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ORIENTAL METALS (HOLDINGS) COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 1208)

ANNOUNCEMENT

CONNECTED TRANSACTION

North China Aluminium, a subsidiary of the Company, entered into the Agreement with Minmetals Aluminium on 29 July 2005 to purchase approximately 833 tonnes of aluminium ingots at a consideration of approximately RMB13,767,000 (equivalent to approximately HK\$13,238,000) subject to the terms and conditions of the Agreement.

Minmetals Aluminium is a subsidiary of CMN, which in turn is a subsidiary of China Minmetals, the ultimate controlling shareholder of the Company.

Upon completion of the Acquisition (details of which are published in, among others, the circular of the Company dated 30 June 2005), Minmetals Aluminium will become a wholly-owned subsidiary of the Company. The Acquisition is still subject to the fulfillment of a number of conditions precedent and has not yet been completed. Accordingly, Minmetals Aluminium is still a subsidiary of CMN and a connected person of the Company on the date of the Agreement. Pending completion of the Acquisition, the entering into of the Agreement is a connected transaction of the Company under the Listing Rules. **As completion of the Acquisition is subject to the fulfillment of a number of conditions precedent, the Acquisition may or may not be completed. Shareholders and potential investors should exercise caution when dealing in the shares of the Company.**

This announcement is made pursuant to Rule 14A.32 of the Listing Rules. The entering into of the Agreement is subject to the reporting and announcement requirements but is not subject to the independent shareholders' approval requirement under Chapter 14A of the Listing Rules. Details of the Agreement will be included in the next published annual report and accounts of the Company in accordance with Rule 14A.45 of the Listing Rules.

THE AGREEMENT

On 29 July 2005, North China Aluminium, a subsidiary of the Company, entered into the Agreement with Minmetals Aluminium to purchase from Minmetals Aluminium approximately 833 tonnes of aluminium ingots produced by a third party subject to the terms and conditions of the Agreement.

The consideration under the Agreement was determined after arm's length negotiations and was based on the weighted average price of the average of the highest price and the lowest price of aluminium ingots in 長江現貨市場 (S.H. Yangtze Non-Ferrous Metal Market) published during the period between 16 July 2005 to 31 July 2005, amounting to RMB16,530 per tonne (equivalent to approximately HK\$15,890 per tonne). The aggregate consideration is approximately RMB13,767,000 (equivalent to approximately HK\$13,238,000), which is payable in full in cash within five working days of delivery pursuant to the Agreement. The aluminium ingots were delivered in July 2005 and subsequently paid by 19 July 2005.

REASONS FOR ENTERING INTO THE AGREEMENT

The reasons and benefits for the Group to enter into the Agreement are that (a) pursuant to the terms of the Agreement, Minmetals Aluminium accepts payment after delivery of the aluminium ingots, which is not generally acceptable to other suppliers and provides flexibility to the Group's cash flows and (b) Minmetals Aluminium as a subsidiary of China Minmetals is known as a supplier of quality aluminium ingots.

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 Company; 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 THE GROUP AND MINMETALS ALUMINIUM

The Group is engaged in the trading of non-ferrous metals, with alumina as its main product, and the investment in non-ferrous metals related industrial projects, including aluminium fabrication, copper refinery and plica tubes production in the PRC.

Minmetals Aluminium and its subsidiaries are primarily involved in the sourcing of alumina from the international markets and the supplying of such alumina to aluminium smelters in the PRC. Their other business activities consist of tolling and sourcing ingots and provision of port logistics and agency services.

Minmetals Aluminium is a subsidiary of CMN, which in turn is a subsidiary of China Minmetals, the ultimate controlling shareholder of the Company. Upon completion of the Acquisition (details of which are published in, among others, the circular of the Company dated 30 June 2005), Minmetals Aluminium will become a wholly-owned subsidiary of the Company. The Acquisition is still subject to the fulfillment of a number of conditions precedent and has not yet been completed. Accordingly, Minmetals Aluminium is still a subsidiary of CMN and a connected person of the Company on the date of the Agreement. Pending completion of the Acquisition, the entering into of the Agreement is a connected transaction for the Company under the Listing Rules.

As completion of the Acquisition is subject to the fulfillment of a number of conditions precedent, the Acquisition may or may not be completed. Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

GENERAL

This announcement is made pursuant to Rule 14A.32 of the Listing Rules. The entering into of the Agreement is subject to the reporting and announcement requirements but is not subject to the independent shareholders' approval requirement under Chapter 14A of the Listing Rules. Details of the Agreement will be included in the next published annual report and accounts of the Company in accordance with Rule 14A.45 of the Listing Rules.

DEFINITIONS

“Acquisition”	the proposed acquisition of the entire interest of Top Create Resources Limited (a subsidiary of CMN) in Peak Strategic Industries Limited pursuant to the conditional sale and purchase agreement dated 30 December 2004 as supplemented from time to time by the signing parties thereto
“Agreement”	the agreement dated 29 July 2005 entered into between North China Aluminium and Minmetals Aluminium in respect of the purchase and sale of approximately 833 tonnes of aluminium ingots
“China Minmetals”	中國五礦集團公司 (China Minmetals Corporation), formerly known as 中國五金礦產進出口總公司 (China National Metals and Minerals Import and Export Corporation), a state-owned enterprise established on 7 April 1950 under the laws of the PRC and the ultimate controlling shareholder of the Company currently holding approximately 74.98% of the shares in the capital of the Company through its subsidiaries
“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 established on 27 December 2001 under the laws of the PRC and owned as to approximately 82.23% by China Minmetals
“Company”	Oriental Metals (Holdings) Company Limited (東方鑫源(集團)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
“Minmetals Aluminium”	五礦鋁業有限公司 (Minmetals Aluminium Company Limited), a limited liability company established on 22 October 2004 in the PRC and a subsidiary of CMN
“North China Aluminium”	華北鋁業有限公司 (North China Aluminium Company Limited), a Sino-foreign equity joint venture established under the laws of the PRC on 9 December 1993 and indirectly owned as to 51% by the Company
“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)
“RMB”	Reminbi, 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 HK\$1.00 = RMB1.04.

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

Hong Kong, 3 August 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.

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