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## **ORIENTAL METALS (HOLDINGS) COMPANY LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 1208)**

### **ANNOUNCEMENT**

Following the Company's announcement dated 15th April, 2004 in relation to the winding up petition of Zhangzhou JV filed by Parkfield and two other shareholders prior to the expiration of the joint venture agreement, Zhangzhou JV received an winding up order issued by the PRC court on 28th June, 2004 in connection to another winding up petition presented by 漳州市國有資產投資經營有限公司.

Notwithstanding the winding up order, the Directors do not consider that it 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.**

Reference is made to the Company's announcement dated 15th April, 2004 ("Announcement") in relation to the winding up petition against Zhangzhou JV filed by Parkfield, a wholly-owned subsidiary of the Company, and two other shareholders prior to the expiration of the joint venture agreement. Unless the context otherwise requires, terms used herein shall have the same meanings as those defined in the Announcement.

The Directors announce that on 28th June, 2004, Zhangzhou JV received an order for the winding up of Zhangzhou JV issued by the Intermediate People's Court of China in Zhangzhou, the PRC on 28th June, 2004 in connection to another winding-up petition presented by one of the aforesaid two other shareholders, 漳州市國有資產投資經營有限公司, who is also a creditor of Zhangzhou JV.

As disclosed in the Announcement, the Group had already made provisions of approximately HK\$96,911,000 and HK\$15,576,000 in respect of the entire investment cost and amount due from Zhangzhou JV respectively since 2000. There is also no guarantee or outstanding capital commitment provided by the Group to Zhangzhou JV. The Directors believe that, notwithstanding the order for the winding up of Zhangzhou JV, there would not have any material adverse impact on the financial and operational position of the Company and the Company continues to maintain the normal operation of all its businesses and activities. It is estimated that, if Zhangzhou JV is liquidated, the Group will record a gain on deconsolidation of approximately HK\$73,000,000 (assuming that the aforesaid overdue amount could not be recovered and subject to audit).

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

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

By Order of the Board  
**Xu Huizhong**  
*Director & President*

Hong Kong, 28th 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”.