



東方有色集團有限公司
ONFEM HOLDINGS LIMITED

25th April, 2003



Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549
U.S.A.



SEC FILE NO. 82-3735

Dear Sirs,

SUPPL

Re: ONFEM Holdings Limited (the "Company")
- Information furnished pursuant to Rule 12g3-2(b)
Under the Securities Exchange Act of 1934 (the "Act")

In order to maintain the Company's exemption from Section 12(g) of the Act pursuant to Rule 12g(3)-2(b) under the Act, we submit herewith two copies of the announcement dated 24th April, 2003 in respect of the final results of the Company for the year ended 31st December, 2002.

The enclosed documents that are in Chinese substantially restate the information appearing elsewhere in English.

Yours faithfully,
For and on behalf of
ONFEM HOLDINGS LIMITED

Eva Siu
Company Secretary
Encl.

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FINANCIAL



ONFEM HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 DECEMBER 2002

FINANCIAL HIGHLIGHTS	2002	2001	Percentage change
	HK\$'000	HK\$'000	
Turnover	332,168	315,580	5%
Loss attributable to shareholders	136,854	373,734	-63%
Shareholders' funds	499,058	636,119	-22%
Total assets	939,964	1,186,656	-21%
Total liabilities	406,834	514,521	-21%
Loss per share (HK cents)	17.72	48.40	-63%

FINANCIAL RESULTS

The Board of Directors (the "Directors") of ONFEM Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2002 together with comparative figures in 2001, as follows:

Consolidated Profit and Loss Account

	Note	2002 HK\$'000	2001 HK\$'000
TURNOVER	2	332,168	315,580
Cost of sales		(318,831)	(297,006)
GROSS PROFIT		13,337	18,574
Other revenues		8,755	26,881
Distribution costs		(4,718)	(3,837)
Administrative expenses		(123,049)	(205,717)
Other operating expenses		(3,535)	(1,823)
Loss on revocation of investment properties		(27,378)	(36,500)
Gain on partial waiver of certain payables		8,366	—
Provision for impairment in value of non-trading securities		—	(140,047)
Provision for loan to intermediate holding company		—	(23,803)
Provision for bad and doubtful debt — a sundry debtor		—	(20,000)
Reversal of provision for impairment in value of deposit on property		—	12,000
Gain on liquidation of a subsidiary		—	200
OPERATING LOSS	3	(128,522)	(374,072)
Finance costs		(7,703)	(8,731)
LOSS BEFORE TAXATION		(136,225)	(382,803)
Taxation	4	(363)	(13,944)
LOSS AFTER TAXATION		(136,588)	(396,747)
Minority interests		(266)	23,013
LOSS ATTRIBUTABLE TO SHAREHOLDERS		(136,854)	(373,734)
Dividends	5	—	—
Basic loss per share (HK cents)	6	(17.72)	(48.40)

Notes:

1. BASIS OF PREPARATION

The accounts of the Group have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Society of Accountants ("HKSA"). They have been prepared under the historical cost convention except that certain properties and investments in securities are stated at fair value.

In the current year, the Group adopted the following Statements of Standard Accounting Practice ("SSAP") issued by the HKSA which are effective for accounting periods commencing on or after 1 January 2002:

- SSAP 1 (revised) : Presentation of financial statements
- SSAP 11 (revised) : Foreign currency translation
- SSAP 13 (revised) : Cash flow statements
- SSAP 14 (revised) : Employee benefits

The adoption of these revised accounting standards did not have material impact to the accounts for the year ended 31 December 2002 except for the reclassifications in the cash flow statement and the presentation of the statement of changes in equity.

2. TURNOVER AND SEGMENT INFORMATION

(a) Primary Reporting Format — business segments

In accordance with the Group's Internal Financial Reporting, the Group has determined that business segments are presented as the primary reporting format. Accordingly, the Group has categorised its businesses into the following segments:

- Construction and engineering contracts:** Design and installation of curtain walls and aluminium windows, as well as construction work related to electrical and mechanical engineering and other contracting businesses.
- Manufacturing and trading:** Manufacturing and trading of oil and chemical products, doors and fire proof materials.
- Property leasing:** Leasing of premises to generate rental income and to gain from the appreciation in the properties' values in the long term.
- Property development:** Development of residential and commercial properties.
- Security investment and trading:** Trading and investment of securities.
- Inter-segment sales** are charged at prevailing market prices.

