

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



CHINA MINMETALS H.K. (HOLDINGS) LIMITED ORIENTAL METALS (HOLDINGS) COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Incorporated in Hong Kong with limited liability)

COPPERMINE RESOURCES LIMITED

(Incorporated in the British Virgin Islands with limited liability)

JOINT ANNOUNCEMENT

**PROPOSED ACQUISITION BY COPPERMINE OF DEBTS OWING BY THE COMPANY TO
CHINA NONFERROUS METALS GROUP (HONG KONG) LIMITED (IN LIQUIDATION),
CHINA NONFERROUS METALS (HONG KONG)
FINANCE COMPANY LIMITED (IN LIQUIDATION)
AND THE BANKS,
SUBSCRIPTION OF 475,376,917 NEW SHARES BY COPPERMINE,
PROPOSED CAPITAL RESTRUCTURING, AND
APPLICATION FOR THE GRANTING OF THE WHITEWASH WAIVER
AND THE SPECIAL DEAL CONSENT**

On 15th October, 2003, pursuant to the Restructuring Proposal, Coppermine separately entered into various agreements to give effect to the Debt Purchase, the Subscription and the Capital Restructuring. Coppermine is a wholly-owned subsidiary of Minmetals HK. Details of the Restructuring Proposal are set out below:

The Debt Purchase

Under the Debt Purchase, Coppermine entered into conditional sale and purchase agreements with the relevant parties in relation to, among others:

- (i) the proposed acquisition of all inter-company debts (all of which are non-interest bearing) owing by the Company to CNMG at the completion of the Debt Purchase, the principal sum of which is HK\$4,929,921.56 as at 3rd September, 2003;
- (ii) the proposed acquisition of all inter-company debts (including all principal amounts and interests) owing by the Company to CNMF at the completion of the Debt Purchase, the principal sum and accrued interest of which is HK\$40,233,084.81 as at 3rd September, 2003; and
- (iii) the proposed acquisition of all debts (including all principal amounts and interests) owing by the Company to the Banks at the completion of the Debt Purchase, the principal sum and capitalised interest of which is HK\$374,195,021.84 as at 31st December, 2001 (HK\$417,797,697.13 as at 3rd September, 2003 according to the Company's records).

The final sum of debts to be purchased in each case is subject to adjustments as a result of, inter alia, any repayment of such debts or further accrual of interests prior to completion.

Purchase price

Coppermine will acquire each of the abovementioned debts at the purchase price of 25 Hong Kong cents in a dollar based on: (a) the principal amount outstanding as at 3rd September, 2003 in respect of the debts owing to CNMG; (b) the principal amount outstanding as at 10th April, 2002 in respect of the debts owing to CNMF in the amount of HK\$38,858,404.44; and (c) the principal amount and the capitalised interest outstanding as at 31st December, 2001 in respect of the debts owing to the Banks in the amount of HK\$374,195,021.84 respectively. The aggregate consideration payable by Coppermine under the Debt Purchase will be approximately HK\$104.5 million in cash, subject to adjustments as a result of, inter alia, any repayment of such debts prior to completion.

Completion of the agreements relating to the Debt Purchase is conditional upon fulfillment or waiver by the relevant party of the conditions set out therein. In particular, completion of the agreements relating to the Debt Purchase is conditional on, amongst others, the obtaining of the Special Deal Consent in respect of purchase of the CNMG Debt and CNMF Debt and for Coppermine using such debts to be purchased as consideration for the Subscription, and the agreement relating to the Subscription becoming unconditional save for any condition requiring the agreements relating to Debt Purchase to become unconditional in all respects.

The Subscription

Under the Subscription, the Company will issue 475,376,917 New Shares at HK\$0.88 per New Share to Coppermine following the completion of the Capital Restructuring which involves a ten to one share consolidation, representing 4,753,769,170 Existing Shares at a price of HK\$0.088 before such share consolidation. The subscription consideration of HK\$418,331,686.96 will be settled by setting off against the debts to be purchased by Coppermine under the Debt Purchase, and by cash payment in respect of any shortfall, if any. If the aggregate amount of the debts acquired by Coppermine under the Debt Purchase exceeds the subscription price of the New Shares, Coppermine shall waive any Bank Debts purchased by it that may remain owing to it.

Completion of the agreement relating to the Subscription is conditional upon the fulfillment or waiver by the relevant party of the conditions set out therein. In particular, completion of the agreement relating to the Subscription is conditional upon the agreements relating to the Debt Purchase having become unconditional in all respects (save for any condition requiring the Subscription itself to have become unconditional), the Capital Restructuring, the Whitewash Waiver and the Special Deal Consent taking effect and/or being granted and the approval of the Subscription, the Whitewash Waiver and the Special Deal by the Independent Shareholders and of the Capital Restructuring by the Shareholders. The agreement relating to the Subscription would complete forthwith upon completion of the Debt Purchase.

Upon completion of the agreement relating to the Subscription, Coppermine will be interested in an aggregate of 475,376,917 New Shares representing approximately 78.3% of the issued share capital of the Company as enlarged by the issue of New Shares under the Subscription. The equivalent number of Existing Shares which such New Shares represents, being 4,753,769,170 Existing Shares, represents approximately 360.2% of the existing issued share capital of the Company.

Capital Restructuring

As at the date of this announcement, the authorised share capital of the Company was HK\$300,000,000 divided into 3,000,000,000 Existing Shares, of which 1,319,726,950 Existing Shares had been issued and were fully paid. The Board would put forward a proposal to consolidate every 10 Existing Shares of HK\$0.10 each in the issued and unissued share capital of the Company into one consolidated share of HK\$1.00 each. After the Share Consolidation, pursuant to the Capital Reduction, the Company will reduce the nominal value of each issued and unissued consolidated shares of the Company from HK\$1.00 each into New Share of HK\$0.05 each. The Board will propose also to restore the authorised share capital of the Company after the Capital Reduction to HK\$300,000,000 by the creation of an additional of 5,700,000,000 New Shares of HK\$0.05 each. The Capital Restructuring is conditional upon, amongst others, the approval of the Capital Restructuring by the Shareholders and the confirmation from the Court for the Capital Reduction having been obtained.

Whitewash waiver application

Under Rule 26 of the Takeovers Code, upon completion of the agreement relating to the Subscription, Coppermine and parties acting in concert with it would be obliged to make a mandatory unconditional general offer for all the New Shares in issue other than those already owned or agreed to be acquired by Coppermine and parties acting in concert with it. Coppermine would apply to the Executive for the Whitewash Waiver. The Executive may or may not grant the Whitewash Waiver, which if granted, would normally be subject to the approval of the Independent Shareholders on a vote to be taken by way of a poll. If the Whitewash Waiver is not obtained and/or approved by the Independent Shareholders on or before 15th February, 2004, the agreement relating to the Subscription and the Restructuring Proposal will lapse. As such, no general offer will be made to the Shareholders.

