 December. The emoluments of the executive Directors are determined by reference to the management function of each individual Director and the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

In relation to the proposed re-election of Mr. Wang as a Director at the AGM, there is no information that is required to be disclosed pursuant to Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules, and there is no other matters which need to be brought to the attention of the Shareholders.

#### **MS. SHEN LING**

Ms. Shen, aged 44, was appointed as a non-executive Director in October 2005. She is the chief financial officer of China Minmetals. She has been a director of each of CMN and Minmetals HK since 2004 and a director of Minmetals Development Co., Ltd. (a company listed on the Shanghai Stock Exchange) since 2003. Ms. Shen has also served as a director of three subsidiaries of the Company, namely Peak Strategic Industries Limited, Sino Mining Alumina Limited and Sino Mining International Limited.

Ms. Shen holds a Bachelor of Arts degree in business planning statistics from Anhui Institute of Finance and Trade in the PRC. Ms. Shen joined the China Minmetals Group in 1987. She has over twenty years of experience in accounting and financial corporate management.

Ms. Shen does not have any relationship with any other directors, senior management, substantial or controlling shareholders of the Company. She does not have any interests (within the meaning of Part XV of the SFO) in the Shares.

Ms. Shen has entered into a service contract with the Company for a term of three years commencing from 6 October 2005. The amount of director's fee of Ms. Shen is HK\$100,000 per annum. The emoluments of the non-executive Directors are determined by reference to remuneration benchmark in the industry and the prevailing market conditions.

In relation to the proposed re-election of Ms. Shen as a Director at the AGM, there is no information that is required to be disclosed pursuant to Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules, and there is no other matters which need to be brought to the attention of the Shareholders.

#### **MR. ZHANG SHOULIAN**

Mr. Zhang, aged 51, was appointed as a non-executive Director in October 2005. He is the president of CMN. Mr. Zhang has also served as the chairman and a director of North China Aluminium Company Limited and Minmetals Aluminium Company Limited respectively, both are the subsidiaries of the Company.

Mr. Zhang graduated from Dongbei University of Finance and Economics and majored in foreign trade and economics. From 1982 to 1993, Mr. Zhang worked for the Economics and Trade Bureau of the State Planning Commission. He joined the China Minmetals Group in 1994 and worked as the vice president of CMN from 2001 to 2003. He has over ten years of experience in the non-ferrous metals industry.

Mr. Zhang does not have any relationship with any other directors, senior management, substantial or controlling shareholders of the Company. He does not have any interests (within the meaning of Part XV of the SFO) in the Shares.

Mr. Zhang has entered into a service contract with the Company for a term of three years commencing from 6 October 2005. The amount of director's fee of Mr. Zhang is HK\$100,000 per annum. The emoluments of the non-executive Directors are determined by reference to remuneration benchmark in the industry and the prevailing market conditions.

In relation to the proposed re-election of Mr. Zhang as a Director at the AGM, there is no information that is required to be disclosed pursuant to Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules, and there is no other matters which need to be brought to the attention of the Shareholders.

#### **MR. LI LINHU**

Mr. Li, aged 51, was appointed as a non-executive Director in October 2005. He is the general manager of the human resources department of China Minmetals and has been a director of each of CMN and Minmetals HK since 2004.

Mr. Li graduated from the University of International Business and Economics in the PRC and majored in Spanish language. From 1979 to 1986, Mr. Li worked in the Ministry of Foreign Trade and Ministry of Foreign Economic Relations and Trade. From 1991 to 1996, he worked in the Ministry of Foreign Trade and Economic Cooperation. Mr. Li joined the China Minmetals Group in 1996. He has over ten years of experience in foreign trade and corporate management.

Mr. Li does not have any relationship with any other directors, senior management, substantial or controlling shareholders of the Company. He does not have any interests (within the meaning of Part XV of the SFO) in the Shares.

Mr. Li has entered into a service contract with the Company for a term of three years commencing from 6 October 2005. The amount of director's fee of Mr. Li is HK\$100,000 per annum. The emoluments of the non-executive Directors are determined by reference to remuneration benchmark in the industry and the prevailing market conditions.

In relation to the proposed re-election of Mr. Li as a Director at the AGM, there is no information that is required to be disclosed pursuant to Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules, and there is no other matters which need to be brought to the attention of the Shareholders.

