

**WORLDMETAL HOLDINGS LTD :
THANKS, DAD, FOR THE HANDOUT**

If the South Korea company, Hyundai Corporation, should get into deep financial trouble, again, and if it should be unable to meet its debts as they fall due, one company, listed on The Stock Exchange of Hongkong Ltd, might well be in serious trouble.

That company is one of the latest listings on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd: WorldMetal Holdings Ltd (Code: 8161).

Hyundai, the Placing Prospectus of WorldMetal states at Page 40, is a major contributor to the coffers of this GEM company.

Under the heading, **RISKS RELATING TO HYUNDAI**, it is stated:

'The Group has traditionally relied on a few major customers including Hyundai. The commission payable by Hyundai for each transaction it completes on WorldMetal.com ranges from 0.5% to 1.5% of the value of the transaction, depending on the types of the products traded. For the year ended 31st March, 2001, Hyundai mainly traded finished products and semi-finished products of approximately US\$243 million and \$US143 million respectively, which represented 63% and 36% respectively of the total value traded by Hyundai. For the year ended 31st March, 2001, the audited aggregate commission income received and receivable from Hyundai amounted to HK\$23,291,000 and accounted for approximately 53% of the Group's total turnover ... Hyundai is therefore a major customer and strategic partner on which the Company (WorldMetal) is currently heavily dependent for a substantial portion of its revenue and on which its ability to achieve its business objectives depends ...'.

It is well known, internationally, that Hyundai has been having its fair share of financial problems and that these problems have been plaguing the company for some years.

Page 41 of the Prospectus makes mention of this matter, also, stating:

'... the audited loss incurred by Hyundai for the year ended 31st December, 2000 was approximately US\$60,693,000 (approximately HK\$473,405,000) compared to a profit of approximately US\$19,000,000 (approximately HK\$148,200,000) for the year ended 31st December 1999... For the period ended 31st March, 2001. Hyundai earned an unaudited profit of approximately US\$6,000,000 (approximately HK\$47,000,000) and had unaudited net assets of approximately US\$253,000,000 (approximately HK\$1,972,000,000). There can be no assurance that Hyundai's financial position would improve in the short term, if at all, or that Hyundai would not dispose of its remaining assets as a result of the restructuring of the Hyundai Group as a whole.'

But that is not the end of the story because, at the bottom of Page 41, it is further ... [CLICK TO ORDER FULL ARTICLE](#)

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