Special Deal Consent

As at the date of this announcement, CNMG being the controlling shareholder of the Company, is interested in 596,044,203 Existing Shares, representing approximately 45.2% of the existing issued share capital of the Company. Furthermore, CNMF is a wholly owned subsidiary of CNMG. The purchase of the CNMG Debt and CNMF Debt by Coppermine, and the Subscription using such debts to be purchased, will constitute a special deal under Rule 25 of the Takeovers Code. The Company would apply to the Executive for the Special Deal Consent, which if granted, would normally be subject to the independent financial adviser that was appointed to advise the independent committee of the Board, stating in its opinion that the terms of the Special Deal are fair and reasonable, and the approval of the Independent Shareholders on a vote to be taken by way of a poll. An EGM will be convened for the Independent Shareholders to consider and approve, among others, this Special Deal. Completion of the agreement relating to the Subscription is conditional upon, among others, the granting of the Special Deal Consent and the approval of the transactions involved by the Independent Shareholders. If the Special Deal Consent is not obtained and/or approved by the Independent Shareholders on or before 15th February, 2004, the Debt Purchase, the Subscription and the Restructuring Proposal will lapse.

General

Trading in the Existing Shares on the Stock Exchange was suspended at the request of the Company with effect from 9:30 a.m. on 15th October, 2003 pending the release of this announcement. Application has been made by the Company for the resumption of trading in the Existing Shares with effect from 9:30 a.m. on 17th October, 2003.

On 15th October, 2003, pursuant to the Restructuring Proposal, Coppermine separately entered into various agreements to give effect to the Debt Purchase, the Subscription and the Capital Restructuring. Details of the Restructuring Proposal are set out below:

THE DEBT PURCHASE

On 15th October, 2003, Coppermine separately entered into conditional sale and purchase agreements relating to the acquisitions of the CNMG Debt, the CNMF Debt and the Bank Debts respectively.

Proposed acquisition of the CNMG Debt*Parties*

Seller:	CNMG
Purchaser:	Coppermine
Joint and several liquidators of CNMG:	Messrs. Desmond Chung Seng Chiong and John Robert Lees

Debts to be acquired

All inter-company debts (all of which are non-interest bearing) owing by the Company to CNMG as at completion of the Debt Purchase, the principal amount of which is HK\$4,929,921.56 as at 3rd September, 2003. The debts to be acquired on completion are subject to adjustments as a result of, inter alia, any repayment of the debts prior to completion of the Debt Purchase.

Proposed acquisition of the CNMF Debt*Parties*

Seller:	CNMF
Purchaser:	Coppermine
Joint and several liquidators of CNMF:	Messrs. Desmond Chung Seng Chiong and John Robert Lees

Debts to be acquired

All inter-company debts (including all principal amounts and interests) owing by the Company to CNMF as at completion of the Debt Purchase, the aggregate principal amount and accrued interest of which is HK\$40,233,084.81 as at 3rd September, 2003. The debts to be acquired on completion are subject to adjustments as a result of, inter alia, any repayment of the debts or further accrual of interests prior to completion of the Debt Purchase.

Proposed acquisition of the Bank Debts*Parties*

Sellers:	The Banks, namely, The Hongkong and Shanghai Banking Corporation Limited, Bank of China (Hong Kong) Limited, The Bank of East Asia, Limited, The Bank of Tokyo-Mitsubishi Ltd., Hong Kong Branch, ING Bank N.V., Hong Kong Branch, Fortis Bank Asia HK, and banks of the Syndicated Loan, comprising of Sumitomo Mitsui Banking Corporation, Banca Nazionale del Lavoro S.p.A. Hong Kong Branch, Credit Suisse First Boston, Singapore Branch, Bayerische Hypo-und Vereinsbank AG, Hong Kong Branch, Industrial and Commercial Bank of China (Asia) Limited and UFJ Bank Limited, Hong Kong Branch
Purchaser:	Coppermine
Liaison Bank:	The Hongkong and Shanghai Banking Corporation Limited
Syndicate agents of the Syndicated Loan:	Sumitomo Mitsui Banking Corporation and UFJ Bank Limited, Hong Kong Branch

Debts to be acquired

All debts (including all principal amounts and interests) owing by the Company to the Banks as at completion of the Debt Purchase, the aggregate principal amount and capitalised interest of which is HK\$374,195,021.84 as at 31st December, 2001 (HK\$417,797,697.13 as at 3rd September, 2003 according to the financial record of the Company). The debts to be acquired on completion are subject to adjustments as a result of, inter alia, any repayment of the debts or further accrual of interests prior to completion of the Debt Purchase. Upon completion of the Subscription under the Subscription Agreement, Coppermine will waive any Bank Debts purchased by it that may remain owing to it. None of the Banks are related to and none of them are acting in concert with the Company and/or CNMG and/or CNMF and/or their respective Associates, and none of the Banks and parties acting in concert with the Banks have any interest in any securities in the Company.

The Company has not received any notification under the Securities (Disclosure of Interest) Ordinance (repealed) or Part XV of the Securities and Future Ordinance from any of the Banks in respect of interest in the Company. According to the share register of the Company as at 26th September, 2003, none of the Banks are registered shareholders of the Company.

Purchase price

Coppermine will acquire each of the abovementioned debts at the purchase price of 25 Hong Kong cents in a dollar. The aggregate consideration payable by Coppermine under the Debt Purchase shall be approximately HK\$104.5 million in cash subject to adjustments on any repayment of the debts prior to completion.

Conditions

Completion of the agreements relating to the Debt Purchase would be conditional upon, among others, the following conditions being fulfilled:

- (a) no termination or rescission of each of the acquisitions of the CNMG Debt, CNMF Debt and the Bank Debts or the agreement relating to the Subscription shall have occurred; and
- (b) the agreement relating to each of the Debt Purchase and the Subscription becoming unconditional in all respect (other than any condition requiring any of the other agreements to become unconditional in all respects or be completed).

Completion

The agreements relating to the Debt Purchase would complete simultaneously and immediately before the completion of the agreement relating to the Subscription subject to the fulfillment of various conditions set out in these agreements including without limitation the Capital Restructuring having been approved and effected. It is expected that the Debt Purchase will be completed on or before 15th February, 2004.