	For the year ended 31 December 2002						Elimination HK\$'000	Total HK\$'000
	Construction and engineering contracts HK\$'000	Manufacturing and trading HK\$'000	Property leasing HK\$'000	Property development HK\$'000	Security investment and trading HK\$'000	Investment and trading HK\$'000		
REVENUE								
Sale to external customers	250,272	61,591	10,472	7,421	1,412	—	332,168	
Inter-segment sales	—	19,516	—	—	—	(19,516)	—	
	250,272	81,107	10,472	7,421	1,412	(19,516)	332,168	
RESULT								
Segment result	(91,845)	(7,125)	(19,355)	8,674	2,590	—	(107,061)	
Unallocated corporate expenses, net							(21,463)	
Operating loss							(128,522)	
Finance costs							(7,703)	
Taxation							(363)	
Minority interests							(266)	
Loss attributable to shareholders							(136,854)	

	For the year ended 31 December 2001						Elimination HK\$'000	Total HK\$'000
	Construction and engineering contracts HK\$'000	Manufacturing and trading HK\$'000	Property leasing HK\$'000	Property development HK\$'000	Security investment and trading HK\$'000	Investment and trading HK\$'000		
REVENUE								
Sale to external customers	252,014	59,598	12,083	—	895	—	315,580	
Inter-segment sales	—	—	—	—	—	—	—	
	252,014	59,598	12,083	—	895	—	315,580	
RESULT								
Segment result	(160,916)	(6,573)	(41,945)	(126)	(138,367)	—	(347,927)	
Unallocated corporate expenses, net							(26,143)	
Operating loss							(374,072)	
Finance costs							(8,731)	
Taxation							(13,944)	
Minority interests							23,013	
Loss attributable to shareholders							(373,734)	

(b) Secondary reporting format — geographical segments

The Group's business is managed on a worldwide basis, but it participates in four principal economic environments. Hong Kong and Macau, and the People's Republic of China (together with Hong Kong and Macau) (the "PRC" or "China") are the major markets for all the Group's businesses, except that a small portion of its income is derived from Australia and other Southeast Asian countries.

The Group's business segments operate in four main geographical areas:

- Hong Kong and Macau:** construction and engineering contracts, manufacturing and trading, property leasing and security investment and trading
- The PRC:** construction and engineering contracts, manufacturing and trading and property development
- Australia:** property development
- Southeast Asian countries:** manufacturing and trading

In presenting information on the basis of geographical segments, segment revenues are based on the geographical locations of the customer.

	For the year ended 31 December 2002				
	Hong Kong and Macau HK\$'000	The PRC HK\$'000	Australia HK\$'000	Southeast Asian countries HK\$'000	Total HK\$'000
External sales	193,797	130,830	7,421	420	332,168

	For the year ended 31 December 2001				
	Hong Kong and Macau HK\$'000	The PRC HK\$'000	Australia HK\$'000	Southeast Asian countries HK\$'000	Total HK\$'000
External sales	142,401	173,179	—	—	315,580

3. OPERATING LOSS

Operating loss is stated after charging/(crediting) the following:

	2002 HK\$'000	2001 HK\$'000
Gross rental and management fee income from investment properties	(10,473)	(12,083)
Less: Outgoings	—	(8,260)
	(10,473)	(20,343)
Cost of inventories sold	38,743	28,386
Staff costs (excluding directors' emoluments)	57,059	66,054
Impairment loss of fixed assets	9,394	7,543
(Gain)/loss on disposal of fixed assets	(959)	100
Depreciation on:		
Owned fixed assets	4,703	6,477
Leased fixed assets	143	103
	4,846	6,580
Less: Amount capitalised in properties under development	(146)	(145)
	4,700	6,435
Provision for irrecoverable bank deposits	4,700	—
Provision for gross amounts due from customers for contract work	347	11,935
Provision for bad and doubtful debts (excluding a sundry debtor)	7,031	47,744
Unrealised gain on revocation of trading securities	(11,319)	(11,911)

4. TAXATION

No provision for Hong Kong profits tax has been made as the Group had no estimated assessable profit for the year (2001: Nil). Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

	2002 HK\$'000	2001 HK\$'000
Hong Kong profits tax	—	—
Provision for the year	—	—
(Over)/under-provision in prior years	(338)	544
Overseas taxation	1,689	13,400
Deferred taxation	(929)	—
	363	13,944

5. DIVIDENDS

The Directors do not recommend the payment of a dividend for the year ended 31 December 2002 (2001: Nil).

