

SUCCESS

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UP

ANNUAL REPORT 2001 年報



中國稀土控股有限公司  
China Rare Earth Holdings Limited

(於開曼群島註冊成立之有限公司)

(Incorporated in the Cayman Islands with limited liability)

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# 集團資料

## CORPORATE INFORMATION

### 董事

#### 執行董事

蔣泉龍先生(主席)  
錢元英女士(副主席)  
范亞軍先生  
杜小梅女士

#### 獨立非執行董事

劉余九先生  
黃春華先生

#### 註冊辦事處

Century Yard  
Cricket Square  
Hutchins Drive  
George Town  
Grand Cayman  
British West Indies

#### 總辦事處及主要營業地點

中國江蘇省宜興市大浦鎮

#### 香港營業地點

香港中環夏慤道10號和記大廈618室

#### 公司秘書

羅納德先生, FCCA及AHKSA

#### 香港法律顧問

趙不渝 馬國強律師事務所

#### 核數師

安達信公司執業會計師

#### 審計委員會

劉余九先生  
黃春華先生

#### 主要往來銀行

中國  
中國銀行宜興市支行  
中國工商銀行宜興市支行

#### 香港

渣打銀行  
中國銀行香港分行  
南洋商業銀行

#### 主要股份過戶登記處

Bank of Butterfield  
International (Cayman) Limited  
Butterfield House, Fort Street  
P.O. Box 705, George Town  
Grand Cayman  
Cayman Islands

#### 香港股份過戶登記分處

香港中央證券登記有限公司  
香港皇后大道東183號  
合和中心17樓  
1712-1716商舖

#### 互聯網址

www.creh.com.hk

#### 公關顧問

縱橫財經公關顧問有限公司

### DIRECTORS

#### Executive Directors

Mr Jiang Quanlong (Chairman)  
Ms Qian Yuanying (Deputy Chairman)  
Mr Fan Yajun  
Ms To Siu Mui, Annie

#### Independent Non-executive Directors

Mr Liu Yujiu  
Mr Huang Chunhua

### REGISTERED OFFICE

Century Yard  
Cricket Square  
Hutchins Drive  
George Town  
Grand Cayman  
British West Indies

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Dapu, Yixing, Jiangsu Province, PRC

### PLACE OF BUSINESS IN HONG KONG

Room 618, Hutchison House, 10 Harcourt Road, Central, Hong Kong

### COMPANY SECRETARY

Mr Law Lap Tak, FCCA and AHKSA

### HONG KONG LEGAL ADVISERS

Chiu & Partners

### AUDITORS

Arthur Andersen & Co., Certified Public Accountants

### AUDIT COMMITTEE

Mr Liu Yujiu  
Mr Huang Chunhua

### PRINCIPAL BANKERS

PRC  
Bank of China, Yixing Sub-branch  
Industrial & Commercial Bank of China, Yixing Sub-branch

### Hong Kong

Standard Chartered Bank  
Bank of China, Hong Kong Branch  
Nanyang Commercial Bank, Limited

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Bank of Butterfield  
International (Cayman) Limited  
Butterfield House, Fort Street  
P.O. Box 705, George Town  
Grand Cayman  
Cayman Islands

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Central Registration Hong Kong Limited  
Shops 1712-1716  
17th Floor, Hopewell Centre  
183 Queen's Road East, Hong Kong

### INTERNET WEBSITE

www.creh.com.hk

### PUBLIC RELATIONS CONSULTANT

Strategic Financial Relations Limited

# 集團簡介

## CORPORATE PROFILE

中國稀土控股有限公司為中國著名的稀土及耐火材料產品製造商。本集團於一九九九年十月十五日在香港聯合交易所有限公司上市，成為中國首間在海外上市的私有稀土及耐火材料生產企業。

本集團的業務始於一九八七年中國江蘇省宜興市，經多年的努力，本集團由一間稀土分離廠發展成為今天國際知名的稀土及耐火材料製造商。

稀土產品廣泛應用於傳統以至高科技行業，而耐火材料則應用於各種工業的高溫處理設備。為滿足市場需求，本集團正積極研發新產品，尤其是環保及創新高增值產品更為本集團之發展重點。

本集團廣泛採用尖端科技及精密的生產設施以生產最優質的產品。本集團更於一九九九年一月榮獲ISO 9002標準認證證書。

時至今日，本集團的稀土產品及耐火材料產品年產量分別達6,500噸(REO)及50,000噸，其中稀土產品大部份出口至美國、日本、歐洲及韓國，而耐火材料產品則主要內銷及出口至日本。

China Rare Earth Holdings Limited is one of the leading and most recognized rare earth and refractory products manufacturers in the People's Republic of China ("PRC"). It has been listed on The Stock Exchange of Hong Kong Limited since 15 October 1999, becoming the first Chinese private enterprise engaging in the manufacture of rare earth and refractory products listed outside of the PRC.

The Group commenced business in 1987 in the city of Yixing, Jiangsu Province, with the establishment of a rare earth separating factory and has grown rapidly to become a well-respected rare earth and refractory products manufacturer.

The applications for rare earth products ranged from many traditional industries to the high technological arena. Refractory products are used extensively in heat-treatment facilities for various industries. To cater for the market demand, the Group has continued to develop new products, especially environmental friendly and innovative high value-added products.

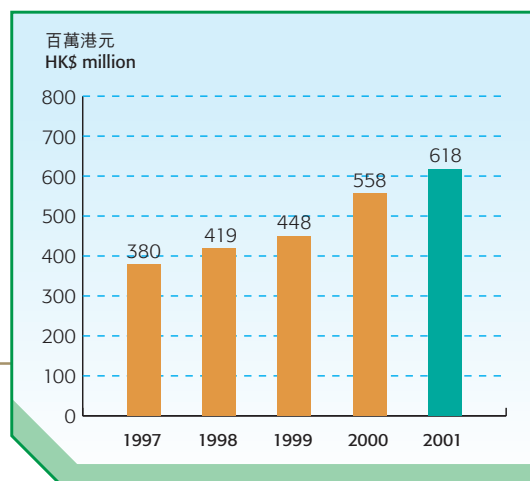
To produce the best products, the Group has adopted cutting-edge technologies and sophisticated production facilities. It successfully obtained ISO 9002 quality certification in January 1999.

Today, the Group's annual production capacities reach 6,500 tonnes (REO) of rare earth products and 50,000 tonnes of refractory products. Rare earth products are mainly exported to the United States, Japan, Europe and Korea whereas refractory products are mainly for domestic sales and export to Japan.

# 財務摘要

## FINANCIAL HIGHLIGHTS

### Turnover 營業額



for the year ended 31 December  
截至十二月三十一日止年度

HK\$M  
百萬港元

Increase  
增加

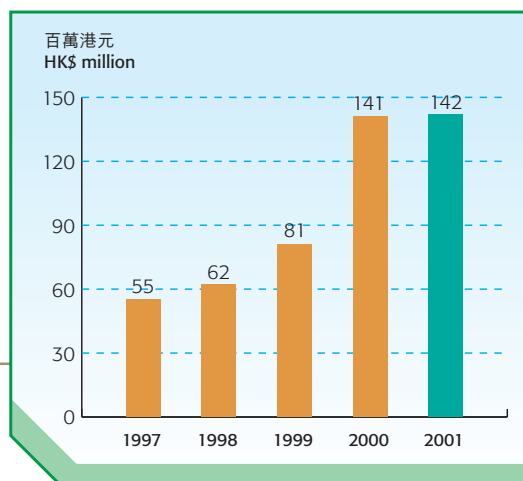
1997	380	
1998	419	10%
1999	448	7%
2000	558	25%
2001	618	11%

for the year ended 31 December  
截至十二月三十一日止年度

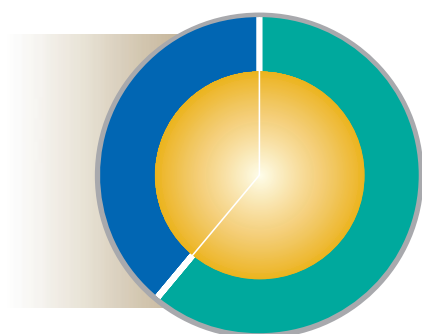
HK\$M  
百萬港元

Increase  
增加

### Net Profit 淨溢利



1997	55	
1998	62	13%
1999	81	31%
2000	141	74%
2001	142	1%



- Rare Earth Products  
稀土產品類
- Refractory Products  
耐火材料類

### Turnover analysis by Products 營業額分析－以產品分類

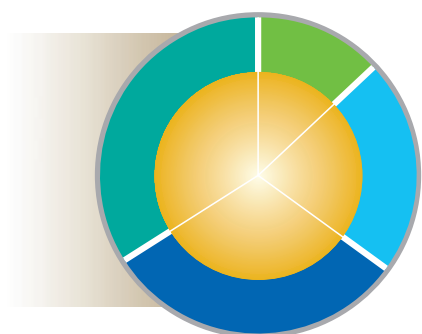
		2001		2000	
		HK\$'M 百萬港元	%	HK\$'M 百萬港元	%
Rare Earth Products	稀土產品類	375	61%	371	66%
Refractory Products	耐火材料類	243	39%	187	34%
Total	總和	618	100%	558	100%

### Turnover analysis by Markets

#### 營業額分析－以市場分類

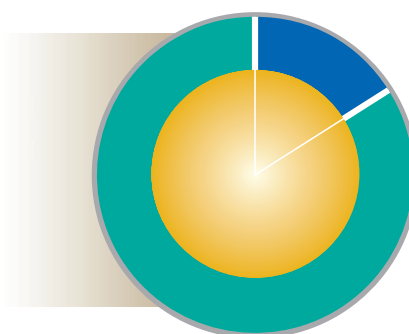
		Rare Earth Products 稀土產品類		Refractory Products 耐火材料類	
		2001	2000	2001	2000
Europe & Korea	歐洲及韓國	13%	8%	—	—
The United States	美國	22%	25%	—	—
Japan	日本	31%	34%	16%	9%
The PRC	中國	34%	33%	84%	91%
Total	總和	100%	100%	100%	100%

#### Rare Earth Products 稀土產品類

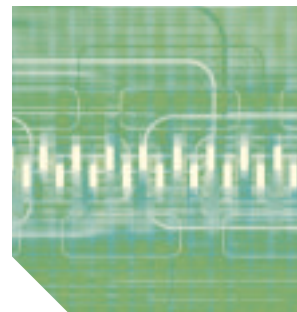


- The PRC  
中國
- Japan  
日本
- The United States  
美國
- Europe & Korea  
歐洲及韓國

#### Refractory Products 耐火材料類



- The PRC  
中國
- Japan  
日本



# 主席報告書

## Chairman's Statement

致各位股東，

本人謹代表董事會向各位股東提呈中國稀土控股有限公司截至二零零一年十二月三十一日止之全年業績報告。本集團由開業至今，一直奉行務實的經營方針，進行嚴密管理並努力增收節支，致令業績在去年嚴峻的經營環境下，仍能屹立不倒。

回顧二零零一年，對本集團來說是憂慮與商機並存的一年。由於外圍經濟不景，市場波動，本集團產品受到減價壓力，營業額雖有所增長，但盈利水平只能與二零零零年基本持平。另一方面，隨著本集團的生產線技改擴能工程的完成，以第一流水平的精

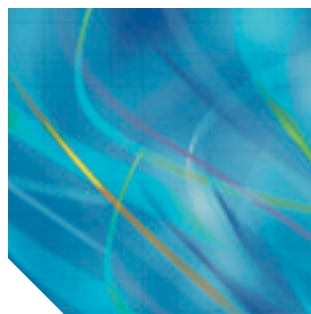
To all shareholders,

On behalf of the Board of Directors, I am pleased to present the annual report of China Rare Earth Holdings Limited for the year ended 31 December 2001. Since its establishment, the Group has been able to reduce costs and maximize profits through adopting pragmatic operation strategies and employing strict management control. That gives explanation to the maintained satisfactory results during the harsh economic environment last year.

2001 was a year filled with threats as well as opportunities. Poor external market sentiment and fluctuations had imposed a pressure on the Group to cut the prices of its products. As a result, despite there was growth in turnover, the Group's profit can only be maintained at the level attained in 2000. On the other hand, with the expansion of its rare earth separating production line incorporated with top separating techniques and a superb circulation system, the Group was able to effectively increase



# 主席報告書 CHAIRMAN'S STATEMENT



蔣泉龍 - 集團主席

Jiang Quanlong-Chairman

湛分離技術和工藝，以高回收率、低消耗及循環系統等出色的工藝管理帶來規模效益，提升產品質素，市場佔有率正逐漸擴大，穩固了本集團的盈利能力，而於年末與原料供應商的合作亦穩定了本集團原材料的供應及價格，令本集團充份發揮資源優勢，在堅實的基礎下更能承受市場變化的影響。

## 財務業績

截至二零零一年十二月三十一日止財政年度，本集團錄得營業額617,808,000港元，較去年同期558,231,000港元增長11%。增長主要來自產能擴大而銷售量增加。當中稀土產品及耐火材料產品之銷售額分別達374,661,000港元及243,147,000港元。股東應佔溢利為142,214,000港元。每股基本盈利為19.1港仙。於回顧期內，本集團仍處於稅務優惠期而豁免了中國企業所得稅，淨利潤與二零零零年基本持平。

## 派息

董事會建議派發本年度之末期股息每股2港仙。連同二零零一年十月派發之中期股息每股2港仙，累計全年每股股息共4港仙。倘股東於二零零二年五月三十一日舉行的股東週年大會中通過有關動議，末期股息將於二零零二年六月十二日或以前派發予登記股東。

recycle rate and reduce consumption rate of resources, achieving economies of scale and higher product quality. All these facilities and technologies have further stabilized the Group's profitability and broadened its market share. Additionally, the strategic alliance formed with a raw material supplier by the end of 2001 will help to stabilize both the supply as well as the price of raw materials. The strengthened resources position will enable the Group to withstand the adverse impact of the fluctuating market condition.