THE SUBSCRIPTION

Date

15th October, 2003

Parties

Issuer: the Company
Subscriber: Coppermine

Subscription of New Shares

Under the Subscription, the Company will issue 475,376,917 New Shares to Coppermine and Coppermine will subscribe for such New Shares at a subscription price of HK\$0.88 per New Share following the completion of the Capital Restructuring which involves a ten to one share consolidation, representing about 4,753,769,170 Existing Shares at a price of HK\$0.088 each if the share consolidation is not conducted. The subscription consideration of HK\$418,331,686.96 will be settled by setting off against the debts to be acquired by Coppermine under the Debt Purchase, and by cash payment in respect of the shortfall, if any. If the aggregate amount of the debts acquired by Coppermine under the Debt Purchase exceeds the subscription price of the New Shares, Coppermine shall waive any Bank Debts purchased by it that may remain owing to it in favour of the Company.

The subscription price of HK\$0.88 per New Share represents a discount to the nominal value of the Existing Share following the share consolidation of HK\$1.00 each. Accordingly, the Subscription is conditional upon, among others, the Capital Reduction, taking effect.

Subscription price

The subscription price of HK\$0.88 per New Share (equivalent to HK\$0.088 per Existing Share) represents:

- an excess of HK\$0.333 over the unaudited consolidated net deficit of the Company as at 30th June, 2003 of approximately HK\$0.245 per Existing Share;
- a discount of approximately 71.6% to the closing price of HK\$0.31 per Existing Share as quoted on the Stock Exchange on 14th October, 2003, being the last trading day prior to suspension of trading in the Existing Shares pending the issue of this announcement;
- a discount of approximately 71.6% to the average closing price of HK\$0.31 per Existing Share over the five trading days up to and including 14th October, 2003;
- a discount of approximately 71.7% to the average closing price of HK\$0.311 per Existing Share over the 10 trading days up to and including 14th October, 2003; and
- a discount of approximately 69.0% to the average closing price of approximately HK\$0.284 per Existing Share over the 20 trading days up to and including 14th October, 2003; and
- a discount of approximately 64.7% to the average closing price of approximately HK\$0.249 per Existing Share over the 60 trading days up to and including 14th October, 2003.

Upon completion of the agreement relating to the Subscription, Coppermine will be interested in an aggregate of 475,376,917 New Shares, representing approximately 78.3% of the issued share capital of the Company as enlarged by the issue of New Shares under the Subscription. The approximate equivalent number of Existing Shares which such New Shares represents, being about 4,753,769,170 Existing Shares, represents approximately 360.2% of the existing issued share capital of the Company.

Conditions

Completion of the agreement relating to the Subscription would be conditional upon, among others, the following conditions being fulfilled:

- (a) the Stock Exchange granting the listing of and permission to deal in the New Shares to be issued to Coppermine under the Subscription (subject only to issue);
- (b) the Executive granting the Whitewash Waiver waiving the obligation of Coppermine and parties acting in concert with it to make a general offer under Rule 26 of the Takeovers Code as a result of the Subscription;
- (c) at an EGM to be convened, the passing of, among others, an ordinary resolution by the Independent Shareholders by way of a poll to approve the Subscription and the Whitewash Waiver;
- (d) the Executive consenting to the acquisitions of the CNMG Debt and the CNMF Debt respectively and the corresponding Subscription, in accordance with Rule 25 of the Takeovers Code and the passing of an ordinary resolution by the Independent Shareholders by way of a poll to approve such transactions in the manner required under Rule 25 of the Takeovers Code;
- (e) at an EGM to be convened, the passing of: (i) an ordinary resolution to approve the Share Consolidation; (ii) a special resolution to approve the Capital Reduction; and (iii) an ordinary resolution to restore the authorised share capital immediately following the Capital Reduction to HK\$300,000,000 by the addition of 5,700,000,000 New Shares of HK\$0.05 each, and confirmation of the Capital Reduction by the Court being obtained; and
- (f) the Debt Purchase becoming unconditional in all respects (other than any condition requiring the agreement relating to the Subscription having become unconditional or completed).

Completion

The agreement relating to the Subscription would complete after the Capital Restructuring has taken effect and forthwith upon completion of the agreements relating to the Debt Purchase. It is expected that the Subscription will be completed on or before 15th February, 2004.

PROPOSED CAPITAL RESTRUCTURING

Under the Companies Ordinance, it is not permissible for the Company to issue shares at a discount to the nominal value of its shares without the consent of the Court.

The Company recorded audited accumulated deficit of approximately HK\$1,271,647,000 (on an unconsolidated basis) as at 31st December, 2002 as set out in the latest annual report and accounts of the Company. The Directors believe that in light of such accumulated deficit, the Company's capital represented by its share capital has been lost. It would be in the interest of the Company, in order to facilitate the Subscription and to provide flexibility for further issue of shares in the Company, to effect the Capital Restructuring involving a reduction of the nominal value of the ordinary shares in the Company to HK\$0.05 each.

As at the date of this announcement, the authorised share capital of the Company was HK\$300,000,000 divided into 3,000,000,000 Existing Shares, of which 1,319,726,950 Existing Shares had been issued and were fully paid. The Board would put forward a proposal to the Shareholders to effect the Capital Restructuring which will involve:

- (i) the Share Consolidation whereby every 10 Existing Shares of HK\$0.10 each in the issued and unissued share capital of the Company will be consolidated into one consolidated share of HK\$1.00 each;
- (ii) the Capital Reduction whereby the nominal value of each issued and unissued share in the share capital of the Company following the Share Consolidation will be reduced from HK\$1.00 to HK\$0.05 each and the paid-up capital of the issued consolidated shares will be cancelled to the extent of HK\$0.95 each;
- (iii) the authorised share capital of the Company immediately following the Share Consolidation and the Capital Reduction will be restored to HK\$300,000,000 by the creation of an additional of 5,700,000,000 New Shares of HK\$0.05 each; and
- (iv) the total credit arising from the Capital Reduction, to the extent permitted by the Court and subject to any conditions which the Court may impose, will be applied towards the accumulated deficit of the Company as at the effective date of the Capital Reduction.

Immediately after the Capital Restructuring but prior to completion of the agreement relating to the Subscription, the share capital of the Company will consist of approximately 131,972,695 New Shares in issue and the aggregate nominal value of the issued share capital of the Company will become HK\$6,598,634.75. On the basis of 1,319,726,950 Existing Shares in issue as at the date of this announcement, a credit of HK\$125,374,060.25 will arise as a result of the Capital Reduction.

The Existing Shares are traded in board lots of 2,000 Existing Shares. The New Shares will be traded in board lots of 4,000 New Shares. The New Shares to be in issue will rank *pari passu* in all respects with each other as to dividends, voting rights and capital. Any fractional entitlement to the New Shares to be issued resulting from the Capital Reorganisation will be aggregated, sold and retained for the benefit of the Company.

A further announcement relating to the timetable, trading arrangements (including trading arrangements for odd lots as a result of the Capital Restructuring) and procedure for free exchange of certificate for New Shares will be made as soon as possible.

