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CMN

**CHINA MINMETALS
NON-FERROUS METALS
COMPANY LIMITED**

(A joint stock limited company incorporated in the PRC)



**ORIENTAL METALS
(HOLDINGS)
COMPANY LIMITED**

(Incorporated in Hong Kong with limited liability)

Stock Code: 1208

JOINT ANNOUNCEMENT

**VERY SUBSTANTIAL ACQUISITION, CONNECTED TRANSACTION AND
REVERSE TAKEOVER INVOLVING
A NEW LISTING APPLICATION, AND
CONTINUING CONNECTED TRANSACTIONS**

Acquisition

The respective boards of the Vendor and the Company are pleased to announce that the Company (as purchaser) has, on 30 December 2004, entered into the Acquisition Agreement with the Vendor (as seller) and CMN (as seller's guarantor and warrantor) for the acquisition of the entire issued share capital of Target BVI and the benefits in the entire shareholder's loan as at Completion which amounted to approximately RMB781.3 million as at 31 December 2003 owing by Target BVI to the Vendor and/or its Associates. Target BVI was established to become the holding company of the Target Group which is principally engaged in sourcing alumina in the international markets and in the supply of such alumina to aluminium smelters in China.

The consideration for the Acquisition of HK\$2,886 million will be satisfied in full by the allotment and issue of 1,009,090,909 Consideration Shares to the Vendor at HK\$2.86 per Consideration Share, representing about 166.15% of the existing issued share capital of the Company as at the date of this announcement and about 62.43% of the enlarged issued share capital of the Company immediately after Completion (assuming that there will be no change in the Company's issued share capital from the date of this announcement to Completion save for the issue of the Consideration Shares).

As at the date of this announcement, the Vendor is a subsidiary of CMN which in turn is an approximately 82.23% owned subsidiary of China Minmetals, the ultimate controlling Shareholder which has an indirect holding of about 74.98% of the existing issued share capital of the Company as at the date of this announcement. Since China Minmetals is the ultimate holding company of both the Vendor and the Company, there will not be any change in the ultimate control of the Company as a result of the Acquisition and the Vendor has applied for a Confirmation from the Executive that neither the Vendor nor parties acting in concert with it will be required to make a general offer for all the Shares in issue not owned or agreed to be acquired by them as a result of the Acquisition under the Takeovers Code.

The Acquisition constitutes a very substantial acquisition and a connected transaction of the Company under Chapters 14 and 14A of the Listing Rules and is therefore subject to the approval of the Independent Shareholders at the EGM. Although there is no change in the ultimate control of the Company as a result of the Acquisition, less than 24 months has elapsed since China Minmetals became the ultimate controlling Shareholder. As such, the Acquisition also constitutes a reverse takeover of the Company under Chapter 14 of the Listing Rules and the Company will be treated as a new listing applicant if the Acquisition proceeds. The new listing application to be made by the Company must comply with all the requirements under the Listing Rules, including the requirements under Chapters 8 and 9 of the Listing Rules. None of the relevant material regarding the new listing application has been submitted to the Stock Exchange and the Company will initiate the new listing application process for its Shares as soon as practicable. The circular of the Company in connection with the Acquisition is expected to be despatched to the Shareholders within seven days after obtaining the approval from the Listing Committee of the Company's new listing application. **The Listing Committee may or may not grant the approval for the new listing application.**

The Shares held by Coppermine and the Consideration Shares to be issued to the Vendor pursuant to the Acquisition Agreement will exceed 75% of the issued share capital of the Company (assuming that there will be no change in (a) the issued share capital of the Company (save for the issue of the Consideration

Shares) and (b) the shareholding of Coppermine in the Company from the date of this announcement to Completion). The Company and/or Coppermine (as the case may be) will make appropriate arrangements regarding the Placing in order to ensure that not less than 25% of the issued Shares will be held in public hands as soon as practicable following Completion. In such event, the Company will make appropriate announcement(s) as and when appropriate.

If less than 25% (or such lower percentage as may be allowed under the Listing Rules) of the Shares are held by the public and if the Stock Exchange believes that (a) a false market exists or may exist in the trading of the Shares; or (b) there are too few Shares in public hands to maintain an orderly market, then it will consider exercising its discretion to suspend trading in the Shares until a sufficient public float is attained.

The Acquisition is conditional upon, among other things, (a) the approval of the Acquisition by the Independent Shareholders at the EGM, (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consideration Shares, (c) the approval of the new listing application to be made by the Company, and (d) the Placing becoming unconditional (save for any conditions requiring the completion of the Acquisition). Voting at the EGM will be conducted by poll. Coppermine, the controlling Shareholder holding about 74.98% of the existing issued share capital of the Company as at the date this announcement, and its Associates will abstain from voting at the EGM. An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

Continuing Connected Transactions

Immediately following the Completion, the on-going provision of services by CMN and members of the Minmetals Group to the Target Group will constitute continuing connected transactions of the Company under the Listing Rules. Some of these transactions will constitute Non-exempt Continuing Connected Transactions and are subject to the approval of the Independent Shareholders. The Acquisition is conditional on, among other things, the approval of the Non-exempt Continuing Connected Transactions by the Independent Shareholders at the EGM. Voting will also be conducted by poll and Coppermine and its Associates will abstain from voting. Further details of the Non-exempt Continuing Connected Transactions will be included in a further announcement and in the circular to the Shareholders in relation to the Acquisition.

