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**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
CLARIFICATION, ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE,
APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER AND
DELAY IN THE DESPATCH OF THE CIRCULAR**

The Company and CMN would like to clarify the disclosures made in their joint announcement dated 30 December 2004 regarding the shareholders' loan owing by Target BVI to the Vendor and/or its Associates.

An independent board committee comprising Messrs. Liu Hongru, Chan Wai Dune and Ting Leung Huel, Stephen has been established. Somerley Limited has been appointed as the independent financial adviser to the independent board committee and the Independent Shareholders.

An application has been made to the Stock Exchange by the Company for an extension of time for the despatch of the circular from within 21 days after publication of the Announcement to within seven days after the date on which the approval from the Listing Committee of the Company's new listing application is obtained.

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.

CLARIFICATION

It was announced on 30 December 2004 that the Company (as purchaser) has entered into the Acquisition Agreement with the Vendor (as seller) and CMN (as the Vendor'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.

Terms used in this announcement will have the same meanings as defined in the previous joint announcement dated 30 December 2004 (the "Announcement").

In the course of preparation of the circular to be issued to the Shareholders, it is confirmed by CMN that no shareholders' loan is currently owing by Target BVI to the Vendor or its Associates but certain sums are owing to CMN by other members of the Target Group as follows:

- (i) a sum of approximately RMB715.9 million as at 30 September 2004 owed by Sino Mining Alumina (an indirect subsidiary of Target BVI after the Reorganisation) to CMN. Such sum is in fact a loan arranged by CMN from a bank and on-lent to Sino Mining Alumina on the same commercial terms. The bank loan is secured by, inter alia, a charge on the entire equity capital of and a floating charge over all the assets of Sino Mining Alumina in favour of the bank; and
- (ii) a sum of approximately RMB28.1 million as at 30 September 2004 owed by the Target Group to CMN. This sum represents an unsecured interest free loan from CMN.

The Company is reviewing information concerning these sums with a view to determining appropriate arrangements in relation thereto.

The parties to the Acquisition Agreement wish to confirm that the consideration for the acquisition of the entire issued share capital of Target BVI and the benefits in the entire shareholders' loan as at Completion (if any) owing by Target BVI to the Vendor and/or its Associates will remain unchanged at HK\$2,886 million as announced on 30 December 2004. It is the intention of the parties to the Acquisition Agreement that the Company will acquire all interest in Target BVI, namely all the issued shares in and all shareholders' loan to Target BVI, if any, from the Vendor and/or its Associates. They do not expect there to be any shareholders' loan to Target BVI outstanding from the Vendor and/or its Associates upon Completion, and the consideration of the Acquisition was determined on such basis. Given the basis for determining the consideration of the Acquisition mentioned above, the parties have also confirmed that no adjustment is required to be made to the consideration for the Acquisition arising from the clarification of the amount of the shareholders' loan in this announcement.

As set out in the Announcement, the Company is collecting information on the possible future ongoing connected transactions between members of the Minmetals Group and the Enlarged Group immediately following Completion. Further details of these connected transactions and the outstanding amounts owing to CMN mentioned above will be disclosed in a further announcement and in the circular to be issued to the Shareholders, as may be necessary.

ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Board wishes to announce that an independent board committee comprising Messrs. Liu Hongru, Chan Wai Dune and Ting Leung Huel, Stephen has been established. Somerley Limited has been appointed as the independent financial adviser to the independent board committee and the Independent Shareholders.

DELAY IN THE DESPATCH OF THE CIRCULAR

As stated in the Announcement, 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 the independent financial adviser 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 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.

Pursuant to Rules 14.38 and 14A.49 of the Listing Rules, a circular is required to be sent to the Shareholders within 21 days after publication of the Announcement. In view of the process that is required in connection with the new listing application, including the gathering of all necessary information required under the Listing Rules to be included in the circular and the vetting of the circular by the Listing Committee, it is unlikely that the circular can be despatched within the time required under the Listing Rules.

An application has been made to the Stock Exchange by the Company for an extension of time for the despatch of the circular from within 21 days after publication of the Announcement to within seven days after the date on which the approval from the Listing Committee of the Company's new listing application is obtained.

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.

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

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

Hong Kong, 19 January 2005

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 excluding the 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 excluding 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 Minmetals Group excluding the Group) misleading.

The directors of CMN jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that in relation to the 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 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.”