Conditions of the Capital Restructuring

The Capital Reduction will be conditional upon the following:

- (i) the passing of an ordinary resolution by the Shareholders at an EGM to approve the Share Consolidation;
- (ii) the passing of a special resolution by the Shareholders at an EGM to approve the Capital Reduction;
- (iii) the passing of an ordinary resolution by the Shareholders at an EGM to approve the creation of an additional 5,700,000,000 New Shares to restore the authorised share capital of the Company to HK\$300,000,000 immediately after the Capital Reduction;
- (iv) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the New Shares to be issued upon the Capital Reduction becoming effective; and
- (v) the granting of approvals and confirmation in connection with the Capital Reduction by the Court.

Effect of the Capital Restructuring

Implementation of the Capital Restructuring would not, of itself, alter the underlying assets, business operations, management or financial position of the Company and the Group or the rights of the Shareholders, except for payment of the related expenses. The proportionate interests and voting rights of the Shareholders in the Company would not be affected by the Capital Restructuring itself.

SHAREHOLDING STRUCTURE

Set out below is a table showing the existing shareholding structure and the shareholding structure upon completion of the Restructuring Proposal.

Shareholders	Existing shareholding structure before completion of the Capital Restructuring, the Subscription and the Debt Purchase		Shareholding structure after Capital Restructuring becoming effective but before completion of the Subscription and the Debt Purchase		Shareholding structure upon completion of the Capital Restructuring, the Subscription and the Debt Purchase	
	Number of shares	%	Number of shares	%	Number of shares	%
Coppermine	–	–	–	–	475,376,917	78.3
CNMG (Note)	596,044,203	45.2	59,604,420	45.2	59,604,420	9.8
Public shareholders	723,682,747	54.8	72,368,274	54.8	72,368,274	11.9
	<u>1,319,726,950</u>	<u>100.0</u>	<u>131,972,694</u>	<u>100.0</u>	<u>607,349,611</u>	<u>100.0</u>

Note: As confirmed by Asian Capital (Corporate Finance) Limited, the financial adviser of the liquidators of CNMG, CNMG holds 596,044,203 Existing Shares in the Company and the liquidators are not aware of there being any associates or concert parties of CNMG which holds any Existing Shares in the Company.

As at the date of this announcement, the Company has no outstanding options, warrants, derivatives or other securities that are convertible into the Existing Shares.

TAKEOVERS CODE IMPLICATIONS

Whitewash Waiver Application

Upon completion of the agreement relating to the Subscription, Coppermine will be interested in an aggregate of 475,376,917 New Shares representing approximately 78.3% of the issued share capital of the Company as enlarged by the issue of New Shares under the Subscription. Under Rule 26 of the Takeovers Code, in the absence of the Whitewash Waiver, upon completion of the agreement relating to the Subscription, Coppermine and parties acting in concert with it would be obliged to make a mandatory general offer to acquire all the New Shares in issue other than those already owned or agreed to be acquired by Coppermine and parties acting in concert with it.

An application will be made by Coppermine to the Executive for the Whitewash Waiver. The Executive may or may not grant the Whitewash Waiver, which if granted, would normally be subject to the approval of the Independent Shareholders on a vote to be taken by way of a poll. An EGM will be convened for the Independent Shareholders to consider and approve among others the Whitewash Waiver. Completion of the agreement relating to the Subscription is conditional upon, among others, the granting of the Whitewash Waiver by the Executive. If the Whitewash Waiver is not obtained and/or approved by the Independent Shareholders on or before 15th February, 2004, the agreement relating to the Subscription and the Restructuring Proposal will lapse. As such, no general offer will be made to the Shareholders.

Other than pursuant to the Subscription, neither Coppermine nor parties acting in concert with it was interested in any Existing Shares, options, warrants, derivatives or securities convertible into shares in the Company as at the date of this announcement nor had dealt in the Existing Shares during the six-month period prior to the date of this announcement. Coppermine has stated that they will not deal in the Existing Shares until after the EGM.

Special Deal Consent

As at the date of this announcement, CNMG being the controlling shareholder of the Company, held 596,044,203 Existing Shares, representing approximately 45.2% of the existing issued share capital of the Company. Furthermore, CNMF is a wholly owned subsidiary of CNMG. The purchase of the CNMG Debt and the CNMF Debt by Coppermine, and Coppermine using such debts to be purchased as consideration for the Subscription will constitute a special deal under Rule 25 of the Takeovers Code and hence will require the consent from the Executive.

An application will be made by the Company to the Executive for the Special Deal Consent, which if granted, would normally be subject to the independent financial adviser that was appointed to advise the independent committee of the Board stating in its opinion that the terms of the Special Deal are fair and reasonable, and the approval of the Independent Shareholders by way of a poll. An EGM will be convened for the Independent Shareholders to consider and approve, among others, the Special Deal. Completion of the agreement relating to the Subscription is conditional upon, among others, the granting of the Special Deal Consent and the approval of the transactions involved by the Independent Shareholders on or before 15th February, 2004. If the Special Deal Consent is not obtained and/or approved by the Independent Shareholders, the agreements relating to the Debt Purchase, the Subscription and the Restructuring Proposal will lapse.

INFORMATION ON THE GROUP

Business

The Company is incorporated in Hong Kong with limited liability and its Existing Shares have been listed on the Stock Exchange since 1994. The Company is an investment holding company. Its subsidiaries and associates are principally engaged in the trading of nonferrous metals, processing of aluminum and copper products, and investments relating to nonferrous metals.

Financial information

The following table sets out a summary of the audited consolidated results of the Group for each of the three years ended 31st December, 2002 and the unaudited consolidated results of the Group for the six months ended 30th June, 2003:

	For the year ended 31st December,			For the six months
	2000	2001	2002	ended
	HK\$'000	HK\$'000	HK\$'000	30th June, 2003
				HK\$'000
Turnover	1,442,523	1,234,277	875,676	643,927
Profit/(loss) for the year/period	(161,131)	(863,008)	19,676	27,763

As at 31st December, 2000, the Group had an audited net tangible assets of approximately HK\$503 million. As at 31st December, 2001 and 2002, the Group had an audited net deficit of approximately HK\$363 million and HK\$351 million respectively. As at 30th June, 2003, the Group had an unaudited net deficit of approximately HK\$323 million.

INFORMATION ON COPPERMINE AND ITS PARENT GROUP

Coppermine is a private company wholly owned by Minmetals HK, which is in turn a wholly owned subsidiary of China Minmetals. The board of directors of Coppermine comprises Mr. Lin Xizhong, Mr. Liang Qing and Mr. Qian Wenchao. Minmetals HK had over 20 years of experience in the trading of metals, property development and financial investment businesses. The board of directors of Minmetals HK comprises five members, two of whom, namely Mr. Lin Xizhong and Mr. Qian Wenchao are proposed to be nominated as new directors of the Company.

