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ORIENTAL METALS (HOLDINGS) COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

ANNOUNCEMENT

Further to the Company's announcement of 15th May, 2002 in relation to a writ of summons filed by the Banks against the Company and its guarantors, the Three Subsidiaries of the Company, the Directors set out below an update of the litigation.

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

At the request of the Company, trading in the shares of the Company was suspended with effect from 9:30 a.m. on 21st January, 2003 pending 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 23rd January, 2003.

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

Reference is made to the Company's announcement dated 15th May, 2002 in relation to a writ of summons filed by the Banks in the Court against the Company and its guarantors, the Three Subsidiaries of the Company, demanding for an immediate repayment of the outstanding amount of approximately US\$14,280,000 (equivalent to HK\$111,384,000 approximately).

On 30th December, 2002, the Banks filed a summons under the Court Action against the Company and its guarantors in relation to the alleged indebtedness. Upon receipt of the summons on 3rd January, 2003, the Company tried to contact the representatives of the Banks for an extension of hearing or withdrawal of the summons. However, as at 6:00 p.m. on 17th January, 2003, the Company had not received any definite reply from them. Pursuant to the summons, a hearing was held on 20th January, 2003. The Court ordered the hearing to be adjourned to 27th January, 2003. The failure of the Company to make proper disclosure in a timely manner has breached paragraph 2 of the Listing Agreement and the Stock Exchange reserves its right to take appropriate action against the Company and its directors.

The Company is engaged in the trading of nonferrous metals, ores and semi-finished products, with related direct investments in the People's Republic of China. Based on the unaudited management account of the Group as at 31st October, 2002, the total tangible assets and turnover of the Group amounted to approximately HK\$1,042,000,000 and HK\$685,000,000 respectively. Although the Group recorded a shareholder's deficit and loss attributable to shareholders amounted to approximately HK\$389,000,000

and HK\$26,000,000 respectively during the period, however, apart from the finance costs of approximately HK\$41,000,000, the Group had an operating profit amounted to approximately HK\$17,000,000. In addition, the production and sales activities (from which the Group's turnover derived from) of the Group's major subsidiaries and associates are so far unaffected and have been operating as normal. The Directors therefore consider that despite the Court Action, the Group is currently able to maintain a sufficient level of operations to warrant the continued listing of the Company pursuant to Paragraph 38 of Listing Agreement. Upon and subject to the successful restructuring of the Group (including the settlement of the Court Action commenced by the Banks), the Group will be able to continue to maintain such level of operations. There is no guarantee that a successful restructuring of the Group Company will occur. The Company is now seeking legal advice in relation to the Court Action.

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

Save as disclosed above and the Company's announcement dated 23rd October, 2002 in relation to an winding up order issued against Da Hua, a wholly owned subsidiary of the Company, the Company is not aware of any other litigations that is against the Company and its subsidiaries.

The Company will keep shareholders and potential investors informed of the progress of this matter and make further announcement when there is any further material development.

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DEFINITIONS

“Banks”	UFJ Bank Limited, Sumitomo Mitsui Banking Corporation, Bayerische Hypo-Und Vereinsbank Aktiengesellschaft, Credit Suisse First Boston, The Industrial and Commercial Bank of China (Asia) Limited and Banca Nazionale Del Lavoro S.P.A Hong Kong Branch
“Company”	Oriental Metals (Holdings) Company Limited
“Court”	the High Court of the Hong Kong Special Administrative Region of the People's Republic of China
“Court Action”	the action commenced in the Court by the Banks against, inter alia, the Company as described in the first paragraph of this announcement
“Da Hua”	Da Hua Non-Ferrous Metals Company Limited
“Directors”	the board of directors of the Company

“Group” the Company and its subsidiaries

“Stock Exchange” The Stock Exchange of Hong Kong Limited

“Three Subsidiaries” Orienmet Aluminium Company Limited, Orienmet Industry Company Limited and Oriental Copper Company Limited

By Order of the Board
Xu Huizhong
Director & President

Hong Kong, 22nd January, 2003

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