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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)

CAPITAL REDUCTION

The Board of the Company is pleased to announce that on 13 February 2007 the High Court made an order confirming the Capital Reduction. The Capital Reduction became effective upon the registration of an office copy of the Court order by the Registrar of Companies on the same date. The amount of the credit arising from the Capital Reduction was applied to write off the accumulated losses of HK\$889,802,014 of the Company as at 31 October 2006, and this adjustment will be reflected in the Company's financial statements for the year ending on 31 December 2007.

This announcement is made further to the announcement of the Company dated 29 November 2006 and the Company's circular to the shareholders dated 30 November 2006 relating to the cancellation of the Special Capital Reserve Account of the Company of HK\$125,374,060.25 and the reduction of the Share Premium Account of the Company from HK\$3,503,361,724.99 to HK\$2,738,933,771.24 (together "**Capital Reduction**"). Terms defined in this announcement shall have the same meanings as in the circular of 30 November 2006 unless the context requires otherwise.

As mentioned in the announcement of 29 November 2006 and in the circular, the Capital Reduction was conditional on the passing by the shareholders of a special resolution approving the Capital Reduction at a general meeting of the Company, the confirmation of the Capital Reduction by the High Court and the registration by the Registrar of Companies of a copy of the order of the High Court confirming the Capital Reduction as required by Section 61 of the Companies Ordinance.

The special resolution for the approval of the Capital Reduction was duly passed by the shareholders of the Company at the Extraordinary General Meeting held on 27 December 2006, as announced by the Company on that date.

The Board of the Company is pleased to announce that on 13 February 2007, the High Court made an order confirming the Capital Reduction in accordance with the provisions of the Companies Ordinance. The Capital Reduction became effective on the same date when an office copy of the Court order was registered by the Registrar of Companies. The amount of the credit arising from the Capital Reduction was applied to write off the accumulated losses of HK\$889,802,014 of the Company as at 31 October 2006. This adjustment will be reflected in the Company's financial statements for the year ending on 31 December 2007.

The registration of an office copy of the Court order by the Registrar of Companies represented the completion of the statutory procedures for the Capital Reduction, thus enabling the payment of dividends by the Company as and when the Board considers it appropriate to do so in future. At this stage, however, there can be no assurance that a dividend will be declared or paid in future.

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

Hong Kong, 13 February 2007

As at the date of this announcement, the board of directors of the Company comprises eleven directors, of which three are executive directors, namely Mr. Xu Huizhong, Mr. Wang Lixin and Mr. Ren Suotang; five are non-executive directors, namely Mr. Zhou Zhongshu (Chairman), 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.

"Please also refer to the published version of this announcement in The Standard."