## FINANCIAL RESULTS

For the year ended 31 December 2001, the Group recorded a turnover of HK\$617,808,000, representing 11% growth against HK\$558,231,000 recorded last year. The growth was mainly attributable to the increased sales volume brought about by the improved production capacity. The sales of rare earth products and refractory products amounted to

HK\$374,661,000 and HK\$243,147,000 respectively. The Group recorded the profit attributable to shareholders of HK\$142,214,000. Basic earnings per share was HK19.1 cents. During the year, the Group was still enjoying tax relief with the PRC enterprise income tax waived. Net profit leveled 2000's figure.

## DIVIDENDS

The Board has resolved to recommend the payment of a final dividend of HK2 cents per share for the year ended 31 December 2001. Together with the interim dividend of HK2 cents per share paid in October 2001, total dividends for the year will amount to HK4 cents per share. Subject to the approval of shareholders at the forthcoming Annual General Meeting to be held on 31 May 2002, the final dividend will be paid on or before 12 June 2002 to registered shareholders.



# 主席報告書 CHAIRMAN'S STATEMENT



本公司將於二零零二年五月二十八日至二零零二年五月三十一日，包括首尾兩天，暫停辦理股份過戶登記手續，期間將不會進行任何股份之過戶登記。如欲獲得建議之末期股息及出席本公司的股東週年大會，所有股份之過戶文件連同有關之股票須於二零零二年五月二十七日下午四時前送達本公司股份過戶處香港分處香港中央證券登記有限公司。

## 業務回顧

### 稀土

稀土的應用範圍廣泛，由玻璃製造、鋼鐵冶金及石油化工等傳統工業，至航天科技、微特功能材料及精密光學儀器等高新科技，無不使用稀土。而我們日常生活中經常接觸的電腦、電視機、手提電話及汽車等產品，亦以稀土作為重要的添加材料。稀土的應用領域仍在不斷拓展，更多新型材料正在進行深入的研究開發，稀土市場仍有極大的發展空間。

經過兩次稀土分離生產線的改造擴建工程後，現時本集團的稀土產品生產能力已較一九九九年初次招股上市時大幅提高，年產能力高達6,500噸(REO)以上。南方離子稀土礦分離線於去年年中落成，佔地26,500平方米，更採用了最先進的在線控制技術及分離工藝，使產品檔次進一步提升，由質至量均晉身全國第一流水

The Register of Members of the Company will be closed from 28 May 2002 to 31 May 2002, both days inclusive. During the period no transfer of shares will be registered. In order to be qualified for entitlement to the proposed final dividend and for attending the Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Share Registrar in Hong Kong, Central Registration Hong Kong Limited, for registration not later than 4:00pm on 27 May 2002.

## BUSINESS REVIEW

### Rare Earth

Rare earth products have been widely employed in different industries, from traditional industries such as glass, steel metallurgy and petroleum, to hi-tech industries such as aeronautic technology, materials for the production of mini-size products and precision optics. Moreover, many of these are increasingly being used as value-added

materials of popular consumer electronic products such as computers, television sets, mobile phones and automobiles. The phenomenal expansion of applications of rare earth products and active research and development of new products in recent years have provided tremendous opportunities for the Group's further development.

The annual production capacities of rare earth separating lines increased significantly to 6,500 tonnes (REO) as a result of the completion of two expansion projects of rare earth production facilities since the initial public offer of the Group's shares in 1999. Installed with advanced controlling systems and state-of-the-art separation technology, the 26,500 sq. meter newly established rare earth separating line for ionic ore enables the Group to produce products that lead the PRC market in both quality and quantity. Together with the separating line for rare earth

# 主席報告書 CHAIRMAN'S STATEMENT



平。聯同於二零零零年中投產的北方氯化稀土分離線，本集團在稀土行業內已處於領導地位。

在過去一年，全球經濟放緩，資訊科技產業降溫，對稀土行業亦帶來一定的影響。而部份稀土產品供過於求導致業內的壓價競爭，部份國內的競爭對手更因而暫停生產。由於本集團的產品質量較優勝，加上長期穩定的客戶群支持，在此艱苦時期仍能如常經營。在訂單充裕而生產力大幅提高的情況下，本集團於二零零一年售出之稀土產品數量超過5,900噸(REO)，與二零零零年比較增幅超過40%。但在售價方面免不了因競爭而有所回落，如氧化釹及氧化鐳於二零零一年之平均售價較之於二零零零年分別下調了約17%及30%，熒光粉的平均售價亦有所下降。但亦有個別產品的售價仍有上漲，如氧化鐳之平均售價較之於二零零零年便上升了約14%。由於售價大體下調抵銷了銷售量提高的因素，回顧期間本集團稀土業務的營業額只能基本持平。

產品市場方面，在積極開拓下，歐洲市場的業務比重有了明顯上升，減低了美國與日本市場的比重，亦減輕了美國『911』遇襲事件與日本經濟持續低迷的影響。中國經濟的增長亦使中國內地的業務比重有所上升。

由於中國擁有約佔全球八成的稀土礦儲存量，中國政府非常重視稀土這一資源優勢產業，對

chloride established in mid-2000, the Group has established its leading position in the industry.

As more and more components in electronic and communications products are applying rare earth, the impact of the global economic slowdown, which has cooled down the information technology sector, has also been affecting the rare earth industry. The over supply of rare earth products has led to severe price competition in the industry. Some competitors in the PRC even had to cease their production. As the quality of the Group's products are comparatively ahead of others and supported by a well-established customer base, the Group is able to withstand the harsh time. With enlarged production capacity and immense orders, the Group sold over 5,900 tonnes (REO) of rare earth products in 2001, which is 40% higher than that in 2000. However, due to keen competition, price cuts were inevitable, for instance, the average price of Neodymium Oxide and Dysprosium Oxide dropped by 17% and 30%, respectively and the average selling price of fluorescent powder also decreased from that in 2000. Certain products, however, recorded an increase in price. The price of Lanthanum Oxide stepped up by 14% as compared with its price in 2000. As the negative effects brought by the price drop offset the increase in sales volume, the turnover of rare earth products

business could only remain at about the same level as that in the previous year.

In terms of export market, proportion of sales to Europe market increased due to the relentless efforts and which leads to the drop of the proportion of sales to the US and Japan markets. As such, the adverse impact resulting from the September 11 terrorist attacks as well as the sustained economic slowdown in Japan was lightened. The proportion of sales to the PRC market, on the other hand, was enhanced by the growing economy of the Mainland.

As China holds approximately 80% of the world's rare earth reserves, the Chinese government has always been paying special attention to the industry. In the wake of complaint against the market being flooded with low price but horrendous quality products, the government has introduced different remedial measures including imposing restrictions on ores extraction and issuance of export licenses. Furthermore, the government is actively seeking to adjust the demand-supply position of rare earth products by considering the consolidation of the whole industry and organization of management alliance. The Group has been actively involved and has made suggestions to this end.

# 主席報告書

## CHAIRMAN'S STATEMENT

於劣質產品以低價充斥市場深感不滿，相繼推出資源開採保護措施及出口許可証的限制後，為調節市場供求，現正研究整個行業的宏觀整合及組織稀土集團公司作管理，本集團亦積極參與及提出了意見。儘管國內整個稀土行業的結構錯綜複雜，但在各級政府官員的指導協調下，希望有關方案能早日定案，使此一優勢產業有更健康的發展。在此之前，本集團已率先於去年年底與國內另一家於稀土行業同處於領導地位，但側重於稀土精礦提煉的國營企業訂立了合作關係，一方面冀能穩定市場價格，平衡供求關係；同時亦保障了本集團的原材料供應，提升了彼此在稀土行業的競爭實力。

### 耐火材料

耐火材料為本集團的另一主要產品。目前，本集團的耐火材料年生產能力為50,000噸。

於二零零零年中完成的耐火材料擴產工程的效益已於回顧期內得到反映。二零零一年本集團售出的耐火材料約達45,000噸，比二零零零年上升約40%。其中可應用於玻璃行業與鋼鐵行業的電熔鎂磚系列仍然是銷售量最高的產品，全年銷售數目超逾達8,000噸。本集團對所生產的耐火材料產品要求嚴格，為保持產品質量的頂級水平，本集團不斷引入新技術，並聘用專才及與全球耐火材料行業最頂尖的廠家全面合作，以改良及研製產品，令本集團成為不少國內廠家及外資企業的耐火材料重要供應商。售價方面，在經濟低迷的環境下，耐火材料的售價大體上仍能保持平穩。二零零一年本集團耐火材料業務的營業額較二零零零年增長了約30%，對稀土產業的不景氣發揮了補足作用，成為去年業務增長的支柱。

出口市場方面，由於去年加強了與日本客戶的全面合作關係，出口額達至全年耐火材料營業額的16%。除了日本以外，在回顧期間本集團

Although the structure of the rare earth industry was very complicated in China, the industry is looking forward to the consolidation of policies favoring its healthy development with the guidance of government officials at different levels. Prior to it, the Group formed a strategic alliance with a state-owned enterprise, which is also a leading rare earth supplier in China specialising in the extraction of rare earth refined ore, by the end of 2001. The strategic alliance does not only help stabilize the price and the demand-supply position, but also secures the supply of raw materials to the Group, which will enhance the competitiveness of both parties.

### Refractory Materials

Refractory product is another major product line of the Group. Currently, the Group's annual production capacity of refractory products reaches 50,000 tonnes.

The expansion projects on the production capacity of refractory products, which were completed in mid-2000, have started to bear fruit. In 2001, the Group sold about 45,000 tonnes of refractory products, up 40% against that in the previous year. Among all, fused rebonding magnesium bricks series, a type of materials that are widely applied in both glass and steel industries, was still the top-sales refractory product of the

Group. It recorded the sales volume of over 8,000 tonnes in the year. The Group implements strict quality control on its refractory products. To ensure the achievement of top quality levels, the Group has persisted in adopting the latest techniques and employing eminent professionals. Meanwhile, the Group cooperated with a prominent manufacturer from the world's refractory product industry to further improve and develop new products. Its aim is to position itself as the major supplier of refractory products in the PRC that cater for the needs of domestic and foreign enterprises. The price for refractory products was quite stable in spite of the poor economic conditions. The Group recorded a growth of 30% in turnover as compared to that of 2000, compensating the negative impact of the slowdown in the rare earth industry. The production and sales of refractory products have become a crucial pillar for the growth of the Group's business in the previous year.

In export terms, the Group cooperated closely with Japanese clients and an annual export accounted for about 16% of the Group's sales of refractory products. During the year, the Group's refractory products started penetrating the Europe market but the amount only accounted for less than 1% of the total sales.

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的耐火材料已開始登陸歐洲等地，雖然比例不足1%，但正逐步實現出口比例由10%增長至50%的目標。

### 僱員及薪酬政策

企業要進步關鍵在人才。本集團深明專業人才是改進和提升企業核心競爭力的關鍵，本集團主張引進及培育包括管理、科研及生產各方面的專業人士。現時，本集團員工總數約超過1,200人，透過定期的員工培訓學習計劃及逐步引入高技術、高學歷及高學術水平的人士，令整體質素逐步提升，加強人力資源實力。

回顧期內，僱員成本扣除董事酬金後合計約為15,165,000港元。本集團為員工提供了完善之薪酬及福利制度，另外，本集團亦推行了認股權計劃作為僱員福利之一，然而，於期內並無授出任何認股權。

### 所得款項用途

本集團於二零零零年十一月配售了70,000,000股新股而籌集得的款項約72,000,000港元，已全數被投資於二零零一年六月正式投產之南方離子礦稀土分離生產線上。

二零零一年七月，本集團配售了105,200,000股新股而籌集了約254,500,000港元。截至二零零一年十二月三十一日，本集團已應用了約45,000,000港元以擴充第二期耐火材料生產線及已撥出100,000,000港元作螢光粉業務發展之預繳投資。餘款則存放於持牌銀行，將會用作加強集團財政實力及競爭優勢。

### 流動資金及財務資源

截至二零零一年十二月三十一日，本集團持有包括已抵押存款之現金及銀行存款合共值249,017,000港元。而所有長期銀行貸款已於年底到期時全數歸還。此外，於二零零零年六月所發行之可換股債券已被全數兌換，故截至二零零一年十二月三十一日，本集團並無任何長期債務。

由於期內所作出的資本性支出及貸款之償還，使本集團之所有負債對所有資產比率進一步下

Although the percentage is not significant now, the Group is on the track to lead export sales of refractory products to reach a target of 50% from 10%.

### STAFF AND REMUNERATION

The Group sees its people as the key to success. The Group believes that its competitiveness would be greatly enhanced with the commitment of professionals. Thus, the Group is constantly seeking to employ and nurture more professionals and experts in management, research and development as well as production. Currently, the Group has an over 1,200 workforce. Through the provision of comprehensive training to its people and employment of well-educated professionals, the Group continues to strengthen its manpower.

Total staff cost excluding directors' emoluments incurred during the year amounted to HK\$15,165,000. The Group offers comprehensive remuneration and benefit packages to its employees. The Group also adopts a share option scheme as a part of the benefit package, however, no options were granted during the year.

### USE OF PROCEEDS

The net proceeds of about HK\$72,000,000 from the placement of 70,000,000 new shares in November 2000 were

fully invested in the construction of the new rare earth separating lines for ionic ore which were inaugurated in June 2001.

In July 2001, the Group raised approximately HK\$254,500,000 from the placement of 105,200,000 new shares. As at 31 December 2001, the Group had applied about HK\$45,000,000 in the second phase expansion of refractory materials production lines, and HK\$100,000,000 as a prepayment for its development of fluorescent powders business. The remaining proceeds have been deposited in licensed banks and will be used to strengthen the Group's competitiveness.

### LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2001, the Group had cash and bank balances, including pledged deposits, of HK\$249,017,000. All long-term bank loans had been repaid upon maturity by the end of the year. In addition, as the convertible bonds issued in June 2000 had been fully converted, there was no long-term liability as at 31 December 2001.

Because of the capital expenditure and repayment of bank loans in the year, total liabilities to total assets ratio was further decreased to 8%. Should there be any



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降至8%。因此，倘若要面對因潛在機遇的發展而需要財務上的協助，本集團定必可以較有利的條件得到財務支持。

### 展望

本集團的稀土及耐火材料兩大主要業務具有互補性，且皆有明顯的產業優勢。耐火材料產業於國外是夕陽工業，而於中國卻正處於旺盛發展，提升檔次的時期，且相對穩定；稀土產業雖然市場波動性大，但產品應用範圍廣泛，產業前景樂觀，增長性強。

去年度稀土行業的不景氣，對本集團的營業額及利潤均有一定程度的影響。在部份國內的競爭對手因承受不了市場沖擊而暫停生產的情況下，本集團有賴於提前準備和充分努力，業績仍然不致於倒退。這樣可為本集團在未來由中國政府倡導的稀土行業之整合中處於更有利的地位。另一方面，本集團預期稀土行業將於二零零二年下半年開始復甦，現正為復甦作好準備。本集團的先進而自動化的稀土分離設施已大體擴充完成，有足夠能力應付客戶需要及深加工發展，本集團日後的發展路向將會朝着深加工高增值的下游產品伸延。本集團旗下致力發展高品質熒光粉之附屬公司—無錫新威熒光材料有限公司—已經成立，由本集團與另一企業聯合投資經營。新公司的投資總額約為150,000,000港元，本集團佔71%。該公司現正準備投資生產設備，希望能迎接稀土行業復甦而帶來的商機。而在去年艱苦的環境下，本集團熒光粉售價的下調亦反映了改良現有熒光粉產品的迫切性。現預期新生產線能於本年年中開始投產，將能年產500噸高檔熒光材料，

financial needs to meet with potential opportunities, the Group is confident of obtaining financing of favorable terms.

### PROSPECTS

The Group's core businesses, namely rare earth products and refractory products, complement each other while at the same time show strong competitive advantage in their respective industries. As a declining industry outside the PRC, the refractory materials industry is booming and evolving in the PRC and development has been stable. Despite the fluctuating economy, thanks to the wide range of product applications, the rare earth industry has a promising prospect and tremendous growth potentials.

The poor market conditions in rare earth industry last year had adversely affected the Group's turnover and profit. Some of the Group's competitors in the PRC had no choice but to cease their production. The Group, however, has prepared for the adversity and through exerting its tremendous efforts, managed to successfully maintain its turnover and established its prime position in the PRC rare earth industry. The Group can also take advantage of the re-structure of the industry to be guided by the Chinese government in the near future. On the other hand, anticipating a rebound of the rare earth industry in the second

half of 2002, the Group has been actively preparing itself for grasping every opportunity that may arise during the recovery. The completion of the expansion projects of rare earth separation facilities, which involved equipping them with sophisticated and automated techniques, will allow the Group to seize those new opportunities. With these advanced technologies, the Group will be able to meet the needs of different customers and accelerate its development. Looking ahead, the Group will turn its attention towards downstream product development. This initiative is evidenced by the establishment of Wuxi Xinwei Fluorescent Materials Co., Ltd., a subsidiary of the Group that specializes in the development of quality fluorescent powders. The new company, with a total investment of HK\$150 million of which 71% of it is borne by the Group, is jointly operated by the Group and another enterprise. It welcomes the recovery of the rare earth industry and has been investing on new production facilities. The urgent need for product improvement is also reflected in the reduction in price of fluorescent powder of the Group. The new production line is expected to commence operation in mid-2002 and is capable to produce annually 500 tonnes top grade fluorescent materials including super afterglow

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包括超長餘輝粉等。另外，本集團亦將於本年設立稀土應用工程研究中心，以推進稀土應用產品的工業化進程。

耐火材料方面，第二期的擴產工程亦進行得如火如荼，可望於二零零二年中落成投產。屆時年產能力可由現時的50,000噸增加至80,000噸，可配合於二零零一年四月與日本耐火材料專家簽訂的技術合作協議而開發新產品。除了一直被受重視，應用於鋼鐵精煉爐的電鍍再結合鎂鉻磚及浮法玻璃業用的蓄熱室格子筒形磚的發展外，今年還將開發水煤漿汽化爐用鉻鉛質耐火材料。此外，本集團將繼往開來，繼續拓展國際市場，提高市場佔有率。

另一方面，本集團亦不斷尋求穩定礦源的機會，有合適目標時會先作詳細調查，在保障投資者利益前提下作審慎之投資。

### 總結

本集團二零零一年的全年業績表現由於國際大形勢及稀土應用於資訊科技產業的回落而受到影響，盈利水平仍然能令人滿意。這實在有賴全體員工及各客戶的鼎力支持。展望未來，本集團將研發更多高附加值深加工產品，拓展下游業務，爭取更大市場佔有率，為未來業務發展注入源源動力。

最後，本人謹代表董事會，感謝各客戶、股東、投資者、供應商及業務夥伴一直以來對本集團的信賴與支持。並向一直竭誠效力的員工們致以由衷謝意。

主席

蔣泉龍

二零零二年四月十八日

phosphor. The Group will also establish a rare earth application engineering research centre to accelerate the pace of industrialization of rare earth products.

For refractory products, the second phase expansion project is in progress and is expected to be completed and commence operation in mid-2002. Upon the completion of the expansion project, the annual production capacity will escalate from currently 50,000 tonnes to 80,000 tonnes, in line with the agreement signed between the Group and a Japanese refractory expert company in April 2001 to jointly develop new products. Apart from the fused rebonding magnesia-chrome brick and tubular checker bricks for regenerators which are used in steel refining furnace and floating glass, respectively, the Group will develop chrome-zirconia bricks refractory products which will be applied in coal-water gasifiers. Building on its past achievements, the Group will step up its efforts to explore overseas markets for its products and increase its market share.

Additionally, the Group is seeking to ensure stable supplies of raw materials. It also pledges to undertake extensive research and investigation in advance whenever potential investment opportunities

arise in order to protect the interests of shareholders.

### CONCLUSION

The poor global economic sentiment and the slowing down of the information technology industry have to some extent thwarted the Group's results. However, with the relentless support of our staff and customers, the Group was able to deliver a satisfactory profit. Looking to the future, the Group is committed to producing more value added products, putting more emphasis on downstream development to enlarge its market share and drive the Group's development.

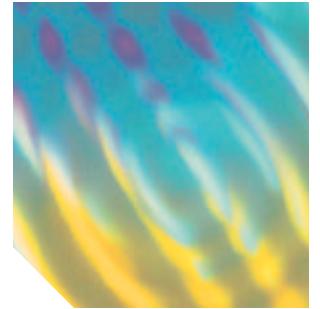
Finally, on behalf of the Board of Directors, I sincerely thank our customers, shareholders, investors, suppliers and business partners for their trust and support to the Group. My thanks also go to our committed staff whose contribution has been instrumental to the Group's development.

Jiang Quanlong

Chairman

18 April 2002





# 董事及高級管理人員簡介

## Directors and Senior Management Profile

### 執行董事

蔣泉龍先生，49歲，本集團創辦人及主席。蔣先生在稀土及耐火材料行業擁有逾二十年經驗。蔣先生負責制訂本集團整體業務發展政策及監督集團日常運作。於創辦本集團之前，蔣先生曾擔任某耐火材料製造廠的經理及某玻璃陶瓷製造公司的營業經理。蔣先生為本集團副主席錢元英女士之丈夫。

錢元英女士，42歲，本集團創辦人及副主席。錢女士在稀土及耐火材料行業方面擁有逾十年經驗。錢女士協助主席進行本集團整體管理工作及專責本集團業務的市場推廣工作。於創辦本集團之前，錢女士曾任職學校教師。錢女士為本集團主席蔣先生之妻子。

范亞軍先生，34歲，於一九八八年加入本集團。范先生為本集團行政總裁，負責本集團整體行政工作及運作。

### Executive Directors

Mr Jiang Quanlong, aged 49, is a founding member and the chairman of the Group. Mr Jiang has over 20 years of experience in the rare earth and refractory materials industry. Mr Jiang is responsible for the formulation of the Group's overall business development policies and oversees the daily operations of the Group. Prior to the founding of the Group, Mr Jiang had been a factory manager of a refractory materials production plant and a sales manager of a glass and ceramics manufacturing company. Mr Jiang is the husband of Ms Qian Yuanying, the deputy chairman of the Group.

Ms Qian Yuanying, aged 42, is a founding member and the deputy chairman of the Group. Ms Qian has over 10 years of experience in the rare earth and refractory materials industry. Ms Qian assists the chairman in the overall management of the Group and has particular responsibility for the marketing aspect of the Group's business. Prior to the founding of the Group, Ms Qian was a high school teacher. Ms Qian is the wife of Mr Jiang, the chairman of the Group.

Mr Fan Yajun, aged 34, joined the Group in 1988. Mr Fan is the chief executive officer of the Group and is responsible for the overall administration operation of the Group.

# 董事及高級管理人員簡介

## DIRECTORS AND SENIOR MANAGEMENT PROFILE



杜小梅女士，38歲，於一九九九年加入本集團，杜女士為本集團副總經理，負責集團香港公司的整體管理工作和海外業務。杜女士在稀土及金屬行業已有逾十六年的經驗。

### 獨立非執行董事

劉余九先生，68歲，自一九九九年擔任本集團之獨立非執行董事。劉先生為國家計委稀土專家組應用開發組組長及中國稀土學會常務理事。劉先生亦為中國稀土學報副主編。劉先生於一九九二年十二月至一九九七年十二月期間擔任為中國稀土開發公司總工程師。

黃春華先生，37歲，自二零零一年二月起擔任本集團之獨立非執行董事。黃先生是本港一家上市公司的執行董事兼財務總監，黃先生擁有英國斯特克萊大學工商管理碩士和市場學博士學位，歷任匯豐證券(亞洲)中國分析員和里昂證券公司中國研究部高級分析員及市場策略分析員。

### 公司秘書

羅納德先生，32歲，於一九九九年加入本集團，為本公司財務總監及公司秘書。羅先生畢業於香港並取得工商管理學士學位，為香港會計師公會及英國特許公認會計師公會會員。羅先生原任職於某大會計師行，擁有逾七年經驗。

Ms To Siu Mui, Annie, aged 38, joined the Group in 1999. Ms To is the deputy general manager of the Group and is responsible for the overall management of the Group's Hong Kong office. Ms To has over 16 years of experience in the industry of rare earth and metal products.

### Independent Non-executive Directors

Mr Liu Yujiu, aged 68, joined the Group in 1999 as an independent non-executive director. Mr Liu is the head of the Rare-Earth Experts Group, Applications and Development Section under the State Planning Commission. Mr Liu is also the executive of China Rare Earth Science Society and deputy editor-in-chief of China Rare Earth Journal. Mr Liu was appointed as chief engineer of China Rare Earth Development Corporation for the period between December 1992 to December 1997.

Mr Huang Chunhua, aged 37, joined the Group in February 2001 as an independent non-executive director of the Company. Mr Huang is the executive director and financial controller of a listed company in Hong Kong. Mr Huang is Ph.D of Marketing and MBA of University of Strathclyde. Mr Huang was previously a senior investment analyst, China Research of CLSA Emerging Markets and China analyst of HSBC Securities Asia Ltd.

### Company Secretary

Mr Law Lap Tak, aged 32, joined the Group in 1999. Mr Law is the financial controller and company secretary of the Company. Mr Law graduated in Hong Kong with a degree of bachelor of business administration. Mr Law is a member of The Hong Kong Society of Accountants and The Association of Chartered Certified Accountants. Prior to joining the Group, Mr Law was with an international accounting firm in Hong Kong for over 7 years.

# 董事及高級管理人員簡介

## DIRECTORS AND SENIOR MANAGEMENT PROFILE

### 高級管理層

樓吉翔先生，50歲，於二零零零年加入，現為本集團副總經理，主管稀土業務之運作。樓先生原是一家著名稀土廠的副總經理，在稀土和金屬行業擁有逾二十年的經驗。

許盤鳳女士，37歲，於一九八七年加入本集團，現為本集團副總經理，主管稀土業務之銷售。許女士在稀土產品的生產和營銷上擁有豐富的工作經驗。

蔣才南先生，43歲，於一九八六年加入本集團。現為本集團副總經理，主管耐火材料業務之運作。蔣先生在耐火材料行業擁有逾二十年的豐富經驗。

朱盤軍先生，41歲，於一九八六年加入本集團，現任職宜興新威利成稀土有限公司總經理。朱先生在稀土行業擁有逾十年的經驗。

俞正明先生，66歲，自一九九九年加入本集團，擔任宜興新威利成稀土有限公司的總工程師兼技術顧問。俞先生原是一家著名稀土廠的廠長及總工程師，是稀土及金屬行業的資深專家。

徐建文先生，33歲，於一九九八年加入本集團，現任職宜興新威利成稀土有限公司生產部主管。徐先生在稀土行業擁有逾十年的經驗。

趙建文先生，35歲，於一九八七年加入本集團。現任職宜興新威利成稀土有限公司技術部主管。趙先生在稀土行業擁有逾十年的經驗。

吳益平先生，40歲，於一九八八年加入本集團，現出任宜興新威利成耐火材料有限公司總經理。吳先生在耐火材料的生產和管理上經驗豐富。

### Senior Management

Mr Lou Jixiang, aged 50, joined the Group in 2000. Mr Lou is the deputy general manager of the Group and is responsible for the operation of rare earth business. Prior to joining the Group, Mr Lou was the deputy general manager of a renowned rare earth factory. Mr Lou has over 20 years of experience in the rare earth and non-ferrous metals industry.

