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ORIENTAL METALS (HOLDINGS) COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 1208)

ANNOUNCEMENT

The Directors announce that at the Board of Directors' meeting of Yixing JV held on 11th June, 2004, the resolution in respect of the winding-up of Yixing JV prior to the expiration of its joint venture agreement was duly passed.

As at the date of this announcement, the Company does not consider that the Event would have any material adverse impact on the financial and operational position of the Company.

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

The Directors announce that at the Board of Directors' meeting of Yixing JV held on 11th June, 2004, the resolution in respect of the winding-up of Yixing JV prior to the expiration of its joint venture agreement on 21st June, 2007 pursuant to the termination clause stipulated in its Articles of Association ("Event") was duly passed. Accordingly, the Board of Directors of Yixing JV will proceed to file a winding-up application with the relevant PRC governmental authority.

Yixing JV is a joint venture company established in June 1992 under the laws of the PRC and held as to 58% indirectly by the Company through Golden HK and 42% by a PRC party independent of and not connected with the directors, chief executive or substantial shareholders of the Company, any of its subsidiaries or their respective associates. The principal activity of Yixing JV is the production and sale of copper wires.

Yixing JV has been a loss-making company since 2000 and was in net liabilities for the three consecutive years from 2001. In recent years, the intensifying market competition coupled with the incapability of Yixing JV to develop market driven products due to the obsolete equipment and backward technology had detrimentally affected the diversification of its product lines so as to capture a bigger share of the market. The turnover of Yixing JV had thus drastically dropped from approximately HK\$121 million in 2001 to HK\$2.9 million in 2003. In addition, its lack of working capital and difficulty in obtaining bank borrowings, were all taken into account by the shareholders of Yixing JV that it is very difficult to continue its operation.

The entire investment cost of and amount due from Yixing JV in the amounts of approximately HK\$11,849,000 and HK\$8,619,000 had been fully provided for by the Group since 2001 and 2002 respectively. As at 31st December, 2003, the accumulated loss and net liabilities of Yixing JV (after taking into account the HKGAAP adjustments) reflected in the Group's audited consolidated accounts are approximately HK\$30.5 million and HK\$14.8 million respectively. There is also no guarantee or outstanding capital commitment provided by the Group to Yixing JV. Based on the audited accounts for the year ended 31st December, 2003, Yixing JV is not considered a major subsidiary of the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as it recorded a loss of approximately HK\$4,549,000. In addition, the total assets and turnover of Yixing JV only accounted for 0.20% and 0.21% respectively when compared to the Group's total.

In view of the above and as at the date of this announcement, the Company does not consider that the Event would have any material adverse impact on the financial and operational position of the Company. It is estimated that, upon the completion of the liquidation of Yixing JV, the Group will record a gain of approximately HK\$3 million (assuming that the shareholder's loan of approximately HK\$8.6 million cannot be recovered and subject to audit). The Event, which represents the termination of an under-performed project, is in line with the investment strategy of the Company to improve the trading and financial position of the Group. The Directors believe that the adoption of this strategy would enable the Company to effectively reallocate its resources to its existing core business and other areas of high capital growth in order to have a positive impact on the overall performance of the Group.

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

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DEFINITIONS

“Company”	Oriental Metals (Holdings) Company Limited, the shares of which are listed on The Stock Exchange of Hong Kong Limited
“Directors”	the board of directors including the independent non-executive directors of the Company
“Group”	the Company and its subsidiaries
“HKGAAP”	Hong Kong Generally Accepted Accounting Principles
“Golden HK”	Golden Hong Kong Limited, a wholly-owned subsidiary of the Company
“PRC”	People's Republic of China
“Yixing JV”	Yixing Jinfeng Copper Materials Company Limited

By Order of the Board
Xu Huizhong
Director & President

Hong Kong, 11th June, 2004

As at the date of this announcement, the Directors of the Company comprises six directors, of which four are executive directors (namely Mr. Lin Xizhong, Mr. Xu Huizhong, Mr. Qian Wenchao and Mr. Tang Xiaojin) and two are independent non-executive directors (namely Mr. Chan Wai Dune and Mr. Ting Leung Huel, Stephen).

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