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, nonferrous metals and mineral products in the PRC. China Minmetals has a worldwide sales network, and has interests in about 160 solely or jointly funded ventures in the PRC and in about 40 entities overseas. China Minmetals has a wide spectrum of investments in the PRC. The shares of one of its subsidiaries, Minmetals Development Co., Ltd., were listed on the Shanghai Stock Exchange in the PRC in 1997 and had a market capitalisation amounting to approximately RMB6.03 billion (approximately HK\$5.69 billion) as at 14th October, 2003. Furthermore, China Minmetals has interests in companies whose shares are listed in the PRC including, Jiangxi Copper Company Limited[#], Xiamen Tungsten Co. Ltd., Ningbo United Group Co., Ltd., and Shenzhen SDG Information Co., Ltd. For the year ended 31st December, 2002, the total revenue of China Minmetals amounted to about US\$6.8 billion (equivalent to approximately HK\$53 billion).

[#] *Jiangxi Copper Company Limited's H shares are listed on the main board of the Stock Exchange.*

The businesses lines of China Minmetals include:

Core business lines

- trading of iron and steel, and metal products;
- trading of non-ferrous metals (including copper, aluminum, tungsten, antimony, rare earth); and
- trading of mineral products and building materials (such as coke, coal, iron ores and refractory);

Non-core business lines

- insurance;
- securities and futures; and
- property development and construction subcontracting.

Minmetals HK is an independent third party and is not connected with any of the chief executives, directors or substantial shareholders of the Company or any of its subsidiaries or any of their respective Associates.

INTENTION OF THE GROUP

Business

Following completion of the Restructuring Proposal, through the Company's new management team, Minmetals HK would firstly rationalise, improve and strengthen the financial position and operations of the Group, especially to develop its nonferrous metals trading and processing businesses. Minmetals HK would then formulate a long term development strategy for the Group and to implement appropriate measures, if necessary, to further strengthen the Group's operations. China Minmetals is one of China's leading metals and minerals trading company with a worldwide sales network and is also engaged in the trading and investment of nonferrous metals related business, the Group may compete against China Minmetals in the same industry, in particular the trading of alumina. In 2002, a subsidiary of China Minmetals engaged in the trading of alumina recorded a turnover of approximately Rmb1,317 million (approximately HK\$1,242 million). The trading of non-ferrous metals business of the Group amounted to approximately HK\$116.7 million, which accounted for approximately 18% of the turnover of the Group for the six months ended 30th June, 2003. The Group did not have any turnover from the trading of non-ferrous metals for the year ended 31st December, 2002. In 2002, the Group's turnover was mainly from its aluminum refinery and copper refinery and smelters businesses. Upon completion of the Restructuring Proposal, China Minmetals and Minmetals HK intend to analyse further the Group's nonferrous metals trading business in order to rationalise their competing businesses. Currently, Minmetals HK has no plans to inject any of its existing assets or businesses into the Group.

Directors of the Company

It is the intention of Minmetals HK to nominate four additional executive directors (namely Mr. Lin Xizhong, Mr. Qian Wenchao, Mr. Shen Chenyang and Mr. Tang Xiaojin) to the board of directors of the Company. At present, none of them has any directorship or shareholding interest in any businesses which is considered to be in competition with that of the Group. It is the intention of Minmetals HK that other than one of the executive director, Mr. Xu Huizhong, and the two independent non-executive directors, Mr. Chan Wai Dune and Mr. Ting Leung Huel, Stephen, all other existing directors will resign upon completion of the Restructuring Proposal. As such, the board of directors of the Company will comprise seven directors, including two independent non-executive directors and five executive directors of which two of them are also directors of Minmetals HK, and there will be sufficient management presence in Hong Kong as required under the Listing Rules. Any appointment of directors of the Company will be made in compliance with Rule 26.4 of the Takeovers Code and the Listing Rules. At present, Minmetals HK has no intention to make any significant changes to the existing management other than a change of directors mentioned above, and the businesses of the Group will be carried out independently of Minmetals HK.

Particulars of Mr. Lin Xizhong, Mr. Qian Wenchao, Mr. Shen Chenyang and Mr. Tang Xiaojin are set out below:

Mr. Lin Xizhong, aged 58, is the Vice Chairman and Managing Director of Minmetals HK. He is currently the Vice President of China Minmetals, and Chairman of AXA-Minmetals Assurance Ltd in Shanghai. He earned his Bachelor of Arts degree in Literature from the Beijing Foreign Studies University in the PRC in 1973. From 1995 to 1998, he was China's representative in the APEC Business Advisory Council (ABAC) of Asia-Pacific Economic Cooperation Organisation. He was the Vice Chairman of First Pacific Bank during 1993 to 2000. Mr. Lin has over 30 years of experience in international trading, strategic investment and financial corporate management.

Mr. Qian Wenchao, aged 38, is a director of Minmetals HK. He earned his Bachelor of Arts degree in Economics from Beijing Technology and Business University and completed his graduate study in accounting in the same university in 1987 and 1989 respectively. He joined China Minmetals in 1989 and has worked in the Overseas Enterprises Division of China Minmetals and Minmetals HK with responsibilities in financial management. Mr. Qian has over 10 years of experience in financial corporate management.

Mr. Shen Chenyang, aged 37, is Deputy Managing Director of China Minmetals NZ Limited. He earned his Bachelor of Arts degree in Economics from the University of International Business & Economics in the PRC. He joined China Minmetals in 1988 and has worked as Deputy Department Manager in Minmetals Trading Co. Ltd., Department Manager and General Manager Assistant in Minmetals International Non-ferrous Metals Trading Company. Mr. Shen has more than 10 years of experience in minerals and nonferrous metals industry.

Mr. Tang Xiaojin, aged 41, is the General Manager of OrienMet Industry Company Limited. He joined the Group in 1995. Mr. Tang graduated from the Faculty of Mechanical Engineering of the Southern Institute of Metallurgy, the then Jiangxi Institute of Metallurgy in the PRC in 1983 with a bachelor degree in engineering. He joined Beijing General Research Institute for Mining and Metallurgy in 1983 engaging in metallurgical research and design. In 1989, Mr. Tang joined the Personnel Department of the then China National Nonferrous Metals Industry Corporation. Mr. Tang has over 20 years of experience in nonferrous metals industry.

