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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 TRANSACTION

Riseup Dragon (as purchaser) entered into the Agreement with CITIC Investment (as vendor) on 22 June 2007 to acquire 16.31% equity interest in NCA for a consideration of RMB72,873,732.20 (equivalent to approximately HK\$75,059,944.17).

The Group will invest RMB98,800,000 (equivalent to approximately HK\$101,764,000) in NCA. The Group currently owned 51.00% equity interest in NCA; upon completion of the Acquisition and after additional capital investment in NCA, the Group will in aggregate owned 73.19% equity interest in NCA.

NCA is engaged in the production and sale of aluminium foil, plate, strip and aluminium extrusions in the PRC.

CITIC Investment is a substantial shareholder of NCA and therefore is a connected person of the Company under the Listing Rules. As such, the Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

This announcement is made pursuant to Rule 14A.32 of the Listing Rules. As each of the relevant percentage ratios for the Agreement when executed is less than 2.5%, the Agreement is only subject to the reporting and announcement requirements set out in rules 14A.45 and 14A.47 of the Listing Rules and is exempt from the independent shareholders' approval requirement. Details of the Acquisition will be included in the annual report and accounts of the Company in accordance with Rule 14A.45 of the Listing Rules. The Acquisition and the additional capital investment are not inter-conditional on each other. The capital investment in NCA is additional investment to be made by the Group and CITIC Investment is not a party to the transaction. The Group's additional capital investment in NCA is not a discloseable transaction as each of the relevant percentage ratio for such is less than the relevant percentage which constitutes a discloseable transaction under Chapter 14 of the Listing Rules.

THE AGREEMENT

Riseup Dragon (as purchaser) entered into the Agreement with CITIC Investment (as vendor) on 22 June 2007 to acquire 16.31% equity interest in NCA for a consideration of RMB72,873,732.20 (equivalent to approximately HK\$75,059,944.17).

The consideration under the Agreement was determined after arm's length negotiations by reference to the audited net asset value of NCA as at 31 December 2006, prepared in accordance with the PRC generally accepted accounting principles. A refundable deposit of RMB10,000,000 will be paid within 10 business days after the signing of the Agreement and the full settlement of consideration will be made within 10 business days after the approval from the Ministry of Commerce of the PRC on the Acquisition been obtained. The consideration of the Agreement will be funded by part of the proceeds from the HK\$1 billion convertible bonds issued by the Group in December 2006 which was then announced that the proceeds will be used for future acquisition of alumina related or aluminium-related business and/or other project. Save for disclosed in this announcement, as at the date of this announcement, the Group does not have any plan to acquire further equity interest in NCA. In addition, the Acquisition is not inter-conditional on the additional capital investment by the Group in NCA as described in the section "Additional Capital Investment in NCA" below.

Completion of the Acquisition, expected to be in three months' time, shall be conditional upon obtaining the approval from the Ministry of Commerce of the PRC and any requisite regulatory approvals, consents and authorizations in relation to the Acquisition if required.

ABOUT NCA

NCA is engaged in the production and sale of aluminium foil, plate, strip and aluminium extrusions in the PRC. Its products are supplied to the packaging, transportation, home appliance and publishing sector. NCA has a total registered capital of RMB344,800,000 (equivalent to about HK\$355,144,000), the registered capital (being the original investment cost) contributed by CITIC Investment for its 16.31% equity interest was RMB56,230,000 (equivalent to about HK\$57,916,900). NCA is a 51% subsidiary of the Group and it is not a connected person under Rule14A.11(5) of the Listing Rules.

Financial Information on NCA

The following financial information is extracted from the audited consolidated financial statements of NCA prepared in accordance with the PRC generally accepted accounting principles:

	As at 31 December	
	2005	2006
	RMB'000	RMB'000
Total asset value	1,027,789	1,023,902
Net asset value	440,695	448,402
	For the year ended 31 December	
	2005	2006
	RMB'000	RMB'000
Turnover	1,311,332	1,575,754
Profit before taxation and minority interest	16,109	19,385
Net profit attributable to shareholders	11,015	13,530

REASONS FOR ENTERING INTO THE AGREEMENT

The Group is engaged in the trading of non-ferrous metals, aluminium fabrication, copper fabrication and plica tubes production and port logistics services and other industrial operations. The Group currently owned 51.00% equity interest in NCA and the Group will own in aggregate 67.31% equity interest in NCA after completion of the Acquisition. The Acquisition will enhance the Group's flexibility and efficiency in execution of Group's business strategy in the expansion of the aluminium fabrication business in NCA.

The Directors (including the independent non-executive Directors) consider that (a) the entering into of the Agreement is on normal commercial terms and in the ordinary and usual course of business of the Group; and (b) the terms of the Agreement are fair and reasonable and in the interests of the shareholders of the Company as a whole.

