

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



ORIENTAL METALS (HOLDINGS) COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 1208)

ANNOUNCEMENT

Following the Company's announcement dated 11th June, 2004 in relation to the resolution duly passed by the Board of Directors of Yixing JV approving the winding up of Yixing JV prior to the expiration of its joint venture agreement, on 30th July, 2004, Yixing JV received a winding up order issued by the PRC court.

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 Group.

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 11th June, 2004 ("Announcement") in relation to the resolution duly passed by the Board of Directors of Yixing JV approving the winding up of Yixing JV prior to the expiration of its 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 30th July, 2004, Yixing JV received a winding up order dated 19th July, 2004 issued by the People's Court of China in Yixing, Jiangsu Province, the PRC in connection to a winding up petition presented by 宜興市意達銅業有限公司, a creditor and also a shareholder of Yixing JV.

As disclosed in the Announcement, Yixing JV is not considered a major subsidiary of the Group in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Group had already made provisions of approximately HK\$11,849,000 and HK\$8,619,000 in respect of the entire investment cost and amount due from Yixing JV respectively since 2001 and 2002 respectively. There is also no guarantee or outstanding capital commitment provided by the Group to Yixing JV. The Directors believe that, notwithstanding the winding up order of Yixing JV, there would not have any material adverse impact on the financial and operational position of the Group and the Group continues to maintain the normal operation of all its businesses and activities. It is estimated that, if Yixing JV is liquidated, the Group will record a gain on deconsolidation of approximately HK\$3,000,000 (this amount is calculated by reference to the assets balance of Yixing JV as at 31st December, 2003 and assuming that the aforesaid overdue amount could not be recovered and subject to audit).

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, 30th July, 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”.