#### **MR. ZONG QINGSHENG**

Mr. Zong, aged 46, was appointed as a non-executive Director in October 2005. He is the general manager of the investment management department of China Minmetals. He has been a director of each of CMN and Minmetals HK since 2004 and a director of each of Minmetals Development Co., Ltd. (a company listed on the Shanghai Stock Exchange) and Shenzhen SDG Information Co., Ltd. (a company listed on the Shenzhen Stock Exchange) since 2003. Mr. Zong has also served as a director of three subsidiaries of the Company, namely North China Aluminium Company Limited, Sino Mining Alumina Limited, and Sino Mining International Limited.

Mr. Zong holds a Bachelor of Arts degree in Chinese literature from Nanjing University in the PRC. From 1982 to 1995, Mr. Zong worked in the Ministry of Foreign Trade and Economic Cooperation. Mr. Zong joined the China Minmetals Group in 1995. Mr. Zong has over twenty years of experience in foreign trade, business management and investment.

Mr. Zong does not have any relationship with any other directors, senior management, substantial or controlling shareholders of the Company. He does not have any interests (within the meaning of Part XV of the SFO) in the Shares.

Mr. Zong has entered into a service contract with the Company for a term of three years commencing from 6 October 2005. The amount of director's fee of Mr. Zong is HK\$100,000 per annum. The emoluments of the non-executive Directors are determined by reference to remuneration benchmark in the industry and the prevailing market conditions.

In relation to the proposed re-election of Mr. Zong as a Director at the AGM, there is no information that is required to be disclosed pursuant to Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules, and there is no other matters which need to be brought to the attention of the Shareholders.

**MR. CHAN WAI DUNE**

Mr. CHAN, aged 53, was appointed as an independent non-executive Director in May 2002. Mr. Chan is also an independent non-executive director of each of Chuang's China Investments Limited, EVA Precision Industrial Holdings Limited, Hualing Holdings Limited, Hunan Nonferrous Metals Corporation Limited, Mexan Limited, Sam Woo Holdings Limited, Jinheng Automotive Safety Technology Holdings Limited, Sino Union Petroleum & Chemical International Limited and Zhongda International Holdings Limited. In the past three years, he has had, at different times, held directorships at China Treasure (Greater China) Investments Limited and IIN International Limited but has resigned from them. Mr. Chan was a non-executive director of Pickquick Plc. ("Pickquick"), a company incorporated in the United Kingdom prior to its dissolution on 9 May 2004 as a result of creditors' voluntary liquidation. The principal activity of Pickquick was the production and sale of golf products. The legal proceeding was commenced by the creditors against Pickquick on 16 February 2001 on the ground that it failed to pay a claim in the amount of GBP903,198.52. Mr. Chan has confirmed that he was not liable for any liability as a result of the dissolution of Pickquick.

Mr. Chan has over twenty five years of experience in the finance sector, particularly in the areas of auditing and taxation. He is a certified public accountant and is a fellow member of each of the Association of Chartered Certified Accountants, the Hong Kong Institute of Certified Public Accountants and the Taxation Institute of Hong Kong. Mr. Chan is currently a member of CPPCC of Guangzhou Municipal Committee and a member of the Executive Council of China Overseas Friendship Association. He was a member of the Selection Committee for the establishment of the First Government of the Hong Kong Special Administrative Region. Mr. Chan is currently the Managing Director of CCIF CPA Limited.

Mr. Chan does not have any relationship with any other directors, senior management, substantial or controlling shareholders of the Company. He does not have any interests (within the meaning of Part XV of the SFO) in the Shares.

Mr. Chan has entered into a service contract with the Company for a term of three years commencing from 28 May 2004. The amount of director's fee of Mr. Chan is HK\$210,000 per annum. The emoluments of the independent non-executive Directors are determined by reference to remuneration benchmark in the industry and the prevailing market conditions.

In relation to the proposed re-election of Mr. Chan as a Director at the AGM, there is no other information that is required to be disclosed pursuant to Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules, and there is no other matters which need to be brought to the attention of the Shareholders.

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to Shareholders for their consideration of the proposed Repurchase Mandate.