CONNECTED TRANSACTIONS

Prior to the signing of the various agreements relating to the Restructuring Proposal, the Company has entered into the Framework Agreement on 21st January, 2003 with China Minmetals Nonferrous Metals Company Limited for the sale of an aggregate of 180,000 metric tonnes of alumina (+/- 5%) by the Company to China Minmetals Nonferrous Metals Company Limited, a non-wholly owned subsidiary of China Minmetals, during the year of 2003. Pursuant to the Framework Agreement, the following purchase contracts have been signed:

- (a) a contract dated 27th February, 2003 for the sale of 30,000 metric tonnes of alumina (+/- 5%) by the Company to China Minmetals Nonferrous Metals Company Limited for an amount of US\$6,750,000 (equivalent to approximately HK\$52,650,000);
- (b) a contract dated 14th May, 2003 for the sale of 30,000 metric tonnes of alumina (+/- 5%) by the Company to Minmetals North-Europe AB, a wholly owned subsidiary of China Minmetals, for an amount of US\$8,550,000 (equivalent to approximately HK\$66,690,000);
- (c) a contract dated 17th July, 2003 for the sale of 30,000 metric tonnes of alumina (+/- 5%) by the Company to Minmetals Germany GMBH, a wholly owned subsidiary of China Minmetals, for an amount of US\$8,430,000 (equivalent to approximately HK\$65,754,000);
- (d) a contract dated 10th September, 2003 for the sale of 25,000 metric tonnes of alumina (+/- 5%) by the Company to Minmetals Inc. U.S.A., a wholly owned subsidiary of China Minmetals, for an amount of US\$6,975,000 (equivalent to approximately HK\$54,405,000); and
- (e) a contract dated 24th September, 2003 for the sale of 25,000 metric tonnes of alumina (+/- 5%) by the Company to China Minmetals Nonferrous Metals Company Limited, a non wholly owned subsidiary of China Minmetals, for an amount of US\$7,200,000 (equivalent to approximately HK\$56,160,000).

As at the date hereof, 140,000 metric tonnes of alumina (+/- 5%) have been sold and 114,750 metric tonnes of alumina have been delivered by the Company under the Framework Agreement and the said purchase contracts. It is expected that further purchase contracts for the sale of the remaining 30,000 metric tonnes of alumina (+/- 5%) will be entered between the Company and the subsidiaries of China Minmetals for the remaining period of 2003. These transactions under the Framework Agreement may or may not continue after completion of the Restructuring Proposal depending upon the timing of completion of the Restructuring Proposal and whether the Framework Agreement would have been fully performed before the completion of the Restructuring Proposal.

As Coppermine will become a substantial shareholder of the Company following the completion of the Restructuring Proposal, if any transactions under the Framework Agreement continue after the completion of the Restructuring Proposal, such transactions will constitute connected transactions of the Company and the Company will take appropriate steps in respect of such transactions (if any) in compliance with the Listing Rules. Further announcement will be made as and when appropriate.

REASONS FOR THE RESTRUCTURING PROPOSAL

The Group has been operating at a loss for each of the five years ended 31st December, 2001. For the year ended 31st December, 2002, the Group made a profit of approximately HK\$20 million. For the six months ended 30th June, 2003, the Group made a profit of approximately HK\$28 million. Nevertheless, as at 30th June, 2003, the consolidated net deficit and the net current liabilities of the Group amounted to approximately HK\$323 million and approximately HK\$525 million respectively. Included in the consolidated total assets of the Group of approximately HK\$1,133 million were mainly comprised of fixed assets of approximately HK\$308 million, construction in progress of approximately HK\$163 million, inventories of approximately HK\$151 million, trade receivables of approximately HK\$343 million, and cash and bank deposits of approximately HK\$93 million. On the other hand, the consolidated total liabilities of the Group amounted to approximately HK\$1,296 million, of which total bank loans amounted to approximately HK\$841 million and approximately HK\$689 million were due within one year or on demand.

The Group had defaulted on repayment of bank loans of approximately HK\$340 million and HK\$422 million in 1998 and 1999 respectively. The default of repayment on bank loans owed by the Group is approximately HK\$387 million as at 30th June, 2003, of which approximately HK\$378.4 million is owed by the Company to the Banks as at 30th June, 2003 and the remaining balance being accrued interests and other loans from PRC banks. In July 2002, a steering committee has been formed by the Banks to seek recovery of such amount. Banks of the Syndicated Loan issued writs of summons against the Company for the repayment of bank loan of approximately US\$14 million (equivalent to approximately HK\$109.2 million) and the case was ruled in their favour by the Court in January 2003.

As the financial position of the Group was still in substantial net deficit, there is doubt about the Group's ability to continue as a going concern. In the Company's annual report dated 17th April, 2003 for the year ended 31st December, 2002, the Company's auditor indicated that they were unable to form an opinion as to whether the Company's accounts give a true and fair view of the state of affairs of the Company and of the Group as at 31st December, 2002 and of the profit and cash flows of the Group for the year then ended because of the fundamental uncertainty relating to the Company's and the Group's ability to continue as a going concern.

In view of the above, the Board considers that restructuring of the Group's financial structure and shareholding structure is essential to enhance the Group's ability to operate as a going concern. The Restructuring Proposal would enable the Group to: (i) reduce its level of indebtedness by approximately HK\$458 million according to the Company's record as at 30th June, 2003; (ii) strengthen its financial position with a net asset value of approximately HK\$135 million compared with a net deficit of approximately HK\$323 million as at 30th June, 2003; and (iii) benefit from having Coppermine, as opposed to CNMG a company in liquidation, as its controlling shareholder.

The Board considers that the terms of the Restructuring Proposal are fair and reasonable and in the interests of the Company and Shareholders taken as a whole. In the circumstances, the Board has decided to put forward the Restructuring Proposal to the Shareholders for their consideration.

MAINTAINING THE LISTING OF THE COMPANY

It is the intention of the Coppermine and the directors of the Company (excluding Messrs. Gao Dezhu, Lau Yat Ching, Wang Xingdong, Deng Weihua who will resign upon completion of the Restructuring Proposal but including the new directors to be appointed to the Board upon the completion of the Restructuring Proposal) to maintain the listing of the Company on the Stock Exchange. Upon completion of the Restructuring Proposal, less than 25% of the issued New Shares will be held by the public. Coppermine and the directors of the Company (excluding the said directors who will resign but including the said new directors to be appointed to the Board upon the completion of the Restructuring Proposal) have jointly and severally undertaken to the Stock Exchange that appropriate steps will be taken to ensure that sufficient public float as required under the Listing Rules will be restored for the New Shares, as soon as practicable, following completion of the Restructuring Proposal. Depending on the market conditions, such steps may involve placement of some of the New Shares. Further announcement will be made as and when appropriate.

The Stock Exchange has stated that it will closely monitor the dealing in the Shares on the Stock Exchange. The Stock Exchange has also stated that, if less than 25% of the issued New Shares are in public hands following completion of the Subscription, or if the Stock Exchange believes that a false market exists or may exist in the trading of the New Shares or that there are insufficient New Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend dealings in the New Shares.