INFORMATION ABOUT CITIC INVESTMENT

CITIC Investment, a company incorporated in the PRC and engaged in investment holdings. CITIC Investment owned 16.31% of NCA and is a substantial shareholder of NCA and therefore is a connected person of the Company under the Listing Rules. As such, the Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

ADDITION CAPITAL INVESTMENT IN NCA

The Group as the controlling shareholder of NCA will invest RMB98,800,000 (equivalent to approximately HK\$101,764,000) in NCA of which RMB78,892,300 (equivalent to approximately HK\$81,259,069) will be added to the registered capital and the balance of RMB19,907,700 (equivalent to approximately HK\$20,504,931) will be added to the capital reserve of NCA. The amount of additional capital investment was determined based on the investment NCA requires to enhance its production capacity as disclosed below. As the other two shareholders of NCA will not contribute additional investment, the Group's interest in NCA will increase to 73.19% after the additional capital investment.

The table below summarizes the shareholding structure of NCA before/after the Acquisition and additional capital investment:

	Shareholding Structure		
	Prior to the Acquisition	After the Acquisition	After the Acquisition and capital investment
The Group	51.00%	67.31%	73.19%
Aluminium Corporation of China (Note)	18.89%	18.89%	15.49%
The Third Rear Service Centre attached to Stated-owned Assets Supervision & Administration Commission of the People's Government of Hebei Province (Note)	13.80%	13.80%	11.32%
CITIC Investment	16.31%	0.00%	0.00%
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Note: Both Aluminium Corporation of China and The Third Rear Service Centre attached to Stated-owned Assets Supervision & Administration Commission of the People's Government of Hebei Province are independent third parties.

The capital investment in NCA will provide additional funding for the expansion in integrated production capacity of its aluminium fabrication business from its existing 80,000 tonnes per annum to 95,000 tonnes per annum. In addition to increase production capacity, the expansion plan will improve the product quality which will enhance the profit margin of NCA. The additional capital investment will be funded by part of the proceeds from the HK\$1 billion convertible bonds issued by the Group in December 2006, which was then announced that the proceeds will be used for future acquisition of alumina related or aluminium-related business and/or other projects.

NCA's financial statements were consolidated into the Group's financial statements for the year ended 31 December 2006 and it will continue to be consolidated into the Group's financial statements after the Acquisition and additional capital investment.

GENERAL

This announcement is made pursuant to Rule 14A.32 of the Listing Rules. As each of the relevant percentage ratios for the Agreement when executed is less than 2.5%, the Agreement is only subject to the reporting and announcement requirements set out in rules 14A.45 and 14A.47 of the Listing Rules and is exempt from the independent shareholders' approval requirement. Details of the Acquisition will be included in the annual report and accounts of the Company in accordance with Rule 14A.45 of the Listing Rules. The Acquisition and the additional capital investment are not inter-conditional on each other and are separately considered and negotiated. The capital investment in NCA is additional investment to be made by the Group and CITIC Investment is not a party to the transaction. The Group's additional capital investment in NCA is not a discloseable transaction as each of the relevant percentage ratio for such is less than the relevant percentage which constitutes a discloseable transaction under Chapter 14 of the Listing Rules.

DEFINITIONS

“Acquisition”	The acquisition of 16.31% equity interest in NCA by Riseup Dragon from CITIC Investment on its entire interest in NCA pursuant to the Agreement
“Agreement”	The sales and purchases agreement dated 22 June 2007 entered into between Riseup Dragon and CITIC Investment
“CITIC Investment”	CITIC Investments Holdings Limited (formerly known as CITIC Development Co., Ltd. (中信投资控股有限公司 formerly known as 中信興業投资有限责任公司), a company incorporated in the PRC and engaged in investment holdings
“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
“NCA”	North China Aluminium Company Limited (華北鋁業有限公司), a Sino-foreign equity joint venture established under the laws of the PRC on 9 December 1993 and owned as to 51.00% indirectly by the Company. The remaining 49% interest is owned as to 18.89% by Aluminium Corporation of China (中國鋁業公司), as to 16.31% by CITIC Investment and as to 13.80% by The Third Rear-Service Centre attached to State-owned Assets Supervision and Administration Commission of the People’s Government of Hebei Province (河北省人民政府國有資產監督管理委員會第三後勤服務中心), each being an independent third party
“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)
“Riseup Dragon”	Riseup Dragon Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC

Solely for convenience and except as otherwise noted, this announcement contains translation of RMB amounts into Hong Kong dollars at a rate of RMB1.00 = HK\$1.03.

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

Hong Kong, 25 June 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. Zong Qingsheng 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.