Ms Xu Panfeng, aged 37, joined the Group in 1987. Ms Xu is the deputy general manager of the Group and is responsible for the sales of rare earth business. She has years of experience in production and marketing of rare earth industry.

Mr Jiang Caina, aged 43, joined the Group in 1986. Mr Jiang is the deputy general manager of the Group and is responsible for the operation of the refractory materials business. Mr Jiang has over 20 years of experience in refractory materials industry.

Mr Zhu Panjun, aged 41, joined the Group in 1986. Mr Zhu is the general manager of Yixing Xinwei Leeshing Rare Earth Company Limited. Mr Zhu has over 10 years of experience in rare earth industry.

Mr Yu Zhengming, aged 66, joined the Group in 1999. Mr Yu is the chief engineer and technical consultant of Yixing Xinwei Leeshing Rare Earth Company Limited. Prior to joining the Group, Mr Yu was the factory general manager and chief engineer of a renowned rare earth factory. Mr Yu is an expert in rare earth and non-ferrous metals industry.

Mr Xu Jianwen, aged 33, joined the Group in 1998. Mr Xu is the head of production department of Yixing Xinwei Leeshing Rare Earth Company Limited. Mr Xu has over 10 years of experience in rare earth industry.

Mr Zhao Jianwen, aged 35, joined the Group in 1987. Mr Zhao is the head of technology department of Yixing Xinwei Leeshing Rare Earth Company Limited. Mr Zhao has over 10 years of experience in rare earth industry.

Mr Wu Yiping, aged 40, joined the Group in 1988. He is the general manager of Yixing Xinwei Leeshing Refractory Materials Company Limited and has years of experience in production and administration of refractory materials.

## 董事及高級管理人員簡介

### DIRECTORS AND SENIOR MANAGEMENT PROFILE

陳良平先生，54歲，於一九九五年加入本集團。現出任宜興新威利成耐火材料有限公司副總經理。陳先生在耐火材料行業擁有多年經驗。

桑原禮次郎先生，59歲，於二零零一年加入本集團，出任宜興新威利成耐火材料有限公司總工程師，桑原先生原是日本一家著名跨國公司海外事業部技術總監，擁有非常豐富的耐火材料生產與管理經驗。

Mr Chen Liangping, aged 54, joined the Group in 1995. Mr Chen is the deputy general manager of Yixing Xinwei Leeshing Refractory Materials Company Limited. Mr Chen has years of experience in refractory materials industry.

Mr Reijiro Kuwahara, aged 59, joined the Group in 2001. He is the chief engineer of Yixing Xinwei Leeshing Refractory Materials Company Limited. Prior to joining the Group, he was the technical supervisor of Overseas Division of a famous international company in Japan and has years of experience in production and administration of refractory materials.

# 董事會報告

## DIRECTORS' REPORT

董事會同寅欣然呈報中國稀土控股有限公司（「本公司」）及其附屬公司（統稱「本集團」）截至二零零一年十二月三十一日止年度的年報及經審核財務報表。

### 主要業務

本公司的主要業務為投資控股。本集團的主要業務為稀土產品及耐火材料產品之製造及銷售。

附屬公司的主要業務載於財務報表附註13。

### 分類資料

本集團分類資料的詳情載於財務報表附註4。

### 附屬公司

本公司於二零零一年十二月三十一日的附屬公司詳情載於財務報表附註13。

### 業績及分派

本集團於截至二零零一年十二月三十一日止年度的業績載於本年報第27頁的綜合損益表內。

年內已派發中期股息每股2港仙。董事會現建議派發截至二零零一年十二月三十一日止年度的末期股息每股2港仙予於二零零二年五月三十一日名列股東名冊的股東。

其他分派詳情載於財務報表附註21。

### 儲備

本集團及本公司於年內的儲備變動及本公司可供派發之儲備的詳情載於財務報表附註21。

The directors have pleasure in presenting their annual report and the audited financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 December 2001.

### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Group are manufacturing and sales of rare earth products and refractory products.

The principal activities of the subsidiaries are set out in Note 13 to the financial statements.

### SEGMENT INFORMATION

Details of segment information of the Group are set out in Note 4 to the financial statements.

### SUBSIDIARIES

Details of the Company's subsidiaries as of 31 December 2001 are set out in Note 13 to the financial statements.

### RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2001 are set out in the consolidated income statement on page 27 of the annual report.

An interim dividend of HK 2 cents per share was declared and paid to the shareholders during the year. The directors recommend the payment of a final dividend of HK 2 cents per share for the year ended 31 December 2001 to the shareholders on the Register of Members on 31 May 2002.

Details of other appropriation are set out in Note 21 to the financial statements.

### RESERVES

Details of the movements in the reserves of the Group and the Company during the year and details of the distributable reserve of the Company are set out in Note 21 to the financial statements.

## 財務概要

本集團於截至二零零一年十二月三十一日止過去五個財政年度的業績概要載於本年報第71頁。

## 固定資產及在建工程

本集團及本公司於年內的固定資產及在建工程的變動詳情載於財務報表附註12。

## 股本

本公司於年內的股本變動詳情載於財務報表附註20。

## 可換股債券

二零零零年發行的債券於年內轉換為本公司普通股股份的詳情載於財務報表附註19。

## 借貸

本集團的銀行借貸及銀行融資詳情載於財務報表附註22。

## 退休金計劃

本集團的退休金計劃詳情載於財務報表附註8。

## 董事

年內及直至本報告刊行日期止本公司的董事為：

### 執行董事

蔣泉龍先生 (主席)  
錢元英女士 (副主席)  
范亞軍先生  
杜小梅女士

### 獨立非執行董事

劉余九先生  
黃春華先生 (於二零零一年二月七日獲委任)  
王怡瑞先生 (於二零零一年二月七日退任)

## FINANCIAL SUMMARY

A summary of the results of the Group for the past five financial years ended 31 December 2001 is set out on page 71 of the annual report.

## FIXED ASSETS AND CONSTRUCTION IN PROGRESS

Details of the movements in the fixed assets and construction in progress of the Group and the Company during the year are set out in Note 12 to the financial statements.

## SHARE CAPITAL

Details of the movements in the share capital of the Company during the year are set out in Note 20 to the financial statements.

## CONVERTIBLE BONDS

Details of the conversion of bonds, which were issued in 2000, into ordinary shares of the Company during the year are set out in Note 19 to the financial statements.

## BORROWINGS

Details of the bank borrowings and banking facilities of the Group are set out in Notes 22 to the financial statements.

## RETIREMENT SCHEMES

Details of retirement schemes of the Group are set out in Note 8 to the financial statements.

## DIRECTORS

The directors of the Company during the year and up to the date of this report are:

### Executive directors

Mr. Jiang Quanlong (*Chairman*)  
Ms. Qian Yuanying (*Deputy Chairman*)  
Mr. Fan Yajun  
Ms. To Siu Mui, Annie

### Independent non-executive directors

Mr. Liu Yujiu  
Mr. Huang Chunhua (appointed on 7 February 2001)  
Mr. Wong Yee Sui, Andrew (resigned on 7 February 2001)



# 董事會報告

## DIRECTORS' REPORT

根據本公司的公司細則第108條，范亞軍先生將於即將舉行的股東週年大會上輪值退任，惟合資格並願意膺選連任。

各執行董事均已與本公司訂立服務合約，由一九九九年九月一日起為期三年，其後繼續直至任何一方對另一方發出不少於三個月之書面通知以終止合約。

除上文所披露者外，概無董事與本公司訂立不可由本公司於一年內終止而毋須支付法定賠償以外的賠償的服務合約。

各非執行董事已獲委任，而任期為兩年。

### 董事於股份的權益

於二零零一年十二月三十一日，本公司根據證券（披露權益）條例（「披露權益條例」）第29條所存置的登記冊所示，披露各董事及行政總裁於本公司的股本中擁有的權益如下：

#### (i) 本公司

In accordance with Article 108 of the Company's Articles of Association, Mr. Fan Yajun will retire by rotation from the Board at the forthcoming annual general meeting and being eligible, offer himself for re-election.

Each of the executive directors has entered into a service contract with the Company for a term of three years commencing from 1 September 1999, which will continue thereafter unless and until terminated by either party giving to the other not less than three months' notice in writing.

Save as disclosed above, none of the directors has a service contract with the Company which is not terminable by the Company within one year without payment of compensation other than statutory compensation.

Each of the non-executive directors has been appointed for a term of two years.

### DIRECTORS' INTERESTS IN SHARES

As at 31 December 2001, the interests of the directors and chief executives in the share capital of the Company as recorded in the register maintained by the Company pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance") are as follows:

#### (i) The Company

董事 Directors	權益性質 Nature of interests	所持股份數目 Number of shares held
錢元英 Qian Yuanying	公司權益（附註1） Corporate interests (Note 1)	418,998,000
黃春華 Huang Chunhua	個人權益 Personal interests	2,868,000

# 董事會報告

## DIRECTORS' REPORT

### (ii) 附屬公司

(a) 新威稀土集團（香港）有限公司

### (ii) Subsidiaries

(a) Xinwei Rare Earth Group (Hong Kong) Limited

董事	權益性質	所持無投票權遞延股份
Directors	Nature of interests	Number of non-voting deferred shares held
蔣泉龍	個人權益	7,000,000
Jiang Quanlong	Personal interests	
錢元英	個人權益	3,000,000
Qian Yuanying	Personal interests	

(b) 宜興新威利成稀土有限公司

(b) Yixing Xinwei Leeshing Rare Earth Company Limited

董事	權益性質	股本權益
Directors	Nature of interests	Equity interest
蔣泉龍	公司權益（附註2）	5%
Jiang Quanlong	Corporate interests (Note 2)	

附註：

(1) 該等股份乃透過 YY Holdings Limited 持有，其全部已發行股本由蔣氏信託的受託人持有，而受益人為錢元英及其子女全資擁有的公司。

(2) 權益由新威集團公司持有，該國內企業由蔣泉龍擁有5%權益，餘下的95%權益由錢元英之弟擁有。蔣先生亦為該企業的法定代表。

Notes:

(1) These shares are held through YY Holdings Limited, the entire issued share capital of which is held by the trustee of the Jiang family trust, the discretionary object of which is a company wholly owned by Ms. Qian Yuanying and her children.

(2) The equity interest is held by Xinwei Group Limited, a domestic enterprise 5% owned by Mr. Jiang Quanlong with remaining 95% owned by a brother of Ms. Qian Yuanying. Mr. Jiang is also the legal representative of the enterprise.

# 董事會報告

## DIRECTORS' REPORT

### 董事於合約的權益

年內，本集團毋須支付代價而使用新威集團公司的出口配額以安排其產品出口至中國以外地方。透過這項安排而處理的出口銷售約為35,142,000港元。

年內，本集團向蔣泉龍先生租用兩個辦公室單位作為銷售及市場推廣總部，月租總額為人民幣18,000元（約值17,000港元）。於年內，就該等租約所支付的經營性租賃合約租金合共約204,000港元。

年內，本集團向上海新成稀土新材料有限公司購入稀土材料約值1,923,000港元。蔣泉龍先生及錢元英女士於該公司分別持有90%及8.91%權益。

除上文及財務報表附註3披露者外，於結算日或年內任何時間各董事概無於本公司或其任何附屬公司訂立與其業務有關的任何重大合約中擁有直接或間接的實際權益。

### 董事擁有購買股份或債券權益

透過已被本公司股東批准之購股權計劃，本公司之董事可酌情向本公司或其附屬公司之全日制員工或執行董事以1港元為代價授出購股權，使其可認購本公司之股份。

於二零零一年十二月三十一日，並無董事被授予任何購股權。

年內本公司或其附屬公司概無參與任何能夠使本公司之任何董事或行政總裁或其配偶或未滿十八歲的子女藉購入本公司或任何其他法人團體之股份或債券而獲得利益之任何安排。

### DIRECTORS' INTERESTS IN CONTRACTS

During the year, the Group arranged export sales of its products outside the PRC using the export quota of Xinwei Group Limited at no consideration. Export sales handled through this arrangement amounted to approximately HK\$35,142,000.

During the year, the Group leased two office premises from Mr. Jiang Quanlong for use as its sales and marketing headquarters at an aggregate monthly rent of RMB 18,000 (equivalent to about HK\$17,000). During the year, the total operating lease rentals paid in respect of these leases amounted to approximately HK\$204,000.

During the year, the Group purchased rare earth materials amounting to approximately HK\$1,923,000 from Shanghai Xincheng Rare Earth New Materials Company Limited, a company 90% owned by Mr. Jiang Quanlong and 8.91% owned by Ms. Qian Yuanying.

Save as disclosed above and in Note 3 to the financial statements, no directors had a beneficial interest, either direct or indirect, in any contract of significance to the business of the Company or any of its subsidiaries was a party at the balance sheet date or at any time during the year.

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

There was a Share Option Scheme which was approved by the shareholders of the Company, under which the directors may, at their discretion, invite any full time employee or executive director of the Company or its subsidiaries to take up options at HK\$1 each as consideration for option to subscribe for shares in the Company.

As at 31 December 2001, no such option had been granted to the directors.