General

The Board considers that the terms of the Acquisition Agreement have been entered into on normal commercial terms, are fair and reasonable and in the interest of the Group and the Shareholders as a whole. The consideration for the Acquisition has been arrived at after arms' length negotiations among the parties and with reference to various factors including, but not limited to, the financial results of the Target Group, the earnings potential of the Target Group, the Target Group's potential synergies with the Group, the future capital investment needs and the general market conditions.

A circular containing, among other things, further particulars of the Acquisition, the Target Group and the Non-exempt Continuing Connected Transactions, together with the recommendations of an independent board committee to be established, a letter of advice from an independent financial adviser to be appointed by the Company to advise the independent board committee and the Independent Shareholders, a notice convening the EGM, and such other information as required under the Listing Rules in support of the new listing application to be made by the Company is expected to be despatched to the Shareholders within seven days after obtaining the approval from the Listing Committee of the Company's new listing application.

As Completion is subject to the fulfillment of a number of Conditions, the Acquisition may or may not be completed. Shareholders and potential investors should exercise caution when dealing in the Shares.

A. THE ACQUISITION AGREEMENT DATED 30 DECEMBER 2004

Parties:

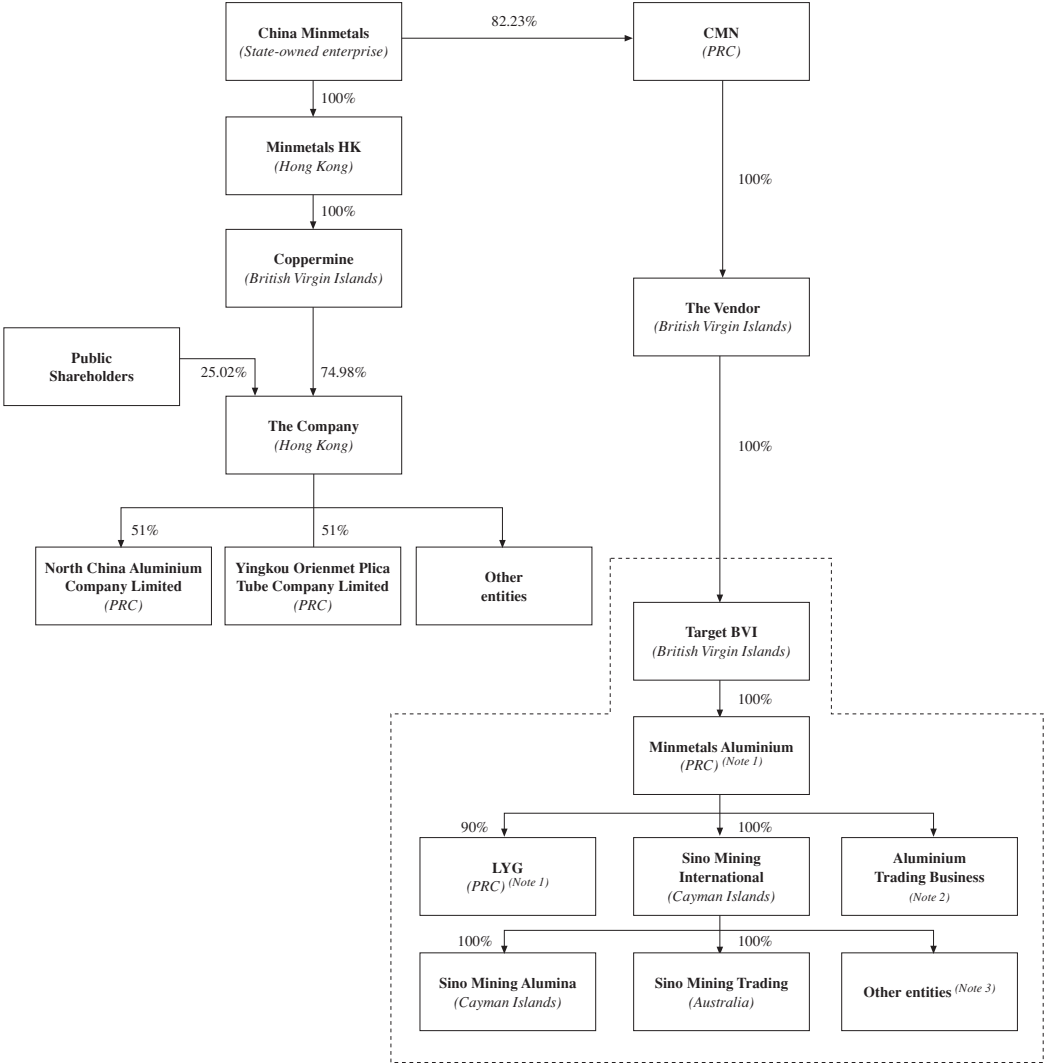
1. The Company, as purchaser
2. The Vendor, a subsidiary of CMN, as seller
3. CMN, a subsidiary of China Minmetals, as the seller's guarantor and warrantor

Assets involved:

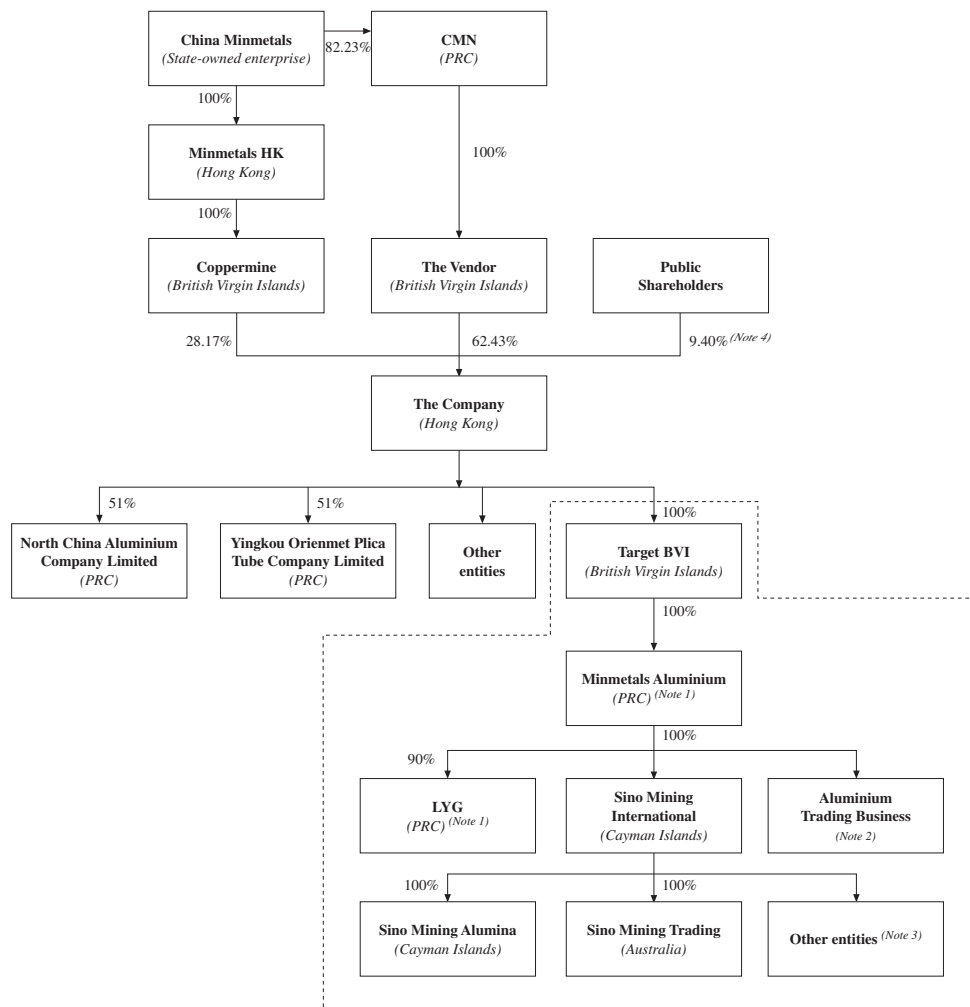
The entire issued share capital of Target BVI and the benefits in the entire shareholder's loan as at Completion which amounted to approximately RMB781.3 million as at 31 December 2003 owing by Target BVI to the Vendor and/or its Associates. Target BVI was established to become the holding company of the Target Group which is principally engaged in sourcing alumina in the international markets and in the supply of such alumina to aluminium smelters in China (please refer to the section headed "Particulars of the Group and the Target Group" below for further details about the Target Group). Upon Completion, Target BVI will become a wholly owned subsidiary of the Company.

The following diagrams illustrate the simplified corporate and shareholding structure of the Company, Target BVI and their respective principal subsidiaries immediately before and after the Acquisition, on the basis that the Placing does not take place.

After completion of the Reorganisation and immediately before completion of the Acquisition



Immediately after completion of the Acquisition on the basis that the Placing does not take place




Note 1: As at the date of this announcement, the Reorganisation has not yet been completed pending, among other things, the transformation of Minmetals Aluminium from a PRC domestic enterprise to a wholly foreign owned enterprise owned by Target BVI. It is expected that the Reorganisation will be completed on or around 16 February 2005. The Company has been advised by its PRC legal advisers that there is no legal impediment in such transformation.

Note 2: This is not a separate legal entity.

Note 3: Such other entities relate to a 100% interest in Sino Mining Australia Pty Ltd and a 40% interest in Sino Nickel Pty Ltd.

Note 4: For the purpose of illustration in this diagram, it is assumed that the Placing does not take place.

 Denotes the Target Group

Consideration:

The consideration for the Acquisition of HK\$2,886 million will be satisfied in full by the allotment and issue of 1,009,090,909 Consideration Shares to the Vendor at HK\$2.86 per Consideration Share, representing about 166.15% of the existing issued share capital of the Company as at the date of this announcement and about 62.43% of the enlarged issued share capital of the Company immediately after Completion (assuming that there will be no change in the Company’s issued share capital from the date of this announcement to Completion save for the issue of the Consideration Shares). The Consideration Shares shall be issued as fully paid and shall rank the same in all respect with the Shares in issue at the date of Completion.

The consideration for the Acquisition has been arrived at after arms’ length negotiations among the parties and with reference to various factors including, but not limited to, the financial results of the Target Group, the earnings potential of the Target Group, the Target Group’s potential synergies with the Group, the future capital investment needs and the general market conditions.

The consideration for the Acquisition represents 11.64 times the unaudited net profit of the Target Group of about RMB262.8 million for the year ended 31 December 2003 and the issue price of HK\$2.86 per Consideration Share represents:

- (a) a discount of about 3.87% to the closing price per Share of HK\$2.975 as quoted on the Stock Exchange on 30 December 2004, being the date of the Acquisition Agreement;
- (b) a discount of about 4.03% to the 10-day average closing price per Share of HK\$2.98 as quoted on the Stock Exchange for the period from 16 December 2004 to 30 December 2004;
- (c) a discount of about 4.03% to the one-month average closing price per Share of about HK\$2.98 as quoted on the Stock Exchange for the period from 29 November 2004 to 30 December 2004; and
- (d) a discount of about 1.38% to the three-month average closing price per Share of about HK\$2.90 as quoted on the Stock Exchange for the period from 29 September 2004 to 30 December 2004.