6. LOSS PER SHARE

Basic loss per share is calculated based on the consolidated loss attributable to ordinary shareholders of approximately HK\$136,854,000 (2001: HK\$373,734,000) and the weighted average number of 772,181,763 shares (2001: 772,181,763 shares) in issue during the year.

No diluted loss per share is presented as there were no dilutive potential shares in existence during the year.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

The Group recorded a consolidated turnover of approximately HK\$332,168,000 for the year ended 31 December 2002, an increase of 5% as compared to last year. Operating loss for the year was approximately HK\$128,522,000, a decline of 66% as compared with HK\$374,072,000 last year, while loss attributable to shareholders was approximately HK\$136,854,000, a decline of 63% as compared with last year.

During the year, the Group concentrated on the reform and consolidation of existing business and no investment project was initiated. However, due to the success of restructuring measures, all subsidiaries were able to lower their operation costs effectively, which in turn improved the operational efficiency of the Group as a whole. As a result, its turnover recorded a rise as compared with last year.

BUSINESS REVIEW

The Group's businesses in year 2002 were marked with managerial problems in certain subsidiaries and a summary of their performance is as follows:

(1) Manufacturing and Trading

Industrial Lubricant Products

Jaeger Oil & Chemical Holdings Limited and its subsidiaries ("Jaeger Group")

Jaeger Group recorded a total turnover of approximately HK\$52 million in 2002, an increase of 21% as compared to HK\$43 million of last year.

Jaeger Group generated 81% of its turnover from the PRC, 18% from Hong Kong and the balance from countries in Southeast Asia. Turnover from the PRC and Hong Kong recorded an increase of 25% and 3% respectively.

Due to effective measures in cost control and improved operational efficiency, Jaeger Group was able to achieve a turnaround from its 2001's net loss to reporting a small net profit.

In 2002, Jaeger Group had been actively engaged in the expansion of the domestic markets in central, northern and northwestern China, thereby strengthening the distribution networks in Shanghai, Ningbo, Wuxi, Changzhou, Suzhou, Nanjing and northwestern China. New distribution networks were also set up in major industrial cities such as Xian, Lanzhou, Chongqing and Chengdu, in response to the government policy of expediting the development of the western China. In addition, Jaeger Group continued to expand into the Southeast Asian markets, following the appointment of distributors in Singapore and Malaysia in 2001. Its distribution network was further enlarged by establishing new distribution points in Thailand and Vietnam in 2002.

In May 2001, Jaeger Group had successfully reacquired the sole distributorship for Hong Kong and the PRC of the Nichibai's range which is the top range of die-casting products in Japan. Since then, Jaeger Group started to promote the series of Nichibai products actively and during the year under review, recorded a significant sales increase of 93% over 2001.

For the coming year, Jaeger Group's business is expected to experience a steady growth in southern China and Hong Kong markets, which are benefiting from a gradual economic recovery in Europe and the U.S.. Subsequent to China's accession to the World Trade Organization and as its economy improves, more domestic manufacturers will tend to use higher quality industrial lubricants to improve the quality of their products. Accordingly, the prospects of Jaeger Group should remain positive.

Doors, timber products and e-platform for residual timber material

Entul Holdings Limited and its subsidiaries ("Entul Group")

Segment turnover of manufacturing and trading business of Entul Group in 2002 amounted to approximately HK\$29 million, out of which approximately HK\$20 million was generated from sales to specialised construction contracting business segment of Entul Group and approximately HK\$9 million from external sales, representing an increase of 27% over the external sales of 2001. Not only was Entul Group unable to revert to profitability for year 2002, its net loss had increased when compared to 2001's net loss. The answer is to firmly control its high production costs and high administrative expenses, which were not in alignment with its turnover and further managerial reforms will be aggressively implemented to trim costs so that Entul Group's operations could become profitable.

External sales of this business segment substantially came from the PRC.

As Entul Group was still affected by higher production costs in 2002, the increased turnover did not generate any profit. Nevertheless, there is a market for its product. Doors of different types will become the mainstream products of Entul Group, which will be supplemented by other timber products. By establishing an e-platform for residual timber material, business matching among timber product manufacturers can be facilitated as it assists the timber product manufacturers to solve their problem of handling timber residue. By capitalising on Entul Group's existing market network and gradually transforming from project-orientation to retail-orientation, it is expected that both the profit margin and contribution will be enhanced.