The Stock Exchange has stated that if the Company remains as a listed company, the Stock Exchange will closely monitor all future acquisitions or disposals of assets by the Company. Any acquisitions or disposals of assets by the Company will be subject to the provisions of the Listing Rules. Pursuant to the Listing Rules, the Stock Exchange has the discretion to require the Company to issue an announcement and/or a circular to its shareholders irrespective of the size of any proposed transaction, particularly when such proposed transaction represents a departure from the principal activities of the Company. The Stock Exchange also has the power pursuant to the Listing Rules to aggregate a series of acquisitions and disposals of assets by the Company and any such acquisitions and disposals may result in the Company being treated as if it were a new listing applicant and subject to the requirements of new listing applications as set out in the Listing Rules.

Shareholders should note that the Restructuring Proposal is conditional and the release of this announcement does not in any way imply that the Restructuring Proposal will be implemented and completed. Shareholders should exercise caution when dealing in the shares of the Company.

ADDITIONAL INFORMATION

On 15th October 2003, a wholly-owned subsidiary of Minmetals HK, entered into an unconditional sale and purchase agreement with CNMG in relation to the acquisition of the controlling interest in ONFEM and it will make an offer to all shareholders of ONFEM, particulars of which are set out in the announcement of ONFEM dated 16th October, 2003.

On 15th October, 2003, China Expand Development Limited, a wholly-owned subsidiary of Minmetals HK, entered into an agreement with CNMG for the assignment of debt owed by each of Oriental Shipping and Transportation Company Limited and Orientmet Properties Company Limited. Pursuant to the agreement, the consideration for the OS/OP Transaction will be provided by Premiere Asia Holdings Limited (another subsidiary of Minmetals HK) which has proven as a creditor in CNMG's liquidation, agreeing to reduce its claim in CNMG's liquidation in the same amount as the consideration on a "dollar-to-dollar" basis, such that any entitlement that subsidiary may have to receive a dividend in CNMG's liquidation will be calculated by reference to the amount of its reduced claim. The debt owing by each of Oriental Shipping and Transportation Company Limited and Orientmet Properties Company Limited to CNMG as at 3rd September, 2003 was approximately HK\$95.3 million and HK\$29.6 respectively (approximately HK\$124.9 million in aggregate).

Based on the information available to Minmetals HK, such debt was originally owed by Oriental Shipping and Transportation Company Limited and Orientmet Properties Company Limited to the Company but such debt was assigned absolutely by the Company to CNMG pursuant to two agreements both dated 31st October, 1998 in payment of an amount due and payable by the Company to CNMG. Such debt is now a separate debt and no longer concerns the Company. The State Nonferrous Metals Industry Administration, which was dissolved under the promulgation of the State Economics and Trade Commission of the PRC on 19th February, 2001, was, prior to its dissolution, the ultimate controlling shareholder of CNMG and the holding company of both Oriental Shipping and Transportation Company Limited and Orientmet Properties Company Limited. Mr. Lau Yat Ching,

director of the Company, is also a director of Oriental Shipping and Transportation Company Limited and Orienmet Properties Company Limited. Save as disclosed above, neither Oriental Shipping and Transportation Company Limited nor Orienmet Properties Company Limited is connected to any of the chief executive or directors of the Company, CNMG, their respective subsidiaries and Associates.

Minmetals HK and the liquidators of CNMG have entered into the OS/OP Transaction based on separate commercial considerations from the other offers on the sale and purchase of the CNMG Debt and the CNMF Debt. The completion of the OS/OP Transaction is not conditional on the Debt Purchase and the negotiations of the OS/OP Transaction have been carried out by Minmetals HK separately and independent of the negotiations concerning the Debt Purchase and the Subscription.

Neither of the ONFEM Transaction nor the OS/OP Transaction is dependent on, or connected with, the Debt Purchase and the Subscription. The negotiations of each of the ONFEM Transaction, the OS/OP Transaction, the Debt Purchase and the Subscription have been conducted separately and independently of each other.

SUSPENSION AND RESUMPTION OF TRADING IN THE SECURITIES

Trading in the Existing Shares on the Stock Exchange was suspended at the request of the Company with effect from 9:30 a.m. on 15th October, 2003 pending the publication of this announcement. Application has been made by the Company for the resumption of trading in the Existing Shares with effect from 9:30 a.m. on 17th October, 2003.

GENERAL

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the New Shares arising from the Capital Reduction and the New Shares to be issued under the Subscription.

BNP Paribas Peregrine Capital Limited has been engaged as financial adviser to Minmetals HK and its subsidiary, Coppermine regarding the Restructuring Proposal.

REXCAPITAL (Hong Kong) Limited has been appointed as financial adviser to the Company.

An independent committee of the Board comprising Mr. Chan Wai Dune and Mr. Ting Leung Huel, Stephen has been appointed to consider the Subscription, the grant of the Whitewash Waiver and the Special Deal, subject to the Executive's consent. Somerley Limited has been appointed to advise the independent committee of the Board regarding the Subscription, the Whitewash Waiver and the Special Deal Consent.

A circular of the Company containing, among others, details of the Debt Purchase, the Subscription, the Capital Restructuring, the advice of the independent committee of the Board and the advice of the independent financial advisers to the independent committee of the Board, and a notice of an EGM will be despatched to the Shareholders within 21 days from the date of this announcement and in compliance with the Takeovers Code.

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“Associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Banks”	The Hongkong and Shanghai Banking Corporation Limited, Bank of China (Hong Kong) Limited, The Bank of East Asia, Limited, The Bank of Tokyo-Mitsubishi, Ltd., Hong Kong Branch, ING Bank N.V., Hong Kong Branch, Fortis Bank Asia HK, and banks of the Syndicated Loan, comprising of Sumitomo Mitsui Banking Corporation, Banca Nazionale del Lavoro S.p.A. Hong Kong Branch, Credit Suisse First Boston, Singapore Branch, Bayerische Hypo-und Vereinsbank AG, Hong Kong Branch, Industrial and Commercial Bank of China (Asia) Limited and UFJ Bank Limited, Hong Kong Branch
“Bank Debts”	all debts (including all principal amounts and interests) owing by the Company to the Banks as at completion of the Debt Purchase, the principal amount and capitalised interest of which is HK\$374,195,021.84 as at 31st December, 2001 (HK\$417,797,697.13 as at 3rd September, 2003 according to the Company's records)
“Board”	the board of directors (including both executive directors and independent non-executive directors) of the Company
“Capital Reduction”	the proposed reduction of the nominal value of each of the issued and unissued Share in the capital of the Company arising as a result of the Share Consolidation of HK\$1.00 each to HK\$0.05 each and the cancellation of the paid up capital of the issued shares following the Share Consolidation to the extent of HK\$0.95 on each share
“Capital Restructuring”	the Share Consolidation, the Capital Reduction and the restoration of the authorised share capital of the Company to HK\$300,000,000

