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ORIENTAL METALS (HOLDINGS) COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

ANNOUNCEMENT

Further to the Company's announcement dated 28th May, 2003 in respect of the negotiation in relation to the possible Debts Acquisitions and Subscription, the Board sets out below an update of the progress.

As at the date of this announcement, the intended dates of signing the agreements in relation to the Debts Acquisitions and Subscription have not yet been determined. Further announcement will be made as and when appropriate.

At the request of the Company, trading in the shares of the Company was suspended with effect from 9:30 a.m. on 15th July, 2003 pending the publication of this announcement. Application has been made to the Stock Exchange for resumption of trading in the shares of the Company with effect from 9:30 a.m. on 20th August, 2003.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company as the Debts Acquisitions and Subscription may or may not proceed.

The Board refers to the Company's announcement dated 28th May, 2003 in respect of the negotiation in relation to the possible Debts Acquisitions and Subscription and provides below an update of the progress:

1. Possible Debts Acquisitions

The Company received the following letters issued by BNP Peregrine (the financial adviser to Minmetals HK), ACCF (who acted for Mr. Desmond Chiong (the joint and several liquidator of CNMG)) and Mr. Desmond Chiong in relation to the progress of the Debts Acquisitions:

- (i) a letter dated 14th July, 2003 from BNP Peregrine stating, amongst others, that the negotiations in relation to the Debts Acquisitions had been finalised and approval had been obtained from the committee of inspection of the creditors of CNMG and a proposal in relation to the Debts Acquisitions and Subscription was also contained therein.

- (ii) two letters dated 16th July, 2003 and 17th July, 2003 respectively from ACCF stating, amongst others, that (a) approval for the proposed acquisition of CNMG Debt and CNGF Debt had been obtained from the committee of inspection of creditors of CNMG; (b) no formal agreements in respect of the acquisition of the CNMG Debt and CNGF Debt had been signed; (c) discussions among their client and Minmetals HK and the respective advisers on the detailed terms of the formal agreements were continuing; and (d) the finalization of the terms and conditions in relation to Minmetal HK's proposed acquisition of the CNMG Debt and CNGF Debt is subject to execution of the formal sale and purchase agreements.
- (iii) a letter dated 22nd July, 2003 from ACCF stating, amongst others, that their client continued to be in touch with BNP Peregrine and would promptly inform the Company should there be a major development.
- (iv) a letter dated 22nd July, 2003 from BNP Peregrine stating, amongst others, that they were finalising the debts acquisitions agreements and awaiting for the liquidators of CNMG to provide them with certain information for the purpose of determining the date of signing of the debts acquisitions agreements.
- (v) a letter dated 28th July, 2003 from ACCF stating, amongst others, that their client had yet to enter into a formal agreement with Minmetals HK relating to the proposal and they would promptly inform the Company should there be a major development.
- (vi) a letter dated 18th August, 2003 from Mr. Desmond Chiong (the joint and several liquidator of CNMG) stating, amongst others, that (a) they had obtained the approval of the committee of inspection of the creditors of CNMG to compromise a debt owing to CNMG by the Company; and (b) the intended date of signing an agreement had not yet been determined.

2. Possible Subscription

Discussion on the terms and conditions of the agreement in relation to the Subscription is still continued and no agreement has yet been reached.

Since 18th August, 2003, the Company has not received any further information from BNP Peregrine, ACCF or Mr. Desmond Chiong on the progress of the possible Debts Acquisitions and Subscription. As at the date of this announcement, the intended dates of signing the agreements in relation to the Debts Acquisitions and Subscription have not yet been determined. In view of the above, the Company therefore apply to the Stock Exchange to resume trading of the Company's shares. Further announcement will be made as and when appropriate.

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Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company as the Debts Acquisitions and Subscription may or may not proceed.

DEFINITIONS

“ACCF”	Asian Capital (Corporate Finance) Limited
“BNP Peregrine	BNP Paribas Peregrine Capital Limited
“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
“CNMG”	China Nonferrous Metals Group (Hong Kong) Limited (in liquidation), which is the Company’s controlling shareholder and has an attributable interest of approximately 45.16% in the issued share capital of the Company
“CNGF”	China Nonferrous Metals (Hong Kong) Finance Company Limited (in liquidation), a wholly owned subsidiary of CNMG
“Debts Acquisitions”	the proposed acquisition of debts by Minmetals HK in respect of the debts owing by the Company to CNMG and CNGF and the banks
“Minmetals HK”	China Minmetals H.K. (Holdings) Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of China National Metals and Minerals Import and Export Corporation (being a state-owned enterprise established in the People’s Republic of China) and also an independent third party to the Company not connected with a director, chief executive or substantial shareholder of the Company or any of its subsidiaries or an associate of any of them save and except that Mr. Xu Huizhong and Mr. Wang Xingdong, the President and executive directors of the Company respectively, were directors of Minmetals HK until 30th May, 2003
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the proposed subscription of new shares in the Company by Minmetals HK to obtain the controlling interests in the Company

By Order of the Board
Xu Huizhong
President

Hong Kong, 19th August, 2003

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement 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”.