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ORIENTAL METALS (HOLDINGS) COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

ANNOUNCEMENT

The Board refers to a legal proceeding in P.R.C. commenced by a trade customer against ZIAC, a major subsidiary of the Company, for the claim in respect of a trade dispute in the amount of approximately RMB942,000 (approximately HK\$888,000). At a hearing held on 5th August, 2003, no judgement has been made by the Court but ordered that both the plaintiff and defendant to file a statement (代理辭) in relation to the claim and defence by post. The Company will make further announcement on any significant development as and when appropriate.

As at the date of this announcement, the Company is not aware that the alleged claim has any material adverse impact on the Company's financial and operational position.

Shareholders of the Company and investors should exercise caution when dealing in the shares of the Company.

The Board refers to a legal proceeding in P.R.C. commenced by a trade customer against ZIAC, a major subsidiary of the Company, on the ground that it failed to pay a claim in respect of a trade dispute in the amount of approximately RMB942,000 (approximately HK\$888,000). At a hearing held on 5th August, 2003, no judgement had been made by the Court but ordered that both the plaintiff and defendant to file a statement (代理辭) in relation to the claim and defence by post.

ZIAC is a joint venture enterprise established in the PRC and its principal activity is the production and sale of aluminium cans, container and packaging products. The alleged claim represents approximately only 0.08% and 0.07% of the unaudited consolidated total assets and total liabilities of the Group respectively as at 30th June, 2003.

The claim against ZIAC for the amount of approximately HK\$888,000 had been fully provided for by the Group in the 2002 audited accounts. The Board believed that in the event of the alleged claim is ordered to pay by the Court, it would incur no further liabilities to the Group. There is also no guarantee or outstanding capital commitment provided by the Group to ZIAC. In view of the above and as at the date of this announcement, the Company is not aware that the alleged claim has any material adverse impact on the Company's financial and operational position.

The Company will make further announcement on any significant development as and when appropriate.

Shareholders of the Company and investors should exercise caution when dealing in the shares of the Company.

DEFINITIONS

“Board”	the board of directors including independent non-executive directors of the Company
“Company”	Oriental Metals (Holdings) Company Limited, the shares of which are listed on The Stock Exchange of Hong Kong Limited
“Court”	the Court of the P.R.C.
“Group”	the Company and its subsidiaries
“P.R.C.”	the People’s Republic of China
“ZIAC”	Zhangzhou International Aluminium Container Company Limited, which is owned as to 60% indirectly by the Company

By Order of the Board
Xu Huizhong
President

Hong Kong, 6th August, 2003

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