“China Minmetals”	China National Metals and Minerals Import and Export Corporation, a state-owned enterprise in the PRC, managed by the State-owned Assets Supervision and Administration Commission (國務院國有資產監督管理委員會) and the holding company of Minmetals HK and Coppermine, which is not connected with the directors, chief executive or substantial shareholders of the Company, any of its subsidiaries or their respective Associates
“CNMG”	China Nonferrous Metals Group (Hong Kong) Limited (in liquidation), the controlling shareholder of the Company which is interested in 596,044,203 Existing Shares, representing approximately 45.2% of the existing issued share capital of the Company
“CNMG Debt”	all inter-company debts (all of which are non-interest bearing) owing by the Company to CNMG as at completion of the Debt Purchase of a principal amount of HK\$4,929,921.56 as at 3rd September, 2003
“CNMF”	China Nonferrous Metals (Hong Kong) Finance Company Limited (in liquidation), a wholly-owned subsidiary of the controlling shareholder of the Company and acting through Messrs. John Lees and Desmond Chiong, as its joint and several liquidators
“CNMF Debt”	all inter-company debts (including all principal amounts and interests) owing by the Company to CNMF of a principal amount and accrued interest of HK\$40,233,084.81 as at 3rd September, 2003
“Company”	Oriental Metals (Holdings) Company Limited, a company incorporated in Hong Kong with limited liability, the Existing Shares of which are listed on the Stock Exchange
“Coppermine”	Coppermine Resources Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of Minmetals HK
“Companies Ordinance”	Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Court”	the Court of First Instance of the High Court of Hong Kong
“Debt Purchase”	the proposed acquisition of the CNMG Debt, CNMF Debt and Bank Debts, in accordance with the terms and conditions stated in the corresponding sale and purchase agreements, entered into by Coppermine and CNMG, CNMF and the Banks respectively on 15th October, 2003
“EGM”	extraordinary general meeting of the Company to be convened to consider and approve, among others, the Subscription, the Capital Restructuring, the Whitewash Waiver and the Special Deal
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Existing Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company prior to the Capital Reduction becoming effective
“Framework Agreement”	a framework agreement dated 21st January, 2003 with China Minmetals Nonferrous Metals Company Limited for the sale of an aggregate of 180,000 metric tonnes of alumina (+/- 5%) by the Company to China Minmetals Nonferrous Metals Company Limited, a non-wholly owned subsidiary of China Minmetals, during the year of 2003
“Group”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Independent Shareholder(s)”	Shareholder(s) other than CNMG and any parties acting in concert with it or any parties who are involved in or interested in the Debt Purchase, the Subscription and the Whitewash Waiver
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Minmetals HK”	China Minmetals H.K. (Holdings) Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of China Minmetals
“New Share(s)”	share(s) of HK\$0.05 each in the share capital of the Company arising following the Capital Restructuring
“ONFEM”	ONFEM Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange

“ONFEM Transaction”	sale and purchase of controlling interest in ONFEM under the sale and purchase agreement between CNMG as the vendor and a subsidiary of Minmetals HK as the purchaser dated 15th October, 2003
“OS/OP Transaction”	proposed acquisition of the indebtedness owing by each of Oriental Shipping and Transportation Company Limited and Oriemet Properties Company Limited to CNMG
“PRC”	the People’s Republic of China
“Restructuring Proposal”	the Debt Purchase, the Subscription and the Capital Restructuring
“SFC”	the Securities & Futures Commission of Hong Kong
“Share Consolidation”	the proposed consolidation of the Existing Shares whereby every 10 Existing Shares of HK\$0.10 each in the issued and unissued share capital of the Company will be consolidated into one consolidated share of HK\$1.00 each
“Shareholders”	holders of the Existing Shares
“Special Deal”	the proposed acquisition of the CNMG Debt and the CNMF Debt, and the Subscription using such debts to be purchased by Coppermine
“Special Deal Consent”	the consent from the Executive in respect of the Special Deal required under Rule 25 of the Takeovers Code
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of 475,376,917 New Shares under the agreement, entered into between Coppermine and the Company on 15th October, 2003
“Syndicated Loan”	the syndicated loan owing by the Company to a syndicate of banks comprises of Sumitomo Mitsui Banking Corporation, Banca Nazionale del Lavoro S.p.A. Hong Kong Branch, Credit Suisse First Boston, Singapore Branch, Bayerische Hypo-und Vereinsbank, AG, Hong Kong Branch, Industrial and Commercial Bank of China (Asia) Limited and UFJ Bank Limited, Hong Kong Branch in respect of a US\$35 million facility
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Whitewash Waiver”	a waiver from the obligation of Coppermine and parties acting in concert with it to make a mandatory general offer for all the issued New Shares not already owned or agreed to be acquired by Coppermine and parties acting in concert with it under the Takeovers Code pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code
“HK\$”	Hong Kong dollar(s), the lawful currency in Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“US\$”	US dollar, the lawful currency of the United States of America

Notes: For the purposes of this announcement, unless otherwise indicated, exchange rates of HK\$7.80 = US\$1.00 and HK\$1.00 = RMB1.06 have been used for currency translations, where applicable. This is for the purposes of illustration only and does not constitute a representation that any amounts in HK\$, Rmb or US\$ have been, could have been or may be converted, at these or any other rates.

By Order of the board of
China Minmetals H.K. (Holdings) Limited
Lin Xizhong
Vice Chairman and Managing Director

By Order of the board of
Oriental Metals (Holdings) Company Limited
Xu Huizhong
Managing Director

By Order of the board of
Coppermine Resources Limited
Qian Wenchao
Director

Hong Kong, 16th October, 2003

* For identification purpose only

The directors of Minmetals HK jointly and severally accept full responsibility for the accuracy of the information contained in this announcement relating to Minmetals HK, China Minmetals and its subsidiaries, the Debt Purchase, the ONFEM Transaction and the OS/OP Transaction and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement relating to Minmetals HK, China Minmetals and its subsidiaries, the Debt Purchase, the ONFEM Transaction and the OS/OP Transaction 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 misleading.

The directors of Coppermine jointly and severally accept full responsibility for the accuracy of the information contained in this announcement relating to Coppermine and the Debt Purchase and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement relating to Coppermine and the Debt Purchase 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 misleading.

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to Minmetals HK, China Minmetals and its subsidiaries, Coppermine, the ONFEM Transaction, OS/OP Transaction and the Debt Purchase) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement 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 misleading.

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