**REASONS FOR REPURCHASE MANDATE**

Whilst the Directors do not presently intend to repurchase any Shares, they believe that the flexibility afforded by the mandate granted to them if the ordinary resolution no. 5 set out in the notice of AGM is passed would be beneficial to the Company and its Shareholders. Trading conditions on the Stock Exchange have sometimes been volatile in recent years and if there are occasions in the future when Shares are being traded at a discount to their underlying value, the ability of the Company to repurchase Shares can be beneficial to those Shareholders who retain their investment in the Company since this may, depending on the circumstances, result in increases to the fully diluted net assets and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and its Shareholders.

**SHARE CAPITAL**

As at the Latest Practicable Date, the total issued share capital of the Company is 1,714,440,521 fully paid-up ordinary Shares of HK\$0.05 each.

The exercise of the Repurchase Mandate up to 10% limit would enable the Company to repurchase 171,444,052 Shares.

**SOURCE OF FUNDS FOR REPURCHASES**

In repurchasing Shares, the Company may only apply funds entirely from the Company's available cashflow or working capital facilities, which will be funded legally available for such purpose in accordance with its Memorandum and Articles of Association and the Companies Ordinance. Such funds include but are not limited to the Company's profits available for distribution.

Whilst the Repurchase Mandate, if exercised in full, may have a material adverse impact on the working capital or gearing position of the Company, the Directors expect to exercise such mandate if and to such extent only as they are satisfied that the exercise thereof will not have such a material adverse impact.

**DISCLOSURE OF INTERESTS**

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to Repurchase Mandate in accordance with the Listing Rules and the Companies Ordinance.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates, presently intend to sell any Shares to the Company under the Repurchase Mandate in the event that the latter is granted by the Shareholders.

The Company has not been notified by any connected persons of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company, in the event that Repurchase Mandate is granted by the Shareholders.

**TAKEOVERS CODE**

If as a result of a share repurchase by the Company, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Top Create and Coppermine (both are the subsidiaries of China Minmetals), has an attributable interest of approximately 58.86% and 16.06% respectively in the issued share capital of the Company. In the event that the Repurchase Mandate being exercised in full, the aggregate interests of Top Create and Coppermine in the Company will be increased to approximately 83.25% and such increase will not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. Assuming that there is no issue of Shares in the Company between the Latest Practicable Date and the date of a repurchase, an exercise of the Repurchase Mandate whether in whole would result in insufficient public float, the Directors have no intention to exercise the Repurchase Mandate to an extent as may result in a public shareholding of less than the minimum public float requirement.



**MARKET PRICE**

The highest and lowest traded market prices for Shares recorded on the Stock Exchange during each of previous twelve months before the printing of this circular were as follows:

|             | <b>Highest</b><br><i>HK\$</i> | <b>Lowest</b><br><i>HK\$</i> |
|-------------|-------------------------------|------------------------------|
| <b>2005</b> |                               |                              |
| April       | 3.100                         | 2.700                        |
| May         | 2.850                         | 2.475                        |
| June        | 3.150                         | 2.500                        |
| July        | 3.050                         | 2.775                        |
| August      | 2.825                         | 2.500                        |
| September   | 2.825                         | 2.275                        |
| October     | 2.300                         | 1.610                        |
| November    | 2.075                         | 1.700                        |
| December    | 2.075                         | 1.840                        |
| <b>2006</b> |                               |                              |
| January     | 2.425                         | 1.870                        |
| February    | 2.650                         | 2.150                        |
| March       | 3.100                         | 2.350                        |

**SHARES REPURCHASES MADE BY THE COMPANY**

No repurchases of Shares (whether on the Stock Exchange or otherwise) have been made by the Company in the six months preceding the Latest Practicable Date.

## NOTICE OF ANNUAL GENERAL MEETING



# 五礦資源有限公司

**MINMETALS RESOURCES LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 1208)**

**NOTICE IS HEREBY GIVEN THAT** the Annual General Meeting (the “Meeting”) of Minmetals Resources Limited (the “Company”) will be held at Kowloon Room I, M/F, Kowloon Shangri-La Hotel, 64 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on 15 May 2006 at 10:30 a.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and auditors of the Company for the year ended 31 December 2005;
2. To re-elect the retiring directors of the Company and to authorise the board of directors of the Company (the “Directors”) to fix the remuneration of the Directors;
3. To re-appoint auditors and to authorise the Directors to fix their remuneration;
4. As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

