

*The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy of 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)*

### **APPROVAL OF DE-MINIMIS CONCESSION UNDER THE GUIDELINES FOR ISSUERS WITH NEGATIVE OR NEGLIGIBLE NET TANGIBLE ASSETS**

The Directors wish to announce that on 30th April, 2003, the Stock Exchange has approved the Company's application for the De-minimis Concession (as described in the Announcement) for the purposes of determining the "assets test" and the "consideration test" under Chapter 14 of the Listing Rules for classifying notifiable transactions (other than connected transactions). The Stock Exchange's approval for the use of the de-minimis concession will remain valid from 30th April, 2003 until publication or the due date of publication of the Company's next annual report for the year ending 31st December, 2003, whichever is earlier.

#### **INTRODUCTION**

The directors (the "Directors") of Oriental Metals (Holdings) Company Limited (the "Company") wish to announce that on 30th April, 2003, The Stock Exchange of Hong Kong Limited (the "Stock Exchange") has approved the Company's application for the De-minimis Concession (as described in the Stock Exchange's announcement dated 3rd May, 2001 (the "Announcement")) for the purposes of determining the "assets test" and the "consideration test" (the "Relevant Tests") under Chapter 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") for classifying notifiable transactions (other than connected transactions).

#### **BACKGROUND INFORMATION**

The Company and its subsidiaries (the "Group") are engaged in the trading of nonferrous metals, ores and semi-finished products, with related direct investments in the People's Republic of China.

On 17th April, 2003, the Company announced its final results for the year ended 31st December, 2002. In the announcement, the Company disclosed that as at 31st December, 2002, it had an audited consolidated net tangible deficit of approximately HK\$351,000,000 (2001: approximately HK\$363,000,000), a decrease of approximately HK\$12,000,000 as compared with last year. This is primarily attributable to the provisions of large amounts of overdue debts and operating loss brought forward from previous years.

## **REASON FOR APPLYING THE CONCESSION**

As mentioned above, the Company has a negative net tangible asset value. As a result, by applying the Relevant Tests (which use the net tangible assets as the denominator), the Company will be required to disclose and obtain shareholders' approval pursuant to Chapter 14 of the Listing Rules in respect of all acquisitions or realizations of assets. This will create an impracticable and extremely onerous disclosure obligation on the Company and will not at the same time bring any material benefit to the public investors. In such circumstances, the Company applied to the Stock Exchange for the de-minimis concession as described above which would allow the Company flexibility to carry out its business activities.

## **DE-MINIMIS CONCESSION**

The de-minimis concession is such that each transaction carried out in the ordinary course of business of the Group, which is entered into on normal commercial terms, and where the aggregate consideration or value of the transaction does not exceed HK\$1,000,000 would be considered as de-minimis. The Relevant Tests for the purpose of classifying notifiable transactions (other than connected transactions) will not apply.

## **PERIOD FOR WHICH THE DE-MINIMIS CONCESSION WILL APPLY**

The Stock Exchange's approval for the use of the de-minimis concession as described above will remain valid from 30th April, 2003 until the publication or the due date of publication of the Company's next annual report for the year ending 31st December, 2003, whichever is earlier.

## **GENERAL**

The same details of such concession will be included in the Company's next published annual report and accounts.

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

Hong Kong, 6th May, 2003

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