At no time during the year was the Company or any of its subsidiaries a party to any arrangement, which enable any of the directors or chief executives of the Company or their spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

### 主要股東

於二零零一年十二月三十一日，根據披露權益條例第16(1)條所保存之主要股東登記冊所顯示，除上文「董事於股份的權益」所披露有關錢元英女士經YY Holdings Limited所持有之權益外，本公司並無被知會有任何其他股東擁有本公司已發行股本10%或以上的權益。

### 管理合約

年內概無訂立或存在任何對本集團全部或重大部份之業務與管理及行政有關之合約。

### 購買、出售或贖回本公司的上市證券

本集團於年內概無購買、出售或贖回任何本公司之上市證券。

### 主要客戶及供應商

年內，本集團最大五名客戶的銷售額合共佔本集團總銷售額約33%，而本集團最大客戶的銷售額則約佔12%。年內，本集團最大五名供應商的採購額合共佔本集團總採購額約28%，而本集團最大供應商的採購額則約佔10%。

據各董事所知，各董事、彼等的聯繫人及擁有本公司5%以上已發行股本的任何股東概無於本集團五大客戶或供應商的股本中擁有任何權益。

### 優先購股權

根據本公司之公司組織章程及細則及開曼群島之法例，本公司並無對於發行新股設立任何優先購股權之規定。

### 最佳應用守則

本公司於二零零一年十二月三十一日止年度內，已遵守香港聯合交易所有限公司證券上市規則附錄14所載的最佳應用守則。

### SUBSTANTIAL SHAREHOLDERS

As at 31 December 2001, the register of substantial shareholders maintained under Section 16(1) of the SDI Ordinance shows that, other than the interests disclosed in "Directors' interests in shares" above in respect of Ms. Qian Yuanying's interest in the Company through YY Holdings Limited, the Company has not been notified of any other interests representing 10% or more of the Company's issued share capital.

### MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the year.

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

There has been no purchase, sale or redemption of any of the Company's listed securities by the Group during the year.

### MAJOR CUSTOMERS AND SUPPLIERS

During the year, the aggregate sales attributable to the Group's five largest customers represented approximately 33% of the Group's total sales and the sales attributable to the Group's largest customer was approximately 12%. The aggregate purchases attributable to the Group's five largest suppliers during the year represented approximately 28% of the Group's total purchases and the purchases attributable to the Group's largest supplier was approximately 10%.

None of the directors, their associates or any shareholders which to the knowledge of the directors, own more than 5% of the Company's issued share capital has any interest in the share capital of any of the five largest customers or suppliers of the Group.

### PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Memorandum and Articles of Association and the Cayman Islands Companies Law in relation to the issue of new shares by the Company.

### CODE OF BEST PRACTICE

The Company has complied with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited throughout the year ended 31 December 2001.

# 董事會報告

## DIRECTORS' REPORT

本公司於年內全期已按最佳應用守則維持審核委員會，成員包括本公司兩位獨立非執行董事劉余九先生及黃春華先生。

### 核數師

本公司於即將舉行的股東週年大會上將提呈續聘安達信公司為本公司核數師的決議案。

承董事會名

蔣泉龍

主席

香港，二零零二年四月十八日

The Company has established an audit committee with written terms of reference in compliance with the Code of Best Practice throughout the year ended 31 December 2001. The audit committee comprises the two independent non-executive directors of the Company, Messrs. Liu Yujiu and Huang Chunhua.

### AUDITORS

A resolution to reappoint Messrs. Arthur Andersen & Co. as auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Jiang Quanlong

Chairman

Hong Kong, 18 April 2002



ANDERSEN

安達信

致中國稀土控股有限公司列位股東  
(於開曼群島註冊成立之有限公司)

本核數師已完成審核第27至第70頁之財務報表，該等財務報表乃按照香港普遍採納之會計原則編製。

#### 董事及核數師各自之責任

編製真實兼公平之財務報表乃 貴公司董事之責任。在編製該等真實兼公平之財務報表時，董事必須採用適當之會計政策，並貫徹應用該等會計政策。

本核數師之責任是根據審核之結果，對該等財務報表作出獨立意見，並向股東報告。

#### 意見之基礎

本核數師已按照香港會計師公會所頒佈之核數準則進行審核工作。審核範圍包括以抽查方式查核與財務報表所載數額及披露事項有關之憑證，亦包括評審董事於編製財務報表時所作之重大估計和判斷，所採用之會計政策是否適合 貴公司與 貴集團之具體情況，及有否貫徹應用該等會計政策並作出充分披露。

本核數師在策劃和進行審核工作時，均以取得所有本核數師認為必需之資料及解釋為目標，以便獲得充分憑證，就該等財務報表是否存有重大錯誤陳述，作出合理之確定。在作出意見時，本核數師亦已評估該等財務報表所載之資料在整體上是否足夠。本核數師相信有關審核工作已為下列意見提供合理之基礎。



ANDERSEN

AUDITORS' REPORT TO THE SHAREHOLDERS OF  
CHINA RARE EARTH HOLDINGS LIMITED  
(Incorporated in the Cayman Islands with limited liability)

We have audited the financial statements on pages 27 to 70 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

#### Respective Responsibilities of Directors and Auditors

The Company's directors are responsible for the preparation of financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently.

It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

#### Basis of Opinion

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Society of Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the Company and the Group, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.



# 核數師報告

## AUDITORS' REPORT

### 意見

本核數師認為，上述之財務報表在各重大方面足以真實且公平地顯示 貴公司與 貴集團於二零零一年十二月三十一日結算時之財務狀況及 貴集團截至該日止年度之溢利及現金流量，並按照香港公司條例之披露規定編製。

安達信公司  
執業會計師

香港，  
二零零二年四月十八日

### Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group as of 31 December 2001 and of the profit and cash flows of the Group for the year then ended, and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Arthur Andersen & Co  
Certified Public Accountants

Hong Kong,  
18 April 2002

# 綜合損益表

## CONSOLIDATED INCOME STATEMENT

截至二零零一年十二月三十一日止年度（所有款額均以港元呈報）

For the year ended 31 December 2001 (Amounts expressed in Hong Kong dollars)

		附註 Note(s)	二零零一年 2001 港幣千元 HK\$'000	二零零零年 2000 港幣千元 HK\$'000 (附註27) (Note 27)
營業額	Turnover	3, 4, 5	617,808	558,231
銷售成本	Cost of sales		(434,757)	(367,455)
毛利	Gross profit		183,051	190,776
其他收益	Other revenue	5	6,253	4,648
銷售及分銷成本	Selling and distribution costs		(11,207)	(5,140)
行政支出	Administrative expenses		(20,877)	(33,015)
經營溢利	Profit from operations	4	157,220	157,269
財務成本	Finance costs		(2,621)	(5,770)
其他支出淨額	Other expenses, net		(7,892)	(5,820)
除稅前溢利	Profit before taxation	6	146,707	145,679
稅項	Taxation	9	—	—
除稅後溢利	Profit after taxation		146,707	145,679
少數股東權益	Minority interests		(4,493)	(4,756)
本年度淨溢利	Net profit for the year	4	142,214	140,923
股息	Dividends	10	32,578	26,277
每股盈利	Earnings per share			
— 基本	— Basic	11	19.1 cents	23.2 cents
— 攤薄	— Diluted	11	18.9 cents	22.7 cents

# 綜合確認損益表

## CONSOLIDATED STATEMENT OF RECOGNISED GAINS AND LOSSES

截至二零零一年十二月三十一日止年度（所有款額均以港元呈報）

For the year ended 31 December 2001 (Amounts expressed in Hong Kong dollars)

		二零零一年 2001 港幣千元 HK\$'000	二零零零年 2000 港幣千元 HK\$'000 (附註27) (Note 27)
	附註 Note		
產生自非以港元記賬之 財務報表的換算外匯差額	Exchange differences on translation of the financial statements of foreign entities	280	2,317
不在綜合損益賬中確認 之收益	Net gains not recognised in the income statement	280	2,317
本年度淨溢利	Net profit for the year	142,214	140,923
確認收益總額	Total recognised gains	142,494	143,240
採納SSAP 9(修訂版) 對會計政策之影響： 於二零零零年一月一日 之儲備增加	Effect of changes in accounting policies on adoption of SSAP 9 (revised): Increase in reserves as at 1 January 2000	21	12,000

# 資產負債表

## BALANCE SHEETS

於二零零一年十二月三十一日（所有款額均以港元呈報）

As at 31 December 2001 (Amounts expressed in Hong Kong dollars)

			本集團 Group		本公司 Company	
			二零零一年 2001	二零零零年 2000	二零零一年 2001	二零零零年 2000
			港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
				(附註27) (Note 27)		(附註27) (Note 27)
附註 Note						
投資於附屬公司	INVESTMENTS IN SUBSIDIARIES	13	–	–	606,905	334,990
預付附屬公司投資款	PREPAYMENT FOR AN INVESTMENT IN A SUBSIDIARY	16	100,000	–	–	–
固定資產及在建工程	FIXED ASSETS AND CONSTRUCTION-IN-PROGRESS	12	325,242	216,569	150	137
流動資產：	CURRENT ASSETS:					
存貨淨額	Inventories, net	14	165,539	111,000	–	–
應收賬款及其他應收款 淨額	Accounts receivable and other receivables, net	15	118,861	91,341	–	382
預付款項、按金及 其他流動資產	Prepayments, deposits and other current assets		56,756	99,704	2,515	340
應收關連公司款	Due from related companies	3 (b)	1,463	797	–	–
已抵押存款	Pledged deposits	17	1,081	27,238	1,081	27,238
現金及現金等值項目	Cash and cash equivalents	17	247,936	122,551	29,131	47,391
流動資產總額	Total current assets		591,636	452,631	32,727	75,351
流動負債：	CURRENT LIABILITIES:					
應付賬款	Accounts payable	18	22,162	24,031	–	–
預提費用及其他應付款	Accruals and other payables		38,730	31,372	1,515	1,467
應付稅款	Taxation payable	9 (a)	2,427	4,302	–	–
應付董事款	Due to directors	3 (c)	13,906	1,290	1,514	1,494
應付關連公司款	Due to related companies	3 (b)	1,856	1,944	–	–
長期銀行貸款本期部份	Long-term bank loans, current portion	22	–	39,506	–	–
流動負債總額	Total current liabilities		79,081	102,445	3,029	2,961
流動資產淨值	Net current assets		512,555	350,186	29,698	72,390

# 資產負債表

## BALANCE SHEETS

於二零零一年十二月三十一日（所有款額均以港元呈報）  
As at 31 December 2001 (Amounts expressed in Hong Kong dollars)

		附註 Note	本集團 Group		本公司 Company	
			二零零一年 2001	二零零零年 2000	二零零一年 2001	二零零零年 2000
			港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
			(附註27) (Note 27)	(附註27) (Note 27)	(附註27) (Note 27)	(附註27) (Note 27)
非流動負債：	NON-CURRENT LIABILITIES:					
可換股債券	Convertible bonds	19	–	34,320	–	34,320
少數股東權益	Minority interests		16,069	11,582	–	–
淨資產	Net assets		921,728	520,853	636,753	373,197
代表：	Represented by:					
股本	Share capital	20	81,445	67,529	81,445	67,529
儲備	Reserves	21	840,283	453,324	555,308	305,668
股東權益	Shareholders' equity		921,728	520,853	636,753	373,197

經董事會於二零零二年四月十八日批准，並  
由下列董事代表董事會簽署：

Approved by the Board of Directors on 18 April 2002 and signed on  
behalf of the Board by:

蔣泉龍  
董事

杜小梅  
董事

Jiang Quanlong  
Director

To Siu Mui, Annie  
Director

# 綜合現金流量表

## CONSOLIDATED CASH FLOW STATEMENT

截至二零零一年十二月三十一日止年度（所有款額均以港元呈報）

For the year ended 31 December 2001 (Amounts expressed in Hong Kong dollars)

		附註 Note	二零零一年 2001 港幣千元 HK\$'000	二零零零年 2000 港幣千元 HK\$'000 (附註27) (Note 27)
經營業務所得現金 流入淨額	Net cash inflow from operating activities	23(a)	146,660	55,303
投資回報及融資成本 已收利息	Returns on investments and servicing of finance Interest received		6,253	4,648
已付利息	Interest paid		(2,621)	(4,013)
已付股息	Dividends paid		(37,062)	(18,018)
投資回報及融資成本 所需之現金流出淨額	Net cash outflow from returns on investments and servicing of finance		(33,430)	(17,383)
稅項	Taxation			
已付中國企業所得稅	PRC enterprise income tax paid		—	(7,785)
投資業務	Investing activities			
購置固定資產及在建 工程付款	Payments to acquire fixed assets and construction-in-progress		(135,770)	(104,643)
預付附屬公司投資款	Prepayment for an investment in a subsidiary		(100,000)	—
已抵押存款減少(增加)	Decrease (Increase) in pledged deposits		26,157	(27,238)
投資活動現金流出淨額	Net cash outflow from investing activities		(209,613)	(131,881)
融資活動前現金流出淨額	Net cash outflow before financing		(96,383)	(101,746)
融資活動	Financing activities	23(b)		
發行股份所得款項	Proceeds from issue of shares		264,154	73,500
發行可換股債券所得 款項	Proceeds from issue of convertible bonds		—	39,000
股份發行支出	Share issue expenses		(3,031)	(985)
可換股債券發行支出	Convertible bond issue expenses		—	(1,757)
提取銀行貸款	Draw-down of bank loans		—	3,771
償還銀行貸款	Repayment of bank loans		(39,506)	(14,408)
融資活動的現金流入淨額	Net cash inflow from financing activities		221,617	99,121
現金及現金等值項目的 增加(減少)	Increase (Decrease) in cash and cash equivalents		125,234	(2,625)
年初的現金及現金等值項目	Cash and cash equivalents, beginning of year		122,551	123,570
外匯兌換率變動之影響	Effect of foreign exchange rate changes		151	1,606
年終的現金及現金等值項目	Cash and cash equivalents, end of year		247,936	122,551
現金及現金等值項目分析	Analysis of cash and cash equivalents			
現金及銀行結餘	Cash and bank balances		247,936	122,551



# 財務報表附註

## NOTES TO THE FINANCIAL STATEMENTS

(除另有說明外，所有款額均以港元呈報)

(Amounts expressed in Hong Kong dollars unless otherwise stated)