Entul Group secured and completed the wooden and fire proof doors supply and installation project for Shanghai Shi Mao Rivers Garden phase I. Its own brandname of "Bridgman" had been gaining recognition at the higher end market in the PRC.

In view of the rapid growth of turnover recorded in Shanghai and Pearl River delta region in 2002, Entul Group plans to set up several sales outlets under the brandname of "Bridgman" at reputable construction materials supermarkets in 2003. Facilitated by effective supply-chain management and operational mode, Entul Group is determined to make "Bridgman Door" a renowned brand in China over the next few years by means of brand building and product design.

(2) Specialised Construction Contracting

Entul Group

In 2002, Entul Group completed the several construction and environmental protection engineering projects secured since 2000, resulting an increase of 90% in the turnover from specialised construction contracting when compared to 2001. Entul Group recorded a turnover of approximately HK\$38 million for 2002, while the value of the contracts on hand amounted to approximately HK\$10 million.

Turnover of this specialised construction contracting business segment was significantly generated from Hong Kong.

Entul Group had made various attempts in exploring various construction-related businesses, such as environmental construction materials and projects, to reduce its reliance on its door business. Major acoustic plaster projects completed during the year included West Rail Yuen Long and Long Ping Stations. Apart from focusing on its targeted market, the Entul Group also expanded its market coverage by establishing sales networks in Beijing, Shanghai, Shenzhen and Guangzhou.

Poly Crown Engineering (Holdings) Limited and its subsidiaries ("Poly Crown Group")

Poly Crown Group recorded a total turnover of approximately HK\$139 million in 2002, an increase of 50% as compared to HK\$93 million of last year. The value of the contracts on hand amounted to approximately HK\$75 million.

Poly Crown Group derived 12% and 88% of its turnover from the PRC and Hong Kong respectively and whilst there was an increase in turnover, it was still unable to revert to profitability for 2002. Its net loss for 2002 was approximately the same as that of the previous year. In order to achieve profitability, Poly Crown Group will have to cut down its high operating costs to increase its profit margin and put a firm grip on managerial control at operational level.

Poly Crown Group had progressively completed most of its electrical and mechanical projects in Hong Kong and China. Currently, major projects on hand include Kwai Chung Container Terminal No. 3, the Mei Foo station of the KCR West Rail, and Changning Times Square. Due to the persistent stagnant market condition in Hong Kong, it is expected that the profit margin provided by tendered projects will be lower than before. Although the management of Poly Crown Group will pursue stringent cost control measures and accelerate the collection of accounts receivable to ease a stable operating cashflow, the markets in which Poly Crown Group competes will remain competitive and challenging in year 2003.

In respect of environmental protection projects, projects granted in 2002 started to generate returns. Poly Crown Group received orders for its solar electric power lighting systems from both the Hong Kong government and the private sector, and its heat pumping systems were adopted by several construction projects in China. The Poly Crown Group has therefore, successfully diversified into the market of China.

Condo Group Limited and its subsidiaries ("Condo Group")

Condo Group recorded a total turnover of approximately HK\$73 million in 2002, a decline of approximately 47% as compared to HK\$139 million of last year. The value of the contracts on hand amounted to approximately HK\$112 million.

Condo Group derived 85% and 15% of its turnover from the PRC and Hong Kong respectively and was unable to report profit for 2002. As a result, the Group had taken a critical review on Condo Group's management problem, which attributed to Condo Group's poor performance in 2002.

During the year, Condo Group focused on consolidation and debt restructuring. Going into 2003, certain member companies of Condo Group had begun to undergo proposed voluntary debt restructurings, the completion of which will be subject to a number of factors and approvals. As a result, the Hong Kong curtain wall and window installation operations in 2002 were affected. In China, the Beijing Embassy House had been completed and the revenues generated were able to contribute to Condo Group's turnover. By better control on the collection of accounts receivable and streamlining administrative structure, the loss in 2002 was reduced, when compared to the loss of the previous year.

Following the completion of the roof cladding work for Shanghai Science Land in 2001, Shanghai Jin Qiao Condo Decoration Engineering Co., Ltd. will follow up with other projects supervised by the Shanghai Municipal Government.

Going forward into 2003, Condo Group will try to complete the aforementioned restructurings and provide better managerial control at operating subsidiary level in order to further expand its operations and to consolidate its position in the PRC curtain wall and window installation businesses. These changes should bode well for Condo Group to take advantage of the business opportunities arising from the Beijing Olympics 2008 and the Shanghai World Expo 2010.