Conditions:

Completion is conditional upon the fulfillment of the following Conditions on or before 31 December 2005, or such later date as may be agreed among the parties to the Acquisition Agreement:

- (a) all governmental and regulatory approvals and permissions required in the PRC or elsewhere to give effect to the transactions contemplated under the Acquisition Agreement having been obtained;
- (b) the Reorganisation having been duly completed, including but not limited to all governmental and regulatory approvals and permissions required in the PRC or elsewhere to give effect to the completion of the Reorganisation (including without limitation the issue of a certificate of approval for foreign investment enterprise to Minmetals Aluminium and the change of the registration of Minmetals Aluminium from a PRC domestic enterprise to a wholly foreign owned enterprise owned by Target BVI) having been obtained;
- (c) the issue or granting by the Executive to the Vendor (and all persons with which it is or is deemed to be acting in concert) of the Confirmation (either unconditionally or subject to such conditions as the Vendor may reasonably agree);
- (d) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consideration Shares and approving the new listing application to be filed by the Company as a result of the Acquisition;
- (e) the Independent Shareholders approving the Acquisition Agreement and the transactions contemplated thereunder including without limitation the allotment and issue of the Consideration Shares and the Non-exempt Continuing Connected Transactions;
- (f) the current listing of the Shares not having been withdrawn or cancelled and the Shares being continuously traded on the Stock Exchange (save for any suspension of dealings for not more than 10 full consecutive trading days of the Stock Exchange (or such longer period as the Vendor may otherwise agree) and any suspension of dealing pending the issue of the formal announcement of the transactions contemplated under the Acquisition Agreement) and the Stock Exchange and/or the SFC not having indicated that such listing is likely to be withdrawn or cancelled (or any conditions being attached thereto other than such conditions as are acceptable to the Vendor acting reasonably) as a result of Completion;
- (g) the result of the due diligence exercise carried out by the Company on the assets, liabilities, business and prospects of the Target Group being satisfactory to the Company and the Company being satisfied that the warranties given by CMN in the Acquisition Agreement are complete, accurate and true;
- (h) the PRC Legal Opinion and such other legal opinions as all parties may agree having been duly issued to the Company; and
- (i) appropriate arrangements in relation to the Placing having been made to the satisfaction of the Vendor and the Company to ensure that not less than 25% of the issued Shares will be held in public hands as soon as practicable following Completion and such Placing becoming unconditional in all respects (save for any condition requiring the Completion to take place).

In the event that Condition(s) (g) and (h) are waived in whole or in part by the Company, an announcement will be made by the Company which will set out the reason for granting such waiver.

Completion:

The Acquisition shall be completed within three business days after all the Conditions shall be fulfilled, or (in the case of Condition(s) (g) and (h) above) waived in whole or in part by the Company, or (in the case of Condition (f) above) waived in whole or in part by the Vendor. If the Conditions are not fulfilled, or (in the case of Conditions (g) and (h) above) waived in whole or in part by the Company, or (in the case of condition (f) above) waived in whole or in part by the Vendor, on or before 31 December 2005 (or such later date as may be agreed among the parties to the Acquisition Agreement), the Acquisition will lapse and the parties to the Acquisition Agreement shall be released from all their obligations thereunder without liability (without prejudice to the rights of any such parties in respect of antecedent breaches).

B. PARTICULARS OF THE GROUP AND THE TARGET GROUP

The Group

The Company was incorporated in Hong Kong on 29 July 1988 and its Shares have been listed on the Main Board of the Stock Exchange since 15 December 1994. The Group has been engaged in the trading of non-ferrous metals, with alumina as its main product. The Group is also engaged in the investment in non-ferrous metals related industrial projects, including aluminium refineries, copper refineries and plica tube production in the PRC. For the year ended 31 December 2003 and the six months ended 30 June 2004, the Group's trading business accounted for about 21.75% and 12.78% of its turnover, respectively.

The Target Group

According to CMN and the Vendor:

- (a) the Target Group comprises the entire alumina and aluminium operations and related investments of China Minmetals other than its existing interest in Guangxi Huayin, the Company and the potential interest in Sherwin;
- (b) China Minmetals' aluminium business can be traced back to 1950s when it first supplied ingots to aluminium fabricators in the PRC. On completion of the Reorganisation, such business interests will be held principally under Target BVI as the holding company of the Target Group. Based on information currently available to the Company, the Target Group is at present principally engaged in the sourcing and supply of alumina, sourcing it from various resources companies in the international market and supplying it to the aluminium smelters in China. The Target Group sources part of the alumina from the international market under long-term contracts, which include a 30-year supply contract with Alcoa Inc. ending 2027 ("Alcoa Contract"). The Alcoa Contract accounted for approximately 20.55% of the total amount of alumina sourced by the Target Group in the year ended 31 December 2003;
- (c) the Target Group is also engaged in tolling and the sale of aluminium ingots and the provision of port logistics services; and
- (d) based on the unaudited accounts of the Target Group for the two years ended 31 December 2003:
 - (i) the unaudited combined net profits, before taxation and extraordinary items, of the Target Group for the two years ended 31 December 2003 were about RMB143.8 million and RMB393.1 million, respectively;
 - (ii) the unaudited combined net profits, after taxation and extraordinary items, of the Target Group for the two years ended 31 December 2003 were about RMB62.0 million and RMB262.8 million, respectively;
 - (iii) the unaudited net asset value of the Target Group was about RMB424.5 million as at 31 December 2003.

C. REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group has suffered from difficulties in repayment of certain bank loans since 1998 until the successful completion of its debt and capital restructuring with support from China Minmetals in January 2004, further details of which were set out in the joint announcement dated 16 October 2003 made by the Company, Minmetals HK and Coppermine and the circular of the Company dated 6 November 2003. China Minmetals is a large conglomerate with a history of more than 50 years and is one of the major importers and exporters of steels, non-ferrous metals and mineral products, including alumina, in the PRC. On completion of the debt and capital restructuring of the Company in January 2004, China Minmetals became the ultimate controlling Shareholder and has been reviewing the operations of the Group with a view to rationalising the competing business of China Minmetals and of the Group.

With the Acquisition, it is the intention of China Minmetals to consolidate its alumina and aluminium operations and interests into one single platform under the Group and that the Group will become the flagship company for its alumina and aluminium related business. Such consolidation will also prevent possible conflict arising from any business competition between the two groups in the future. In this connection, China Minmetals has also executed the Non-competition Agreement in favour of the Company which shall become effective upon Completion taking effect (please refer to the section headed “Non-competition Agreement” below for further details).

The Directors believe that the Acquisition provides an opportunity for the Group to widen its alumina related operation by increasing its business scale. According to CMN and the Vendor, the Target Group is the largest supplier of overseas sourced alumina into the China market. The Directors believe that the Group would be able to leverage on the “Minmetals” brand and the solid operating platform and expertise of the Target Group to become the flagship company of China Minmetals’ alumina and aluminium related business. The Group’s experience in other non-ferrous metals operations in the past and the Group’s investments in industrial projects will continue to provide a solid base for the Enlarged Group to expand and further diversify its operations, both vertically into upstream international alumina sourcing and downstream aluminium smelting business, and horizontally into other non-ferrous metals business.

It is expected that the Company will be able to build on the strengths of the Enlarged Group to pursue opportunities to enhance the results of its operations.

D. EFFECTS OF THE ACQUISITION ON THE COMPANY

On the basis that the Consideration Shares will be issued to the Vendor and that the Placing does not take place, China Minmetals will, by virtue of its interest in Coppermine and in the Vendor, be interested in a total of about 90.60% of the issued Shares of the Company (assuming further that there will be no change in (a) the issued share capital of the Company (save for the issue of the Consideration Shares) and (b) the shareholding of Coppermine in the Company from date of this announcement to Completion).

It is the intention of the China Minmetals that the listing of the Company be maintained on the Stock Exchange at Completion and appropriate arrangements for the Placing will be made to ensure that not less than 25% of the issued Shares will be held in public hands as soon as practicable following Completion. As mentioned above, the Acquisition is conditional on, among other things, such Placing becoming unconditional in all respects (save for any condition requiring the completion of the Acquisition to take place).

The Placing may comprise a placing of (a) new Shares only, or (b) a combination of new and existing Shares, or (c) existing Shares only. Further announcement(s) about the Placing will be made as and when appropriate. Set out below is a table showing, for illustrative purpose, the shareholding structure of the Company before and after the Acquisition and the Placing, assuming that the Placing is by way of (a) new Shares only and (b) existing Shares only and that 25% of the issued Shares will be held in public hands.

Shareholders	Existing shareholding as at the date of this announcement		Shareholding structure after the Acquisition on the basis that the Placing does not take place		Shareholding structure after the Acquisition and the Placing (assuming by way of new Shares only)		Shareholding structure after the Acquisition and the Placing (assuming by way of existing Shares only)	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Coppermine and Vendor	455,376,917	74.98	1,464,467,826	90.60	1,464,467,826	75.00	1,212,330,390	75.00
Public Shareholders	151,972,695	25.02	151,972,695	9.40	488,155,942	25.00	404,110,131	25.00
	<u>607,349,612</u>	<u>100.00</u>	<u>1,616,440,521</u>	<u>100.00</u>	<u>1,952,623,768</u>	<u>100.00</u>	<u>1,616,440,521</u>	<u>100.00</u>

Following Completion, Target BVI will become a wholly owned subsidiary of the Company and its financials will be consolidated into the financial statements of the Enlarged Group. The Company will be the flagship company of China Minmetals for its alumina and aluminium related business interests. Sourcing and trading of alumina will be the core segment of the Enlarged Group’s business and the Target Group will become the principal assets and operations of the Company.

E. DIRECTORS OF THE COMPANY

Upon Completion, the Vendor intends to nominate new directors to the Board. Information regarding any new Directors proposed to be appointed to the Board by the Vendor will be included in the circular to be issued to the Shareholders in relation to, among other things, the Acquisition, and upon their appointment, by way of an announcement of the Company.

F. RELATIONSHIP WITH CHINA MINMETALS

Upon completion of the Reorganisation, Target BVI will hold the entire alumina and aluminium related operations and interests of China Minmetals (other than the interest in Guangxi Huayin, the Company and the potential interest in Sherwin). These operations and interests are currently held and operated under CMN and most of the alumina sourcing and supply related contracts are currently entered into and executed by CMN. CMN is a connected person of the Company by virtue of it being an approximately 82.23% owned subsidiary of China Minmetals, the ultimate controlling Shareholder. To facilitate the on-going operations of the Target Group, CMN will, following Completion, continue to serve the Target Group in handling those alumina sourcing and supply related contracts which will not be novated to the Target Group. Such transactions will constitute Non-exempt Continuing Connected Transactions of the Enlarged Group immediately following Completion, and are subject to the approval by the Independent Shareholders at the EGM. The Acquisition is conditional, among other things, the approval of the Non-exempt Continuing Connected Transactions by the Independent Shareholders. Details of the Non-exempted Continuing Connected Transactions will be disclosed in a further announcement and in the circular to be issued to the Shareholders.