### 1. 一般資料

本公司於一九九九年七月二十七日根據開曼群島公司法(一九九八年修訂版)在開曼群島註冊成立為一間授豁免公司。為籌備本公司股份在香港聯合交易所(「香港聯交所」)上市而在一九九九年進行的集團重組(「重組」)，以整頓本公司及其附屬公司(合稱為「本集團」)的架構，本公司成為本集團的最終控股公司。本公司的股份由一九九九年十月十五日起已在香港聯交所上市。股東在二零零零年五月十九日通過一項特別決議案，將本公司的名稱由宜興新威控股有限公司，更改為中國稀土控股有限公司。

重組涉及將董事錢元英女士(「蔣太太」)，其乃本公司董事兼主席蔣泉龍先生(「蔣先生」)的妻子，擁有及控制的公司名下的資產及負債轉讓予本公司的附屬公司。蔣太太亦為一項信託的實益擁有人，該信託的資產包括本公司的股份。

根據重組，本公司成為其直接及間接持有的附屬公司的控股公司。該項重組乃作為將本集團改成為一個持續實體的重組，因此，財務報表是採用會計合併方式編製，猶如現行集團架構在本財務報表所涵蓋的年度內一直存在。

本集團從事精煉、製造及銷售稀土產品及耐火材料。

### 2. 主要會計政策

#### a. 呈報基準

本財務報表乃按照香港會計師公會頒發的會計實務準則、根據香港普遍採納的會計原則、香港公司條例的披露規定及香港聯交所證券上市規則(「上市規則」)編製而成。編製財務報表時所採用的計算基準為歷史成本。

本集團採納的主要會計政策現概述如下。

#### b. 採納會計實務準則

本集團及本公司於現年度首次採納香港會計師公會頒佈的下列會計實務準則(「SSAP」)：

### 1. GENERAL

The Company was incorporated in the Cayman Islands on 27 July 1999 as an exempted company under the Companies Law (1998 Revision) of the Cayman Islands under the name of Yixing Xinwei Holdings Limited. Pursuant to a group reorganisation (the "Reorganisation") undertaken in 1999 to rationalise the structure of the Company and its subsidiaries (collectively known as the "Group") in preparation for the listing of the Company's shares on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"), the Company became the ultimate holding company of the Group. The Company's shares have been listed on the Hong Kong Stock Exchange with effect from 15 October 1999. By a special resolution of the shareholders passed on 19 May 2000, the Company changed its name to China Rare Earth Holdings Limited.

The Reorganisation involved the transfer of assets and liabilities of companies owned and controlled by a director, Ms. Qian Yuanying ("Mrs. Jiang"), wife of Mr. Jiang Quanlong ("Mr Jiang", a director and chairman of the Company), to the subsidiaries of the Company. Mrs. Jiang is also the beneficial owner of a trust, the trust assets of which include the shares of the Company.

Pursuant to the Reorganisation, the Company became the holding company of its directly and indirectly owned subsidiaries. The Reorganisation was accounted for as a reorganisation of the Group as a continuing entity and accordingly, the financial statements have been prepared using the merger basis of accounting as if the current group structure had been in existence throughout the years covered by the financial statements being presented.

The Group is engaged in the extraction, manufacturing and selling of rare earth products and refractory products.

### 2. PRINCIPAL ACCOUNTING POLICIES

#### a. Basis of presentation

The financial statements are prepared under the historical cost convention and in accordance with Statements of Standard Accounting Practice issued by the Hong Kong Society of Accountants, accounting principles generally accepted in Hong Kong, and the disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

A summary of the significant accounting policies adopted by the Group is set out below.

#### b. Adoption of Statements of Standard Accounting Practice

In the current year, the Group and the Company have adopted, for the first time, the following Statements of Standard Accounting Practice ("SSAPs") issued by the Hong Kong Society of Accountants:

# 財務報表附註

## NOTES TO THE FINANCIAL STATEMENTS

(除另有說明外，所有款額均以港元呈報)

(Amounts expressed in Hong Kong dollars unless otherwise stated)

### 2. 主要會計政策 (續)

#### b. 採納會計實務準則 (續)

SSAP 9 (修訂版)	資產負債表 結算日後 事項
SSAP 14 (修訂版)	租賃
SSAP 26	分類資料呈報
SSAP 28	撥備、或然 負債及或然 資產
SSAP 29	無形資產
SSAP 30	業務合併
SSAP 31	資產減值
SSAP 32	綜合財務報表 及投資於 附屬公司 的會計法

採納新SSAP對本集團及本公司編製財務報表時帶來之影響詳述如下：

SSAP 9 (修訂版) 列明企業應何時就資產負債表結算日後事項而調整其財務報表，以及企業應就財務報表獲批准發出日期及資產負債表結算日後事項而披露的資料。特別是企業於資產負債表結算日後建議或宣佈派發股息予股本證券持有人，則不應將該等股息確認為資產負債表結算日之負債。詳情請參看附註10及21(b)。

SSAP 26設定以分類方式呈報財務資料的原則，幫助閱讀財務報表的人士更加了解一家企業，及對該企業的整体情況作出知情的判斷。此項會計原則的更改已追溯應用於過往年度。

除了採納上述新SSAP外，本集團亦已採納SSAP 17「物業、廠房及設備」及SSAP 18「收益」的相應修訂。本集團認為上述SSAP的相應修訂不會對本集團的財務報表造成重大影響。

本報告內所載的二零零零年度比較數字(如適用)已計入因採納上述的新SSAP而引致的調整。

### 2. PRINCIPAL ACCOUNTING POLICIES (continued)

#### b. Adoption of Statements of Standard Accounting Practice (continued)

SSAP 9 (revised)	Events after the balance sheet date
SSAP 14 (revised)	Leases
SSAP 26	Segment reporting
SSAP 28	Provisions, contingent liabilities and contingent assets
SSAP 29	Intangible assets
SSAP 30	Business combinations
SSAP 31	Impairment of assets
SSAP 32	Consolidated financial statements and accounting for investments in subsidiaries

Details of the requirements under the new SSAPs which affect the preparation of the financial statements of the Group and the Company are as follows:

SSAP 9 (revised) prescribes when an enterprise should adjust its financial statements for events after the balance sheet date and the disclosures that an enterprise should give about the date when the financial statements were authorised for issue and about events after the balance sheet date. In particular, if dividends to holders of equity instruments are proposed or declared after the balance sheet date, an enterprise should not recognise those dividends as a liability at the balance sheet date. Please refer to Notes 10 and 21(b) for details.

SSAP 26 establishes principles for reporting financial information by segment to help users of financial statements to better understand an enterprise and make more informed judgements about an enterprise as a whole. This change in accounting policy has been applied retrospectively.

In addition to the adoption of the above new SSAPs, the Group has also adopted the consequential changes made to SSAP 17 "Property, plant and equipment" and SSAP 18 "Revenue". The Group considers that the consequential changes made to the above SSAPs will not have material impact on the financial statements of the Group.

The 2000 comparative figures presented herein have incorporated the effect of adjustments, where applicable, resulting from the adoption of the new SSAPs above.

# 財務報表附註

## NOTES TO THE FINANCIAL STATEMENTS

(除另有說明外，所有款額均以港元呈報)

(Amounts expressed in Hong Kong dollars unless otherwise stated)

### 2. 主要會計政策(續)

#### c. 綜合賬目基準

本集團的綜合財務報表包括本公司及其所控制企業的財務報表。控制權一般指本集團有權操控一家企業的財務及經營政策以便從其業務中得益。期間收購或出售的附屬公司的業績自其收購日期起計入綜合賬目，或計至出售日期止。少數股東權益應佔的股本及淨收益分別獨立列於本集團的綜合資產負債表及綜合損益表。

集團內部結餘及交易，及其產生的未變現溢利均全數對銷。集團內部交易引致的未變現虧損亦對銷，除非無法收回成本，則作別論。綜合財務報表以類似交易及相若情況下的其他事項所採用的相同會計法編製。

本公司的財務報表內所示於附屬公司的投資按成本減任何累計減值虧損列賬。附屬公司的業績按已收及應收其股息計入損益表。

#### d. 固定資產及折舊

固定資產按成本減累計折舊及累計減值虧損列賬。資產成本包括其購入價及將該項資產達至預定用途之運作狀況及地點所引致之任何直接成本。固定資產投入運作後的支出，如維修保養及運作成本，一般於支出產生期間在損益表中扣除。倘有明確資料顯示該項支出會令到使用有關固定資產所預期會帶來的經濟效益，高於其原先評估的水平，該項支出會資本化撥作固定資產的額外成本。

折舊乃以直線法按估計年率並於其估計可使用年期內扣除每項資產的成本。有關使用的年率如下：

樓宇	5%
機器及設備	10%
汽車	20%
辦公室設備及裝置	20%

### 2. PRINCIPAL ACCOUNTING POLICIES (continued)

#### c. Basis of consolidation

The consolidated financial statements of the Group include the financial statements of the Company and the enterprises that it controls. This control is normally evidenced when the Group has the power to govern the financial and operating policies of an enterprise so as to benefit from its activities. The results of subsidiaries acquired or disposed of during the period are consolidated from or to their effective dates of acquisition or disposal. The equity and net income attributable to minority shareholders' interests are shown separately in the Group's consolidated balance sheet and income statement, respectively.

Intragroup balances and transactions and resulting unrealised profits are eliminated in full. Unrealised losses resulting from intragroup transactions are eliminated unless cost cannot be recovered. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

In the Company's financial statements, investments in subsidiaries are carried at cost less any accumulated impairment losses. The results of the subsidiaries are included in the income statement to the extent of dividends received and receivable.

#### d. Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to the income statement in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the fixed assets beyond its originally assessed standard of performance, the expenditure is capitalised as an additional cost of the fixed asset.

Depreciation is calculated on the straight-line basis at annual rates estimated to write off the cost of each asset over its expected useful life. The annual rates are as follows:

Buildings	5%
Machinery and equipment	10%
Motor vehicles	20%
Office equipment and fixtures	20%

# 財務報表附註

## NOTES TO THE FINANCIAL STATEMENTS

(除另有說明外，所有款額均以港元呈報)

(Amounts expressed in Hong Kong dollars unless otherwise stated)

### 2. 主要會計政策 (續)

#### d. 固定資產及折舊 (續)

資產的估計可使用年期及折舊方法會定期檢討。

當資產出售或報廢時，其成本及累計折舊及攤銷將從賬目中扣除，而出售所得之任何損益均列入損益表內。

#### e. 在建工程

在建工程指施工中的廠房及物業及以成本減去累計減值虧損列賬。成本包括建造成本、廠房及設備成本，以及其他直接成本。

尚未落成及準備就緒作預定用途之在建工程概無折舊撥備。

#### f. 資產減值

倘發生事件或情況有變，顯示某項資產的賬面值可能無法收回，即會對資產作減值評估。倘資產的賬面值高於其可收回款額，則以成本入賬的固定資產、在建工程及投資於附屬公司的資產減值將於損益表中反映。可收回款額為資產的淨售價及使用價值兩者中的較高者。淨售價指按公平交易基準出售資產所得款項，而使用價值則指預計從持續使用資產及於可用年期屆滿後出售資產可得的估計未來現金流量。可收回款額就個別資產作估計，或在可能情況下就可帶來現金收益的單位作估計。

過往年度已確認的減值虧損於該項減值不再存在或減低時撥回。撥回款額於損益表列賬。

#### g. 存貨

存貨按成本值或可變現淨值的較低者入賬。成本值按加權平均成本計算，並包括所有採購成本、加工成本及將存貨運往現址及達致現狀的其他成本。可變現淨值乃根據日常業務情況下估計售價減估計完成生產之成本及估計市場銷售時產生的成本計算。

### 2. PRINCIPAL ACCOUNTING POLICIES (continued)

#### d. Fixed assets and depreciation (continued)

The useful lives of assets and depreciation method are reviewed periodically.

When assets are sold or retired, their cost and accumulated depreciation and amortisation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the income statement.

#### e. Construction-in-progress

Construction-in-progress represents plant and properties under construction and is stated at cost less accumulated impairment losses. This includes cost of construction, plant and equipment and other direct costs.

Construction-in-progress is not depreciated until such time as the assets are completed and ready for their intended use.

#### f. Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the income statement for items of fixed assets, construction-in-progress and investments in subsidiaries carried at cost. The recoverable amount is the higher of an asset's net selling price and value in use. The net selling price is the amount obtainable from the sale of the asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit.

Reversal of impairment losses recognised in prior years is recorded when the impairment losses recognised for the asset no longer exist or have decreased. The reversal is recorded in the income statement.

#### g. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, calculated on the weighted average basis, comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

# 財務報表附註

## NOTES TO THE FINANCIAL STATEMENTS

(除另有說明外，所有款額均以港元呈報)

(Amounts expressed in Hong Kong dollars unless otherwise stated)

### 2. 主要會計政策 (續)

#### g. 存貨 (續)

存貨出售時，該等存貨的賬面值於有關收入確認時期確認為開支。存貨的可變現淨值的任何撇銷額及存貨的一切虧損於該撇銷或虧損產生時期確認為開支。可變現淨值增加令存貨出現任何的撇銷額撥回將作為於發生期間時已確認的存貨開支的減少。

#### h. 撥備

倘因過去發生的事項而導致企業現時須承擔債務 (不論法定或推斷)，並且極有可能 (即發生的可能性較大) 導致可帶來經濟效益的資源流出以償還債務，同時亦能對該債務的款額作出可靠的估計，即須作出撥備。撥備會於每個資產負債表結算日檢討，並就當時最可靠的估計作調整。倘金額的時間價值為重要因素，則以預期償還債務所需支出的現值撥備。

#### i. 應收賬項及其他應收款淨額

應收賬項及其他應收款淨額按成本就呆壞賬準備作調整後入賬。

#### j. 現金及現金等值項目

現金指手持現金及可隨時提取的銀行存款。

現金等值項目指可隨時兌換為已知金額的現金的短期高流動性投資，其原訂到期日須為三個月或以下，而且價值變動的風險不大。

#### k. 經營租賃

經營租賃指融資租賃以外之租賃。

由出租公司承受資產擁有權及大部份回報和風險之租賃均作為經營租賃入賬。根據經營租賃而支付的租金在有關租賃期內按直線法列作費用。

### 2. PRINCIPAL ACCOUNTING POLICIES (continued)

#### g. Inventories (continued)

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period in which the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

#### h. Provisions

A provision is recognised when an enterprise has a present obligation (legal or constructive) as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

#### i. Accounts receivable and other receivables, net

Accounts receivable and other receivables, net are stated at cost, after provision for bad and doubtful debts.