(3) Property Development and Management

ONFEM Tower, 29 Wyndham Street, Central

The average occupancy rate of ONFEM Tower stayed over 91% in 2002, and the rental income and the quality of tenants remained satisfactory. It contributed rental income of approximately HK\$10 million for the Group. Tenants included international and multinational conglomerates with their respective branch offices in Hong Kong.

In view of the sluggish Hong Kong economy, the forthcoming large supply in commercial spaces and weak demand in commercial property market in Central, the Group had retained an international property management company in good repute during the year to better provide professional building management services and to adopt effective measures to improve leasing and property management in order to enhance the value of the ONFEM Tower.

Haitian Garden, Zhuhai, China

In order to better control this development project, the Group introduced a project manager accountability scheme for the Haitian Garden project by appointing a construction consultant specialist from Hong Kong as a member of the senior management who would be responsible for improving the overall management of this development project.

The substructure works for Haitian Garden had been completed, and the application for final inspection of the said works by local authorities is now in progress. Upon completion of such inspection, the Group will proceed with the infrastructure construction works.

After a period of adjustments, the property market in Zhuhai appears to be more stable. With the strengthening of cooperation among Pearl River delta region, Hong Kong and Macau, the prospect of Hong Kong-Macau-Zhuhai bridge, and the geographical location and natural environment of Zhuhai, the Group is cautious about the future prospect of the Haitian Garden, which is for higher end residential and commercial market.

The property market in Zhuhai remains a difficult one, with no shortage of supply of, and weak local demand for, higher end residential and commercial properties and an inherent reliance on outside investors' fluctuating demand, and the ability of the Group to earn a return for its shareholders in this project will require a very disciplined approach on all aspects of the development.

Phase I of Haitian Garden is expected to be completed in September 2004.

(4) Infrastructure Investment

Greater Beijing Region Expressways Limited ("GBRE")

A winding-up order was issued by the High Court of Hong Kong against Greater Beijing First Expressways Limited ("GBFE"), a wholly-owned subsidiary of GBRE on 12 June 2000. According to the announcement published by the liquidators of GBFE on 19 December 2002, it was announced that GBFE and Smart Watch Assets Limited had entered into a sale and purchase agreement in relation to 4 toll roads projects in Beijing on 16 December 2002. Pursuant to which, GBFE would sell its interests to Smart Watch Assets Limited for a consideration of approximately HK\$1,560 million. The transaction was approved by the Eastern Caribbean Supreme Court. The Group will make every endeavor to ensure that its interest is protected.

PROSPECTS

Whilst the Group is anticipating a brighter future, it is worth mentioning that each of Jaeger Group, Entul Group, Condo Group and Poly Crown Group is engaged in businesses which have considerable competition. Events of the past year have enabled us to formulate a more cautious and disciplined focus on the principal businesses of the Group. Going forward, notwithstanding that the enhanced corporate governance and cost control measures as mentioned above will better position the Group to compete, the ability to expand market shares with reasonable returns will continue to be a balancing act. The recent outbreak of the Severe Acute Respiratory Syndrome in China, Hong Kong and other Asian countries will have a severe adverse impact on regional economies. In summary, year 2003 will likely be challenging and the management will strive to work diligently and prudently in enhancing shareholder value of the Group.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's financial position remains healthy. As at 31 December 2002, its gearing ratio, representing a ratio of total borrowings to total assets, was maintained at 14.3% (2001: 17.5%). Its cash and bank deposits (including pledged deposits), in total, amounted to approximately HK\$312 million as at 31 December 2002 (2001: HK\$412 million).

The Group obtained its source of fund through various means in order to maintain a balance between cost and risk. Apart from the fund generated from normal operations and the cash and bank deposits, the Group also obtained its source of fund from bank borrowings amounted to approximately HK\$131 million as at 31 December 2002 (2001: HK\$206 million).

As at 31 December 2002, the bank borrowings denominated in Renminbi ("RMB") were approximately RMB\$9 million (2001: RMB\$5 million) and no bank borrowings are denominated in US dollars ("US\$") (2001: US\$5 million). The remaining balances were denominated in Hong Kong dollars. Except a RMB\$29 million bank loan, all the Group's bank borrowings are on a floating rate basis.

Capital commitments of the Group are partly financed by bank borrowings.