It is expected that other members of the Minmetals Group may continue to provide other services previously provided to such alumina and aluminium operations held under Target BVI. The Company is collecting information on these other continuing connected transactions and will take appropriate steps in respect of such transactions to comply with the applicable Listing Rules. A further announcement will be made if required by the Listing Rules once such information has been ascertained.

The Directors believe that the above continual service of CMN in handling those alumina sourcing and supply related contracts that have not been novated to the Target Group to be an interim measure only for the completion of the Reorganisation and that the other continuing connected transactions are only peripheral to the core operation of the Enlarged Group. The main activities, namely sourcing and sales, will remain independently run by the Enlarged Group's own staff and management team. As China Minmetals has executed the Non-competition Agreement in favour of the Company, details of which are set out in the section headed "Non-competition Agreement" below, the Directors believe that the Enlarged Group is well positioned to operate independently as a distinct and separate platform for all alumina and aluminium related operations and interests of China Minmetals.

G. NON-COMPETITION AGREEMENT

On 30 December 2004, China Minmetals has entered into the Non-competition Agreement in favour of the Company. Pursuant to this agreement, China Minmetals has, conditional upon Completion taking effect, undertaken not to, and shall procure its controlled companies (comprising for this purpose, subsidiaries and companies in which they have or control a 30% or more interest or otherwise have control, but excluding the Enlarged Group) ("China Minmetals Group") not to, engage in any business or invest in any entities in the PRC (including Hong Kong) which may compete with the alumina and aluminium related businesses carried on by the Enlarged Group save for:

- (a) CMN's existing interest in Guangxi Huayin and potential interest in Sherwin;
- (b) alumina related sourcing and supply contracts entered into by China Minmetals Group prior to the date of the Non-competition Agreement that have not been novated to the Target Group on the same date;
- (c) any holding by China Minmetals Group of less than 5% of the issued share capital of any company which is listed on a recognised exchange; or
- (d) those conducted with the prior written consent of the Company.

Should any alumina or aluminium related investment opportunity be made available to China Minmetals Group, and such opportunity may directly or indirectly compete with the business of the Enlarged Group, it will procure that such opportunities be first offered to the Enlarged Group for consideration at no less favourable terms. In the event that the Company for the time being does not have the resources to proceed with the investment and agree to allow China Minmetals to proceed with the investment, China

Minmetals will use its best endeavours to avoid any direct competition with the Company, and the Company will comply with the Listing Rules and seek Independent Shareholders' approval at an extraordinary general meeting accordingly. In connection with such investment undertaken by China Minmetals, China Minmetals will grant a first right of refusal to acquire the relevant investment to the Enlarged Group. China Minmetals has also undertaken to procure that CMN will offer to sell its interest in Guangxi Huayin and its potential interest in Sherwin on normal commercial terms to the Enlarged Group within three years from 31 December 2004.

These undertakings shall cease to have effect on the earlier of:

- (a) the Minmetals Group directly or indirectly holding an aggregate of less than 30% of the issued share capital of the Company and exercising, or controlling the exercise of, less than 30% of the voting rights in the shareholders' meetings of the Company from time to time and do not control the composition of a majority of the Board; or
- (b) the Company ceases to be listed on the Stock Exchange or any other stock exchange.

H. IMPLICATIONS OF THE TAKEOVERS CODE

The Vendor is a subsidiary of CMN which in turn is an approximately 82.23% owned subsidiary of China Minmetals, the ultimate controlling Shareholder which has an indirect holding of about 74.98% of the existing issued share capital of the Company as at the date of this announcement. Since China Minmetals is the ultimate holding company of both the Vendor and the Company, there will not be any change in the ultimate control of the Company as a result of the Acquisition and the Vendor has applied for a Confirmation from the Executive that neither the Vendor nor parties acting in concert with it will be required to make a general offer for all the Shares in issue not owned by or agreed to be acquired by them as a result of the Acquisition under the Takeovers Code.

I. RELEVANT LISTING RULES REQUIREMENTS

As mentioned above, the Vendor is a subsidiary of China Minmetals. Accordingly, the Acquisition constitutes a very substantial acquisition and a connected transaction of the Company under Chapters 14 and 14A of the Listing Rules and is therefore subject to the approval of the Independent Shareholders at the EGM. Although there is no change in the ultimate control of the Company as a result of the Acquisition, less than 24 months has elapsed since China Minmetals became the ultimate controlling Shareholder. As such, the Acquisition also constitutes a reverse takeover of the Company under Chapter 14 of the Listing Rules and the Company will be treated as a new listing applicant if the Acquisition proceeds. The new listing application to be made by the Company must comply with all the requirements under the Listing Rules, including the requirements under Chapters 8 and 9 of the Listing Rules. None of the relevant material regarding the new listing application has been submitted to the Stock Exchange and the Company will initiate the new listing application process for its Shares as soon as practicable. The circular of the Company in connection with the Acquisition is expected to be despatched to the Shareholders within seven days after obtaining the approval from the Listing Committee of the Company's new listing application. **The Listing Committee may or may not grant the approval for the new listing application.**

The Acquisition is conditional upon, among other things, (a) the approval of the Acquisition by the Independent Shareholders at the EGM, (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consideration Shares, (c) the approval of the new listing application to be made by the Company, and (d) the Placing becoming unconditional (save for any conditions requiring the completion of the Acquisition). Voting at the EGM will be conducted by poll. Coppermine, the controlling Shareholder holding about 74.98% of the existing issued share capital of the Company as at the date of this announcement, and its Associates will abstain from voting at the EGM. An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

It is the intention of China Minmetals that the listing of the Company be maintained on the Stock Exchange after Completion. Appropriate arrangements will be made for the Placing to ensure that not less than 25% of the Shares will be held in public hands as soon as practicable following Completion. In such event, the Company will make appropriate announcement(s) as and when appropriate. As mentioned above, the Acquisition is conditional upon such Placing becoming unconditional in all respects (save for any condition requiring the completion of the Acquisition to take place) and completion of the Acquisition will take place simultaneously with the completion of the Placing (if applicable).