**“THAT**

- (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined) or (ii) an issue of shares upon the exercise of the subscription rights under any option scheme or similar arrangement for

## NOTICE OF ANNUAL GENERAL MEETING

the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company or (iii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company or (iv) any script dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company pursuant to the Articles of Association of the Company from time to time, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of this Resolution and the said approval shall be limited accordingly; and

(d) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by Hong Kong law or the Articles of Association of the Company to be held; and
- (iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this Resolution; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

5. As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

**“THAT**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase securities of the Company on The Stock Exchange of Hong Kong Limited or on any other stock exchange on which the securities of

## NOTICE OF ANNUAL GENERAL MEETING

the Company may be listed and is recognised by the Securities and Futures Commission and The Stock Exchange of Hong Kong Limited for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

- (b) the aggregate nominal amount of securities of the Company repurchased by the Company pursuant to paragraph (a) above during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of this Resolution and the authority pursuant to paragraph (a) above shall be limited accordingly; and
  - (c) for the purpose of this Resolution, "Relevant Period" means the period from the passing of this Resolution until whichever is the earliest of:
    - (i) the conclusion of the next annual general meeting of the Company;
    - (ii) the expiration of the period within which the next annual general meeting of the Company is required by Hong Kong law or the Articles of Association of the Company to be held; and
    - (iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this Resolution."
6. As special business, to consider and, if thought fit, pass with or without amendments the following resolution as an Ordinary Resolution:

"**THAT** power be given to the Directors to add the number of shares purchased by the Company pursuant to the general mandate referred to in Resolution 5 set out in this notice to the 20 per cent. general mandate to issue new shares referred to in Resolution 4 set out in this notice."

7. As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as a Special Resolution:

"**THAT** the Articles of Association of the Company be amended as follows:

- (a) Article 84 of the Articles of Association of the Company shall be amended by deleting ", either to fill a casual vacancy or as an addition to the Board"

## NOTICE OF ANNUAL GENERAL MEETING

- (b) Article 85 of the Articles of Association of the Company shall be deleted in its entirety and be replaced and substituted with the following:

“85 Without prejudice to the power of the Company in general meeting in pursuance of any of the provisions of these Articles to appoint any person to be a Director, the Board shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office until the next following general meeting of the Company (in case of filling a casual vacancy) or until the next following annual general meeting of the Company (in case of an addition to the Board) and shall then be eligible for re-election at that meeting provided that any Director who so retires shall not be taken into account in determining the Directors or the number of Directors who are to retire at such meeting by rotation pursuant to Article 101.”

- (c) Article 101 of the Articles of Association of the Company shall be deleted in its entirety and be replaced and substituted with the following:

“101 At each annual general meeting of the Company, one-third of the Directors for the time being (save and except those Directors in respect of whom the provision of Article 85 applies) or, if their number is not three or a multiple of three, then the number nearest but greater than one-third, shall retire from office by rotation. The Directors to retire in every year shall be those who have been longest in office since their last re-election but as between persons who became Directors on the same day, those to retire shall (unless otherwise agree between themselves) be determined by lot. A retiring Director shall be eligible for re-election.”

and **THAT** the reprinted new Memorandum and Articles of Association of the Company, incorporating all special resolutions passed in connection with amendment to the Articles of Association up to the conclusion of this Meeting (including this Resolution), marked “A” produced to this Meeting and for the purposes of identification signed by the chairman, be and is hereby approved and adopted as the new Memorandum and Articles of Association of the Company in substitution for and to the exclusion of the existing Memorandum and Articles of Association of the Company and that the Directors be and are hereby authorized to do all things and act and sign all documents which they consider necessary, desirable or expedient in connection with the foregoing.”

## NOTICE OF ANNUAL GENERAL MEETING

8. To transact any other business.

By Order of the Board  
**Xu Huizhong**  
*Director and President*

Hong Kong, 31 March 2006

*Notes:*

1. A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and, on a poll, vote on his/her behalf. A proxy need not be a member of the Company.
2. To be valid, a form of proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power of attorney or authority, must be deposited with the share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 46/F., Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjourned Meeting.
3. The Transfer Books and Register of Members will be closed from 10 May 2006 to 15 May 2006, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for attending the Meeting convened by the above notice, all transfers accompanied by the relevant share certificates must be lodged with the share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17/F., Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. on 9 May 2006.