#### j. Cash and cash equivalents

Cash represents cash on hand and deposits with banks which are repayable on demand.

Cash equivalents represent short-term, highly liquid investments which are readily convertible into known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of change in value.

#### k. Operating leases

An operating lease is a lease other than a finance lease.

Leases of assets under which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.



# 財務報表附註

## NOTES TO THE FINANCIAL STATEMENTS

(除另有說明外，所有款額均以港元呈報)

(Amounts expressed in Hong Kong dollars unless otherwise stated)

### 2. 主要會計政策 (續)

#### I. 營業額及收益確認

營業額指出售貨品的發票淨值(不包括增值稅)，並已就退貨及折扣、銷售稅及附加費作調整。假設一項交易所帶來的經濟效益極有可能歸本集團所有，並且能對有關的收益及成本(如適用)作出可靠計算，該項收益按下列基準入賬：

##### (i) 貨品銷售

當貨品擁有權所涉及的重大風險及回報已轉讓予買家時即確認收益。

##### (ii) 利息收入

銀行存款的利息收入是按時間比例基準入賬，並已計及資產的實際收益率。

#### m. 稅項

##### (i) 所得稅

本集團屬下公司的所得稅是依據彼等作為財務申報用途的利潤就毋須課稅或不可作所得稅扣減的收支項目作出調整後作出預提。

##### (ii) 增值稅(「增值稅」)

根據中華人民共和國(「中國」)頒佈的有關稅法，本集團屬下所有在中國成立的公司必須繳納增值稅。此項主要間接稅在出售貨物及提供若干具體服務時徵收(稱為「銷項增值稅」)。銷項增值稅隨同銷售所得款項向客戶收取及按銷售價之17%計算。本集團應付的增值稅相當於銷項增值稅減去購買貨物及某些指定服務時支付的增值稅(稱為「進項增值稅」)。

##### (iii) 遞延稅項

遞延稅項乃按負債法就為稅務用途而計算的溢利與財務報表所述溢利之間出現的重大時差提撥準備，以將會出現之負債或資產值為限。

### 2. PRINCIPAL ACCOUNTING POLICIES (continued)

#### I. Turnover and revenue recognition

Turnover represents the net invoiced value of merchandise sold (excluding value-added tax), after allowances for returns and discounts, sales taxes and surcharges. Provided it is probable that the economic benefits associated with a transaction will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised on the following bases:

##### (i) Sales of goods

Revenue is recognised when the significant risks and rewards of ownership of goods have been transferred to the buyer.

##### (ii) Interest income

Interest income from bank deposits is recognised on a time proportion basis that takes into account the effective yield on the assets.

#### m. Taxation

##### (i) Income taxes

Companies within the Group provide for income taxes on the basis of their profit for financial reporting purposes, adjusted for income and expense items which are not assessable or deductible for income tax purposes.

##### (ii) Value-added tax ("VAT")

In accordance with the relevant tax laws enacted in the People's Republic of China ("the PRC"), all the companies of the Group established in the PRC are subject to VAT. This principal indirect tax is levied on the sales of goods and provision of certain specified services (known as "Output VAT"). Output VAT is recovered from customers with sales proceeds and is calculated at 17% of the selling price. The net VAT payable of the Group represents Output VAT minus the VAT paid on purchases of goods and certain specified services (known as "Input VAT").

##### (iii) Deferred taxation

Deferred taxation is provided under the liability method in respect of timing differences between profit as computed for taxation purposes and profit as stated in the financial statements to the extent that it is probable that a liability or an asset will crystallise.



# 財務報表附註

## NOTES TO THE FINANCIAL STATEMENTS

(除另有說明外，所有款額均以港元呈報)

(Amounts expressed in Hong Kong dollars unless otherwise stated)

### 2. 主要會計政策 (續)

#### n. 借貸成本

借貸成本包括利息支出及有關借貸的折扣或溢價的攤銷、涉及安排借貸所產生的附帶成本及外幣借貸所產生的滙兌差額，惟只限於它們被視作對利息成本的調整。

除非借貸成本可直接歸屬於需要頗長時間去做好準備作預定用途的購買、建造或製造的發展中物業及機器與設備、將資本化作為該等物業及機器與設備的部份成本，否則該借貸成本在發生時均列作開支。當有關資產的開支及借貸成本需要支付及開始準備將資產作預定用途時，借貸成本即資本化。借貸成本的資本化按有關借貸的加權平均成本計算，直至資產達到可供使用狀況止。如資產之賬面值因此超過其可收回款額，即將減值虧損列賬。

#### o. 僱員退休福利

根據中國有關條例，為本集團之中國本地員工支付的基本退休保障供款是按底薪26%的基準按月付予政府機關，其中20%由本集團承擔。政府機關負責支付有關員工退休後的生活津貼。

上述的僱員退休福利成本及本集團就香港的業務而根據香港強積金計劃條例向強制性公積金(「強積金」)作出的供款，以權責發生法基準入賬，並於實際發生的期間確認為支出。

#### p. 外幣換算

本集團的申報貨幣為港元。本集團屬下各公司的賬目及記錄以港元或人民幣為單位。以其他貨幣計算的外幣交易皆以交易時適用滙率換算為港元或人民幣。以其他貨幣計算的貨幣性資產及負債按結算日的適用滙率再換算為港元或人民幣。以其他貨幣計算的非貨幣性資產及負債則按歷史滙率換算。因上述滙兌政策而產生的滙兌損益撥入損益表中處理。

### 2. PRINCIPAL ACCOUNTING POLICIES (continued)

#### n. Borrowing costs

Borrowing costs include interest charges and other costs incurred in connection with the borrowing of funds, including amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in connection with arranging borrowings and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs are expensed as incurred, except when they are directly attributable to the acquisition, construction or production of property under development and machinery and equipment that necessarily takes a substantial period of time to prepare for its intended use in which case they are capitalised as part of the cost of that asset. Capitalisation of borrowing costs commences when expenditures for the asset and borrowing costs are being incurred and the activities to prepare the asset for its intended use are in progress. Borrowing costs are capitalised at the weighted average cost of the related borrowings until the asset is ready for its intended use. If the resulting carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded.

#### o. Employee retirement benefits

Pursuant to relevant regulations in the PRC, contributions to the basic old age insurance for the Group's local staff in the PRC are made monthly to a government agency based on 26% of the basic salary, of which 20% is borne by the Group. The government agency is responsible for the pension liabilities relating to such staff on their retirement.

The costs of employee retirement benefits above and contributions to the Mandatory Provident Funds (the "MPF") relating to the Group's Hong Kong operations as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance are accounted for under the accrual basis and recognised as an expense in the period in which they are incurred.

#### p. Foreign currency translation

The reporting currency of the Group is Hong Kong dollars. Companies within the Group maintain their books and records in Hong Kong dollars or Renminbi. Foreign currency transactions denominated in other currencies are translated into Hong Kong dollars or Renminbi at exchange rates in effect at the time of the transactions. Monetary assets and liabilities denominated in other currencies at the balance sheet date are translated into Hong Kong dollars or Renminbi at rates of exchange in effect at the balance sheet date. Non-monetary assets and liabilities denominated in other currencies are translated at historical rates. Exchange differences arising from the above translation policy are dealt with in the income statement.

# 財務報表附註

## NOTES TO THE FINANCIAL STATEMENTS

(除另有說明外，所有款額均以港元呈報)

(Amounts expressed in Hong Kong dollars unless otherwise stated)

### 2. 主要會計政策(續)

#### p. 外幣換算(續)

為編製合併賬目，本集團各附屬公司以人民幣記賬的財務報表乃採用年終結算匯率方法兌換成港元。根據年終結算匯率方法，這些附屬公司的資產及負債乃按結算日適用匯率換算，損益表乃按各有關年度當時的平均匯率換算，而註冊資本及儲備則按有關實際時的匯率換算。而換算財務報表時產生的滙兌差額則直接計入外滙兌換儲備。

#### q. 分類資料呈報

分類指本集團在提供產品或服務(業務分類)或在特定經濟環境(地區分類)提供產品或服務方面的可辨別組成部份，而其風險及回報與其他分類不同。

按照本集團的內部財務資料呈報方法，本集團選擇以業務分類資料作為首要呈報方式，並以地區分類資料作為輔助呈報方式。

分類收益、支出、業績、資產及負債包括直接歸於該分類部份的項目，以及可按合理基準分配予該分類部份的項目。例如，分類資產可包括存貨、應收貿易賬項，以及物業、廠房及設備。分類收益、支出、資產及負債則於綜合賬目時對銷集團內部結餘及內部交易之前釐定，惟倘有關內部結餘及交易屬於同一分類的同集團企業之間的結餘及交易，則作別論。分類部份間之交易定價按外界人士享有的相若條款釐定。

分類資本支出指收購分類資產(有形及無形)的期間內產生的總成本，而有關資產預期可使用超過一個財政年度。

未分類項目主要包括可換股債券、企業資產及企業費用。

### 2. PRINCIPAL ACCOUNTING POLICIES (continued)

#### p. Foreign currency translation (continued)

For consolidation purposes, the financial statements of companies within the Group that maintain their books and records in Renminbi are translated into Hong Kong dollars using the closing rate method. Under the closing rate method, assets and liabilities of the subsidiaries are translated at rates of exchange prevailing at the balance sheet date, the income statement is translated at the average rates of exchange prevailing in each relevant year and registered capital and reserves are translated at historical rate. Exchange differences arising from translation of the financial statements are taken directly to the exchange translation reserve.

#### q. Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

In accordance with the Group's internal financial reporting, the Group has chosen business segment information as the primary reporting format and geographical segment information as the secondary reporting format.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. For example, segment assets may include inventories, trade receivables and property, plant and equipment. Segment revenue, expenses, assets, and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between Group enterprises within a single segment. Inter-segment pricing is based on similar terms as to those charged to external parties.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets (both tangible and intangible) that are expected to be used for more than one financial year.

Unallocated items mainly comprise convertible bonds, corporate assets and corporate expenses.

# 財務報表附註

## NOTES TO THE FINANCIAL STATEMENTS

(除另有說明外，所有款額均以港元呈報)

(Amounts expressed in Hong Kong dollars unless otherwise stated)

### 2. 主要會計政策 (續)

#### r. 或然項目

或然負債並無在財務報表內確認。除非導致帶來經濟效益的資源流出的可能性極低，否則須披露或然負債。

或然資產並無在財務報表內確認，但當極可能帶來經濟效益時，即會披露有關或然資產。

#### s. 結算日後事項

可提供有關本集團於資產負債表結算日的額外資料或顯示不適宜採用持續經營的假設的年結日後事項(須調整事項)均於財務報表內披露。不屬於須調整事項的年結日後事項如屬重大性質，會於附註中披露。

#### t. 採用估計數字

按香港一般接納會計原則編製財務報表時，管理層須作出可能影響申報數字及披露資料的估計及假設。因此，實際業績可能與估計數字有差異。

### 2. PRINCIPAL ACCOUNTING POLICIES (continued)

#### r. Contingencies

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

#### s. Subsequent events

Post-year-end events that provide additional information about the Group's position at the balance sheet date or those that indicate the going concern assumption is not appropriate (adjusting events) are reflected in the financial statements. Post-year-end events that are not adjusting events are disclosed in the notes when material.

#### t. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in Hong Kong requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

# 財務報表附註

## NOTES TO THE FINANCIAL STATEMENTS

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### 3. 有關連人士交易

倘一間公司有能力和間接控制另一間公司，或在另一間公司作出財務及營運決定時發揮重大影響力，即屬有關連公司。倘公司與其他公司均受共同控制或共同發揮重大影響力，亦屬有關連公司。

a. 年內進行之重大有關連人士交易如下：

(i) 年內，本集團毋須支付任何代價而使用新威集團公司的出口配額以安排其產品出口至中國以外地方。新威集團公司為一間中國國內企業，由蔣太太之弟擁有95%，而另5%由蔣先生擁有，彼亦是該企業的法定代表人。於截至二零零一年十二月三十一日止年度，透過上述安排而處理的出口銷售額約為35,142,000港元（二零零零年：42,403,000港元）。新威集團公司亦持有本集團附屬公司宜興新威利成稀土有限公司（「新威利成稀土」）（見附註13）的5%股權。

(ii) 於一九九九年九月一日，本集團與蔣先生訂立兩項租約協議，租用辦公室單位以作為銷售及市場推廣總部。租約由一九九九年九月一日起各為期三年，月租總額為人民幣18,000元（折合17,000港元）。於截至二零零一年十二月三十一日止年度內，就該租約所支付的經營租賃租金合共約204,000港元（二零零零年：203,000港元）。該租約的條款由蔣先生與本集團共同協定。

(iii) 年內，分別由蔣先生及蔣太太擁有90%及8.91%權益的有關連公司上海新成稀土新材料有限公司（「上海新成」）向本集團銷售約1,923,000港元（二零零零年：無）之稀土材料。該採購的條款由上海新成與本集團共同協定。

### 3. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

a. Significant related party transactions undertaken during the year were:

(i) During the year, the Group arranged export sales of its products outside the PRC using the export quota of Xinwei Group Limited at no consideration. Xinwei Group Limited is a PRC domestic enterprise 95% owned by the brother of Mrs. Jiang and 5% owned by Mr. Jiang, who is also the legal representative of the enterprise. Export sales handled through this arrangement amounted to approximately HK\$35,142,000 for the year ended 31 December 2001 (2000 – HK\$42,403,000). Xinwei Group Limited also holds a 5% equity interests in Yixing Xinwei Leeshing Rare Earth Co. Ltd. (“Xinwei Leeshing Rare Earth”) (see Note 13), a subsidiary of the Group.