The Stock Exchange has stated that it will closely monitor the trading in the Shares on the Stock Exchange. If the Stock Exchange believes that:

- (a) a false market exists or may exist in the trading of the Shares; or**
- (b) there are too few Shares in public hands to maintain an orderly market,**

it will consider exercising its discretion to suspend trading in the Shares until a sufficient public float is attained.

J. GENERAL

The Board considers that the Acquisition Agreement has been entered into on normal commercial terms, and the terms and conditions therein are fair and reasonable and in the interest of the Group and the Shareholders as a whole.

An independent board committee will be formed to advise the Independent Shareholders as to whether or not the terms of the Acquisition Agreement and the Non-exempt Continuing Connected Transactions are fair and reasonable and in the interest of the Group so far as the Independent Shareholders are concerned. An independent financial adviser will be appointed to advise the independent board committee and the Independent Shareholders in this connection.

Rothschild is the financial adviser to the Company in relation to the Acquisition and will also act as the sponsor to the Company's new listing application as a result of the Acquisition.

A circular containing, among other things, further particulars of the Acquisition, the Target Group and the Non-exempt Continuing Connected Transactions, together with the recommendations of the independent board committee, a letter of advice from an independent financial adviser to be appointed to advise the independent board committee and the Independent Shareholders, a notice convening the EGM, and such other information as may be required under the Listing Rules in support of the new listing application to be made by the Company, is expected to be despatched to the Shareholders within seven days after obtaining the approval from the Listing Committee of the Company's new listing application. Under Rules 14.38 and 14A.49 of the Listing Rules, a circular is required to be sent to the Shareholders within 21 days of the date of this announcement. In view of the process that is required in connection with the new listing application, it is unlikely that the circular can be despatched within the time required under the Listing Rules. The Company will seek a consent from the Stock Exchange for an extension of time within which to despatch the circular. A further announcement will be made in due course.

As Completion is subject to the fulfillment of a number of Conditions, the Acquisition may or may not be completed. Shareholders and potential investors should exercise caution when dealing in the Shares.

K. DEFINITIONS

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

“Acquisition”	the proposed acquisition of the entire issued share capital of Target BVI and the benefits in the entire shareholder's loan as at Completion which amounted to approximately RMB781.3 million as at 31 December 2003 owing by Target BVI to the Vendor and/or its Associates pursuant to the Acquisition Agreement
“Acquisition Agreement”	the conditional sale and purchase agreement dated 30 December 2004 entered into between the Company (as purchaser), the Vendor (as seller) and CMN (as seller's guarantor and warrantor) relating to the Acquisition
“Aluminium Trading Business”	the alumina and aluminium ingots trading business of CMN, which includes certain alumina and aluminium ingots trading contracts entered into by CMN to be novated to the Target Group, to be transferred to Minmetals Aluminium pursuant to the Reorganisation
“Associates”	has the meaning ascribed to it under the Listing Rules

“Board”	the board of Directors (including both executive Directors and independent non-executive Directors)
“Chalco”	中國鋁業股份有限公司 (Aluminium Corporation of China Limited), a joint stock limited company incorporated on 10 September 2001 under the laws of the PRC
“China Minmetals”	中國五礦集團公司 (China Minmetals Corporation), formerly known as 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
“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 82.23% by China Minmetals as at the date of this announcement
“Company”	Oriental Metals (Holdings) Company Limited, a company incorporated on 29 July 1988 in Hong Kong with limited liability, the Shares of which are listed on the Stock Exchange
“Completion”	completion of the Acquisition pursuant to the terms and conditions of the Acquisition Agreement
“Conditions”	conditions precedent to Completion as set out in the Acquisition Agreement and summarised in the section headed “Conditions” in this announcement
“Confirmation”	a confirmation from the Executive that neither the Vendor nor parties acting in concert with it will be required to make a mandatory general offer for all the Shares not owned or agreed to be acquired by them under the Takeovers Code as a result of the Acquisition or a waiver of such obligation, as the case may be
“Consideration Shares”	the new Shares to be allotted and issued to the Vendor in connection with the Acquisition
“Coppermine”	Coppermine Resources Limited, a company incorporated on 12 January 2001 in the British Virgin Islands with limited liability and a wholly owned subsidiary of Minmetals HK
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held to consider and approve, among other things, the Acquisition and the Non-exempt Continuing Connected Transactions
“Enlarged Group”	the Group and its subsidiaries following completion of the Acquisition
“Executive”	the executive director of the Corporate Finance Division of the SFC from time to time and any delegate of such executive director
“Group”	the Company and its subsidiaries
“Guangxi Huayin”	廣西華銀鋁業有限公司 (Guangxi Huayin Aluminium Company Limited), the project company incorporated on 18 February 2003 under the laws of the PRC and owned as to 34% by Guangxi Investment Group Co Ltd (formerly Guangxi Construction Investment & Development Company), 33% by Chalco and as to 33% by CMN in respect of an alumina refinery project in southern China pending the approval of the PRC government