FINANCIAL RISK AND MANAGEMENT

The Group's strategies towards financial risk management include diversification of funding sources, extension of credit period and dispersal of maturity dates. For the year ended 31 December 2002, finance costs decreased to approximately HK\$8 million from approximately HK\$9 million in 2001.

The total borrowings of the Group as at 31 December 2002 amounted to approximately HK\$134 million (2001: approximately HK\$208 million). The borrowings were repayable as follows:

	2002 HK\$'000	2001 HK\$'000
Within one year	134,364	204,631
In the second year	58	193
In the third to fifth years	—	758
After the fifth year	—	2,423
	<u>134,422</u>	<u>208,005</u>

EXPOSURE TO FLUCTUATION IN EXCHANGE RATES

Most of the transactions of the Group were denominated in Hong Kong dollars, RMB and US\$. Given that the exchange rate of Hong Kong dollar against RMB has been and will likely remain stable, no hedging or other alternative measures have been implemented by the Group. As at 31 December 2002, the Group had no significant exposure under foreign exchange contracts, interest or currency swaps or other financial derivatives.

GROUP ASSETS CHARGING

As at 31 December 2002, the Group pledged certain investment properties and land and buildings with an aggregate carrying amount of approximately HK\$206 million (2001: HK\$237 million) as collateral for the Group's banking facilities. Besides, fixed deposits amounted to approximately HK\$102 million (2001: HK\$133 million) have been pledged by the Group as security for general banking facilities and for issuance of performance bonds. Certain of the Group's inventories were held under trust receipt loan arrangements.

CONTINGENT LIABILITIES

As at 31 December 2002, there were contingent liabilities in respect of the following:

- The Group provided guarantees to employers of construction contracts in respect of obligations arising from the associated construction contracts amounting to approximately HK\$16 million (2001: HK\$97 million).
- The Company provided corporate guarantees to various banks in respect of banking facilities extended to certain subsidiaries amounting to approximately HK\$107 million (2001: HK\$25 million). As at 31 December 2002, the Company had a total provision of approximately HK\$97 million (2001: HK\$98 million) in respect of such corporate guarantees in the Company's accounts.
- The Group has undertaken and performed electrical and mechanical engineering work for various customers in Hong Kong and the PRC. In respect of such projects, the Group has tax obligations which may result in potential additional charges. No provision has been made on the potential additional charges by the Group since the amount of additional charges, if any, cannot be reliably determined. The Directors are of the opinion that this matter will not have any significant financial impact to the Group.
- The Group has certain outstanding litigations with claims made by third parties of approximately HK\$12 million (2001: HK\$12 million) in aggregate in respect of certain contract works and no provision has been made by the Group. The Directors are of the opinion that this matter will not have significant financial impact to the Group.

EMPLOYEES

As at 31 December 2002, the Group employed 482 staff (including the Directors of the Company). The total remuneration on the benefits of the Directors and staff during the year was approximately HK\$64 million (2001: HK\$71 million). The Group adopts a remuneration policy in line with market practice, and remuneration is determined with reference to the performance and experience of individual employees.

SHARE OPTION SCHEME

The share option scheme of the Company (the "Share Option Scheme") was adopted pursuant to a resolution passed on 30 September 1993 and will remain in force for 10 years from that date. The purpose of adopting the Share Option Scheme is to provide incentive to the eligible participants, being the executive directors and employees of the Group, to contribute further to the success of the Group. Details of the Share Option Scheme will be set out in the 2002 Annual Report of the Company.

In view of the new requirements of Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of the Hong Kong Limited (the "Listing Rules") which came into effect on 1 September 2001, a resolution will be proposed at the forthcoming annual general meeting to adopt a new share option scheme and to terminate the operation of the existing Share Option Scheme.

As at 31 December 2002, there are no outstanding share options granted under the Share Option Scheme.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Friday, 23 May 2003 to Thursday, 29 May 2003 (both days inclusive), during which period no transfer of shares will be effected. In order to qualify for attending the annual general meeting, all share certificates with completed transfer forms either overleaf or separately, must be lodged with the Company's Hong Kong Branch Registrars, Computershare Hong Kong Investor Services Limited at Rooms 1901-5, 19th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. on Thursday, 22 May 2003.

CODE OF BEST PRACTICE

The Company has complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules throughout the year ended 31 December 2002 except that the Independent Non-executive Directors of the Company are not appointed for a specific term as they are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company's Bye-Laws.