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Shareholders”	Shareholders other than China Minmetals and its Associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LYG”	五礦有色金屬連雲港有限公司 (Minmetals Non-ferrous Lianyungang Company Limited), a company incorporated on 20 August 2002 under the laws of the PRC and to be indirectly owned as to 90% by CMN through Minmetals Aluminium pursuant to the Reorganisation
“Minmetals Aluminium”	五礦鋁業有限公司 (Minmetals Aluminium Company Limited), a limited liability company incorporated on 22 October 2004 in the PRC and to be transformed from a PRC domestic enterprise into a wholly owned foreign enterprise owned by Target BVI pursuant to the Reorganisation
“Minmetals Group”	China Minmetals and its subsidiaries excluding the Group and the Target Group
“Minmetals HK”	China Minmetals H.K. (Holdings) Limited, a company incorporated on 16 April 1996 in Hong Kong with limited liability and a wholly owned subsidiary of China Minmetals as at the date of this announcement
“Non-competition Agreement”	the non-competition and first rights of refusal agreement dated 30 December 2004 entered into by China Minmetals in favour of the Company
“Non-exempt Continuing Connected Transactions”	any continuing transactions contemplated as at the date of the Acquisition Agreement between members of the Target Group and the connected persons (as defined in the Listing Rules) of the Company (both as at the date of the Acquisition Agreement and immediately after Completion) which will constitute continuing connected transactions (as defined in the Listing Rules) of the Company immediately following Completion and which will not be exempt from the reporting, announcement and shareholder approval requirements under the Listing Rules
“Placing”	the possible placing of new Shares to be issued by the Company and/or existing Shares by Coppermine if it is necessary to ensure not less than 25% of the issued Shares will be held in public hands as soon as practicable following Completion
“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)
“PRC Legal Opinion”	the legal opinion regarding PRC legal issues relating to, among other things, the Acquisition, the Reorganisation, the Acquisition Agreement and the Non-competition Agreement, in the form and substance satisfactory to the Company
“Reorganisation”	the restructuring of the Target Group whereby Minmetals Aluminium will, directly or indirectly, hold all alumina related operations and related investments formerly or currently held under CMN (save for CMN’s interest in Guangxi Huayin and potential interest in Sherwin but including the Aluminium Trading Business) and becomes wholly owned by Target BVI

“Rothschild” or “Sponsor”	N M Rothschild & Sons (Hong Kong) Limited, an authorised financial institution registered under transitional arrangements to conduct type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), and the financial adviser and sponsor to the Company
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission
“Share(s)”	ordinary share(s) of HK\$0.05 each in the capital of the Company
“Shareholder(s)”	the holder(s) of Shares
“Sherwin”	Sherwin Alumina L.P., a company in respect of which CMN is in the process of acquiring a 51% interest and an alumina refiner with operations at City of Corpus Christi, on the Texas Gulf Coast of the United States of America
“Sino Mining Alumina”	Sino Mining Alumina Limited, a company incorporated on 21 June 1996 in the Cayman Islands with limited liability and a wholly owned subsidiary of Sino Mining International as at the date of this announcement
“Sino Mining International”	Sino Mining International Limited, a company incorporated on 14 February 1995 in the Cayman Islands with limited liability which will become an indirect wholly owned subsidiary of CMN through Minmetals Aluminium pursuant to the Reorganisation
“Sino Mining Trading”	Sino Mining Trading Pty Limited, a company incorporated on 18 December 2001 in Australia with limited liability and a wholly owned subsidiary of Sino Mining International as at the date of this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Target BVI”	Peak Strategic Industries Limited, a company incorporated on 12 December 2003 in the British Virgin Islands with limited liability and a wholly owned subsidiary of the Vendor as at the date of this announcement
“Target Group”	Target BVI, Minmetals Aluminium (including the Aluminium Trading Business), Sino Mining International, LYG and their respective subsidiaries
“Vendor”	Top Create Resources Limited, a company incorporated on 22 January 2004 in the British Virgin Islands with limited liability and a subsidiary of CMN as at the date of this announcement
“%”	per cent.

For the purpose of this announcement, unless otherwise indicated, the exchange rate of RMB1.06 = HK\$1.00 has been used for currency translation, where applicable. Such exchange rate is for the purpose of illustration only and do not constitute a representation that any amounts in HK\$ or RMB have been, could have been or may be converted at such or any other rates.

By order of the board
China Minmetals Non-ferrous Company Limited
Zhang Shoulian
President

By order of the board
Oriental Metals (Holdings) Company Limited
Xu Huizhong
Director and President

Hong Kong, 30 December 2004

As at the date of this announcement, the executive Directors are Messrs. LIN Xizhong (Chairman), XU Huizhong, QIAN Wenchao, and TANG Xiaojin and the independent non-executive Directors are Messrs. LIU Hongru, CHAN Wai Dune and TING Leung Huel, Stephen.

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that in relation to the Minmetals Group and the Target Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than that in relation to the Minmetals Group and the Target Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement (other than that in relation to the Minmetals Group and the Target Group) misleading.

The directors of CMN jointly and severally accepts full responsibility for the accuracy of the information contained in this announcement (other than that in relation to the Group) and confirms, having made all reasonable enquiries, that to the best of its knowledge, opinions expressed in this announcement (other than that in relation to the Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement (other than that in relation to the Group) misleading.

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