AUDIT COMMITTEE

The members of the audit committee of the Company currently include three Independent Non-executive Directors namely, Mr. Selwyn Mar, Ms. Tam Wai Chu, Maria and Mr. Lam Chun, Daniel.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities during the year.

PUBLICATION OF FURTHER INFORMATION ON THE STOCK EXCHANGE'S WEBSITE

Financial and other information in respect of the Company required by paragraphs 45(1) to 45(3) of Appendix 16 of the Listing Rules will be published on the website of The Stock Exchange of Hong Kong Limited at the appropriate time.

By Order of the Board
Wang Xingdong
Managing Director

Hong Kong, 24 April 2003

website: <http://www.onfem.com>

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Shareholders of the Company will be held at The Board Room, 7th Floor, The Dynasty Club, South West Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong on Thursday, 23 May 2003 at 10:30 a.m. for the following purposes:

1. To receive and consider the Audited Consolidated Accounts and the Reports of the Directors and Auditors for the year ended 31 December 2002.
2. To re-elect the retiring directors and to authorize the Directors of the Company to fix the remuneration of directors.
3. To fix a maximum number of directors at 12 and to authorize the Directors of the Company to appoint additional directors up to such maximum number.
4. To re-appoint Messrs. PricewaterhouseCoopers as the Auditors for the ensuing year and to authorize the Directors of the Company to fix their remuneration.
5. As special business, to consider and, if thought fit, pass with or without modifications the following resolution as an Ordinary Resolution:

"THAT subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") granting listing of, and permission to deal in, the shares in the capital of the Company to be issued pursuant to the exercise of options which may be granted under the new share option scheme, a copy of which is produced to this Meeting and signed by the Chairman of this Meeting for the purpose of identification (the "New Scheme"),

- (a) the rules of the New Scheme be and are hereby approved and adopted and that the Directors of the Company be and are hereby authorized:
 - (i) to administer the New Scheme under which the options will be granted to eligible persons under the New Scheme to subscribe for shares in the Company;
 - (ii) to modify and/or amend the rules of the New Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the New Scheme relating to modification and/or amendment;
 - (iii) to issue and allot from time to time such number of the shares in the Company as may be required to be issued pursuant to the exercise of the options under the New Scheme and subject to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules");
 - (iv) to do all such things and acts as may be necessary or desirable to implement the New Scheme; and
- (b) upon the New Scheme becoming unconditional, the operation of the existing share option scheme (the "Existing Scheme") of the Company adopted on 30 September 1993 be terminated and that no further options will be granted under the Existing Scheme but in all other respects the provisions of the Existing Scheme shall remain in force to the extent necessary to give effect to the exercise of any options granted prior thereto or otherwise as may be required in accordance with the provisions of the Existing Scheme and options (if any) granted prior to such termination shall continue to be valid and exercisable in accordance with the Existing Scheme."

6. As special business, to consider and, if thought fit, pass with or without modifications the following resolution as an Ordinary Resolution:

"THAT (a) subject to paragraph 6(c) below, the exercise by the Directors of the Company during the Relevant Period (as defined in paragraph 6(d) below) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;

- (b) the approval in paragraph 6(a) above shall authorize the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraphs 6(a) and 6(b) above, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph 6(d) below) or (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company or (iii) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company or (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company, shall not exceed the aggregate of (aa) 20 per cent. of the total nominal amount of the share capital of the Company in issue on the date of passing this Resolution plus (bb) (if the Directors of the Company are so authorized by a separate ordinary resolution of the shareholders of the Company) the aggregate nominal amount of the share capital of the Company repurchased by the Company subsequent to the passing of such resolution (up to a maximum amount equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of passing this Resolution) and the said approval to the Directors of the Company in paragraphs 6(a) and 6(b) above shall be limited accordingly; and
- (d) for the purpose of this Resolution:

"Relevant Period" means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next Annual General Meeting of the Company;
- (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting; and

"Rights Issue" means an offer of shares or other securities open for a period fixed by the Directors of the Company to the shareholders on the register on a fixed record date in proportion to their shareholdings as at that date (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any recognized regulatory body or any stock exchange)."

7. As special business, to consider and, if thought fit, pass with or without modifications the following resolution as an Ordinary Resolution:

"THAT (a) subject to paragraph 7(c) below, the exercise by the Directors of the Company during the Relevant Period (as defined in paragraph 7(d) below) of all the powers of the Company to repurchase its own shares (including redeemable shares) on the Stock Exchange or any other stock exchange on which the securities of the Company may be listed and recognized by the Securities and Futures Commission in Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Listing Rules or the listing rules of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

- (b) the approval in paragraph 7(a) above shall authorize the Directors of the Company during the Relevant Period to procure the Company to repurchase its own shares at a price determined by the Directors of the Company;
- (c) the aggregate nominal amount of share capital repurchased by the Company pursuant to paragraph 7(a) above shall not exceed 10 per cent. of the total nominal amount of the share capital of the Company in issue on the date of the passing of this Resolution and the said approval to the Directors of the Company in paragraphs 7(a) and 7(b) above shall be limited accordingly;
- (d) for the purpose of this Resolution:

"Relevant Period" means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next Annual General Meeting of the Company;
- (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting."

8. As special business, to consider and, if thought fit, pass with or without modifications the following resolution as an Ordinary Resolution:

"THAT conditional upon Resolution No. 7 above being passed, the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the Directors of the Company as mentioned in Resolution No. 7 above shall be added to the aggregate nominal amount of share capital that may be allotted by the Directors of the Company pursuant to Resolution No. 6 above, provided that the amount of share capital repurchased by the Company shall not exceed 10 per cent. of the total nominal amount of the share capital of the Company in issue on the date of passing this Resolution."

9. To transact any other business.

By order of the Board
Wang Kingdong
Managing Director

Hong Kong, 24 April 2003

Notes:

1. A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and, on a poll, vote on his/her behalf. A proxy need not be a member of the Company.
2. To be valid, a form of proxy and the power of attorney or other authority, if any, under which it is signed or a notorily certified copy of such power of attorney or authority, must be deposited at the Company's principal place of business in Hong Kong at 18th Floor, China Minmetals Tower, 79 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or adjourned Meeting.
3. The Register of Members will be closed from Friday, 23 May 2003 to Thursday, 29 May 2003, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for attending the Meeting convened by the above, all share certificates with completed transfer forms either overleaf or separately, must be lodged with the Company's Hong Kong Branch Registrars, Computershare Hong Kong Investor Services Limited at Rooms 1901-5, 19th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. on Thursday, 22 May 2003.

ONFEM HOLDINGS LIMITED 東方有色集團有限公司

截至二零零二年十二月三十一日止年度業績公佈

財務摘要 (Financial Summary) table with columns for 2002, 2001, and 2000 figures in Hong Kong dollars.

東方有色集團有限公司(本公司)董事會(行董事會)欣然宣佈截至二零零二年十二月三十一日止年度本公司及其附屬公司(本集團)經營業績綜覽表如下:

綜合損益表 (Consolidated Income Statement) table showing revenue, expenses, and profit for the year ended Dec 31, 2002.

附註 (Notes) 1. 股東賬目: 本集團賬目乃根據香港會計師公會(香港會計師公會)之會計準則編製...

附註 2. 主要賬務方式: 本集團已決定以分部方式編製其財務報告...

附註 3. 物業投資: 本集團之物業投資包括位於香港、中國及海外之物業...

附註 4. 物業投資: 本集團之物業投資包括位於香港、中國及海外之物業...

3. 經營利潤: 經營利潤包括除(附)以下各項後之利潤...

Table showing operating profit and other income components for 2002, 2001, and 2000.

4. 稅項: 由於本集團無權計提應課稅項，故並無作出任何應課稅項撥備...

Table showing tax expense for 2002, 2001, and 2000.

5. 股息: 董事會不建議派發二零零二年十二月三十一日止年度股息...

Table showing dividend information for 2002, 2001, and 2000.

管理層討論及分析: 本集團截至二零零二年十二月三十一日止年度業績綜合新開的116,554,000港元...

業務回顧: 本集團於二零零二年十二月三十一日止年度之業務回顧如下...

業務展望: 本集團於二零零二年十二月三十一日止年度之業務展望如下...

財務回顧: 本集團於二零零二年十二月三十一日止年度之財務回顧如下...

流動資金及財務狀況: 本集團之流動資金及財務狀況如下...

資本及資產: 本集團之資本及資產如下...

或有負債: 本集團之或有負債如下...

附註: 本集團之附屬公司如下...

(三) 地理區域及業務: 本集團之業務按地理區域劃分如下...

(四) 投資項目: 本集團之投資項目如下...

附註: 本集團之附屬公司如下...