(ii) On 1 September 1999, the Group entered into two lease arrangements with Mr. Jiang to lease office premises for use as its sales and marketing headquarters, each for a term of three years commencing from 1 September 1999 at an aggregate monthly rent of RMB18,000 (equivalent to HK\$17,000). During the year ended 31 December 2001, the total operating lease rentals paid in respect of these leases amounted to approximately HK\$204,000 (2000 – HK\$203,000). The leases were entered into under the terms that were mutually agreed by Mr. Jiang and the Group.

(iii) During the year, Shanghai Xinchun Rare Earth New Materials Company Limited (“Shanghai Xinchun”), a related company which is 90% and 8.91% owned by Mr. Jiang and Mrs. Jiang, respectively, sold rare earth materials to the Group amounting to approximately HK\$1,923,000 (2000 – Nil). These purchases were conducted under the terms that were mutually agreed by Shanghai Xinchun and the Group.

# 財務報表附註

## NOTES TO THE FINANCIAL STATEMENTS

(除另有說明外，所有款額均以港元呈報)

(Amounts expressed in Hong Kong dollars unless otherwise stated)

### 3. 有關連人士交易 (續)

- b. 應收(應付)有關連公司的金額詳情如下：

### 3. RELATED PARTY TRANSACTIONS (continued)

- b. Particulars of the amounts due from (to) related companies are as follows:

有關連公司名稱 Name of related company	二零零一年 2001			二零零零年 2000		
	應收 Due from 港幣千元 HK\$'000	應付 Due to 港幣千元 HK\$'000	本集團 Group 當年 最高應收額 Maximum balance of due from during the year 港幣千元 HK\$'000	應收 Due from 港幣千元 HK\$'000	應付 Due to 港幣千元 HK\$'000	當年 最高應收額 Maximum balance of due from during the year 港幣千元 HK\$'000
鎂質耐火材料廠 (附註(i))	-	(68)	-	-	(185)	-
上海新成	-	(1,788)	-	-	(1,759)	-
上海毅龍工貿有限公司 (「上海毅龍」) (附註(ii))	1,463	-	1,568	-	-	-
潘家堤大理石裝飾廠 (附註(i))	-	-	342	342	-	141
宜興高溫耐火材料廠 (附註(i))	-	-	455	455	-	1,059
	1,463	(1,856)		797	(1,944)	

\* 公司中文名稱直譯為英文。

與有關連公司的未清餘額均為無抵押、不計利息及無固定還款期。

有關與無錫宜美熒光材料有限公司(「無錫宜美」)交易的詳情請參看附註16。

附註：

(i) 蔣先生或蔣太太的近親在上述公司有實際權益。

(ii) 上海毅龍由蔣先生全資擁有。

\* Direct translation of the name of the companies from Chinese.

The outstanding balances with related companies are unsecured, non-interest bearing and without fixed repayment terms.

Please also refer to Note 16 for details of the transaction with Wuxi Yimei Fluorescent Materials Co., Ltd. ("Wuxi Yimei").

Notes:

(i) Close relatives of Mr. Jiang and Mrs. Jiang have beneficial interests in these companies.

(ii) Shanghai Yi Long is wholly owned by Mr. Jiang.

# 財務報表附註

## NOTES TO THE FINANCIAL STATEMENTS

(除另有說明外，所有款額均以港元呈報)

(Amounts expressed in Hong Kong dollars unless otherwise stated)

### 3. 有關連人士交易(續)

#### c. 應付予董事的金額：

### 3. RELATED PARTY TRANSACTIONS (continued)

#### c. Amounts due to directors :

		本集團 Group		本公司 Company	
		二零零一年 十二月三十一日	二零零一年 一月一日	二零零一年 十二月三十一日	二零零一年 一月一日
		未清結餘	未清結餘	未清結餘	未清結餘
		Outstanding	Outstanding	Outstanding	Outstanding
		balance at	balance at	balance at	balance at
		31 December	1 January	31 December	1 January
		2001	2001	2001	2001
		港幣千元	港幣千元	港幣千元	港幣千元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
蔣先生(附註)	Mr. Jiang (Note)	13,271	479	456	646
蔣太太	Mrs. Jiang	337	696	575	603
范亞軍先生	Mr. Fan Yajun	298	115	483	245
		13,906	1,290	1,514	1,494

與董事的未清結餘額均為無抵押，不計利息及無固定還款期。

附註：有關與蔣先生於二零零一年十二月三十一日的未清結餘主要為一筆由本集團代蔣先生收存的滙款所組成。

The outstanding balances with directors are unsecured, non-interest bearing and without fixed repayment terms.

Note: The outstanding balance with Mr. Jiang as at 31 December 2001 mainly comprised a cash remittance received by the Group on behalf of Mr. Jiang.

# 財務報表附註

## NOTES TO THE FINANCIAL STATEMENTS

(除另有說明外，所有款額均以港元呈報)

(Amounts expressed in Hong Kong dollars unless otherwise stated)

### 4. 分類資料

分類資料按本集團的業務及地區分類呈報。業務分類對本集團的內部財務申報較為有關聯，因此被選為首要分類資料呈報方式。

#### a. 業務分類

本集團經營的兩項主要業務分類如下：

- 稀土：提煉、製造及銷售稀土產品。  
耐火材料：製造及銷售耐火材料。

### 4. SEGMENT INFORMATION

Segment information is presented in respect of the Group's business and geographical segments. Business segment information is chosen as the primary reporting format because this is more relevant to the Group's internal financial reporting.

#### a. Business segments

The Group operates the following two main business segments:

- Rare Earth：The extraction, manufacture and sale of rare earth products.  
Refractory：The manufacture and sale of refractory products.

		稀土 Rare Earth		耐火材料 Refractory		合共 Total	
		二零零一年 2001 港幣千元 HK\$'000	二零零零年 2000 港幣千元 HK\$'000 (附註27) (Note 27)	二零零一年 2001 港幣千元 HK\$'000	二零零零年 2000 港幣千元 HK\$'000 (附註27) (Note 27)	二零零一年 2001 港幣千元 HK\$'000	二零零零年 2000 港幣千元 HK\$'000 (附註27) (Note 27)
營業額	Turnover	374,661	371,211	243,147	187,020	617,808	558,231
業績	RESULTS						
分類業績	Segment results	99,022	100,821	66,390	59,517	165,412	160,338
未分類企業支出	Unallocated corporate expenses					(14,445)	(7,717)
其他收益	Other revenue					6,253	4,648
經營溢利	Profit from operations					157,220	157,269
財務成本	Finance costs					(2,621)	(5,770)
其他支出淨額	Other expenses, net					(7,892)	(5,820)
稅項	Taxation					—	—
少數股東權益	Minority interests					(4,493)	(4,756)
淨溢利	Net profit					142,214	140,923
其他資料	OTHER INFORMATION						
分類資產	Segment assets	532,126	413,589	236,496	176,373	768,622	589,962
未分類企業資產	Unallocated corporate assets					248,256	79,238
總資產	Total assets					1,016,878	669,200
分類負債	Segment liabilities	32,035	65,205	29,769	32,539	61,804	97,744
未分類企業負債	Unallocated corporate liabilities					17,277	39,021
總負債	Total liabilities					79,081	136,765
年內產生的資本支出	Capital expenditure incurred during the year	77,838	70,885	57,656	33,737		
折舊	Depreciation	14,401	9,623	6,901	4,656		
折舊以外的非現金支出	Non-cash expenses other than depreciation	9,359	16,032	—	1,838		



# 財務報表附註

## NOTES TO THE FINANCIAL STATEMENTS

(除另有說明外，所有款額均以港元呈報)

(Amounts expressed in Hong Kong dollars unless otherwise stated)

### 4. 分類資料(續)

#### b. 地區分類

本集團的業務主要在中國、日本及美國進行。按地區分類的營業額分析如下：

### 4. SEGMENT INFORMATION (continued)

#### b. Geographical segments

The Group's activities are conducted predominantly in the PRC, Japan and the United States. An analysis of turnover by geographical segment is as follows:

		中國 The PRC		日本(附註) Japan (Note)		美國(附註) The United States (Note)		其他(附註) Others (Note)		合共 Total	
		二零零一年 2001	二零零零年 2000	二零零一年 2001	二零零零年 2000	二零零一年 2001	二零零零年 2000	二零零一年 2001	二零零零年 2000	二零零一年 2001	二零零零年 2000
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
		(附註27) (Note 27)	(附註27) (Note 27)	(附註27) (Note 27)	(附註27) (Note 27)	(附註27) (Note 27)	(附註27) (Note 27)	(附註27) (Note 27)	(附註27) (Note 27)	(附註27) (Note 27)	(附註27) (Note 27)
外間客戶的營業額	Turnover from external customers	336,565	293,408	151,546	142,641	81,209	93,024	48,488	29,158	617,808	558,231

在不同地區進行銷售的毛利率並無重大分別。所有生產設施均位於中國。因此，並無就上述地區作出溢利貢獻、分類資產及資本支出等資料的分析。

There is no major disparity in the gross profit ratio of sales conducted in different geographical regions and all the production facilities are located in the PRC. Hence, no analysis of the profit contributions, segment assets and capital expenditure information of the above geographical locations is provided.

附註：部份向外國進行的銷售乃透過中國國內進出口代理以背對背方式進行。

Note: Certain of the sales to foreign countries were conducted through import/export agents in the PRC on a back-to-back basis.

### 5. 營業額及其他收益

### 5. TURNOVER AND OTHER REVENUE

		本集團 Group	
		二零零一年 2001	二零零零年 2000
		港幣千元 HK\$'000	港幣千元 HK\$'000
銷售稀土產品及耐火材料 產品	Sales of rare earth products and refractory products	617,808	558,231
銀行存款的利息收入	Interest income on bank deposits	6,253	4,648
營業額及其他收益總額	Total turnover and other revenue	624,061	562,879

# 財務報表附註

## NOTES TO THE FINANCIAL STATEMENTS

(除另有說明外，所有款額均以港元呈報)

(Amounts expressed in Hong Kong dollars unless otherwise stated)

### 6. 除稅前溢利

除稅前溢利乃於扣除及計入下列各項後列賬：

### 6. PROFIT BEFORE TAXATION

Profit before taxation was determined after charging and crediting the following:

		本集團 Group	
		二零零一年 2001 港幣千元 HK\$'000	二零零零年 2000 港幣千元 HK\$'000 (附註27) (Note 27)
已扣除－	Charging :		
存貨成本(不包括員工開支、 固定資產折舊及存貨 可變現淨值撥備)	Cost of inventories (excluding staff costs, depreciation of fixed assets and provision for net realisable value of inventories)	398,875	340,922
存貨可變現淨值撥備	Provision for net realisable value of inventories	3,511	2,286
呆壞賬撥備淨額	Provision for bad and doubtful debts, net	—	7,617
員工開支(不包括董事酬金， 見附註7)	Staff costs (excluding directors' emoluments, see Note 7)		
— 薪金及工資	— salaries and wages	11,472	11,222
— 僱員福利撥備	— provision of employee welfare	1,614	1,405
— 僱員退休福利供款 (見附註8)	— contribution to employment retirement benefits (see Note 8)	2,079	2,043
須於五年內全部償還的銀行 貸款及其他借貸的利息支出	Interest expenses on bank loans and other borrowings wholly repayable within five years	2,621	3,451
可換股債券利息支出及 其發行成本	Interest expenses on convertible bonds and ancillary costs of the issuance	—	2,319
外匯匯兌淨虧損	Exchange loss, net	22	98
固定資產折舊	Depreciation of fixed assets	21,372	14,311
清理固定資產虧損	Loss on disposal of fixed assets	5,848	7,967
土地及樓宇的經營性 租賃合約租金付予	Operating lease rentals in respect of land and buildings paid to		
— 第三方	— third parties	1,100	1,028
— 關連人士(見附註3(a)(ii))	— a related party (see Note 3(a)(ii))	204	203
核數師酬金	Auditors' remuneration	1,500	1,200
已計入－	Crediting :		
銀行存款的利息收入	Interest income on bank deposits	6,253	4,648
呆壞賬撥備撥回淨額	Write-back of provision for bad and doubtful debts, net	5,061	—

# 財務報表附註

## NOTES TO THE FINANCIAL STATEMENTS

(除另有說明外，所有款額均以港元呈報)

(Amounts expressed in Hong Kong dollars unless otherwise stated)

### 7. 董事及五位最高薪人士酬金

- a. 根據香港公司條例第161條及上市規則的規定而披露董事的酬金如下：

		本集團 Group	
		二零零一年 2001 港幣千元 HK\$'000	二零零零年 2000 港幣千元 HK\$'000
非執行董事	Non-executive directors		
— 袍金	— Fees	83	140
執行董事	Executive directors		
— 薪金及津貼	— Salaries and allowances	2,452	2,550
總額	Total	2,535	2,690

按董事人數及酬金範圍分析的董事酬金如下：

The emoluments of the directors analysed by the number of directors and emolument ranges were as follows:

		本集團 Group	
		二零零一年 2001	二零零零年 2000
零 – 1,000,000港元	Nil – HK\$1,000,000	6	6
1,000,001港元 – 1,500,000港元	HK\$1,000,001 – HK\$1,500,000	1	1

並無(二零零零年：一名)董事於截至二零零一年十二月三十一日止年度放棄其酬金(二零零零年：放棄金額67,000港元)。

None (2000 – One) of the directors waived their emoluments for the year ended 31 December 2001 (2000 – amount waived of HK\$67,000).

# 財務報表附註

## NOTES TO THE FINANCIAL STATEMENTS

(除另有說明外，所有款額均以港元呈報)

(Amounts expressed in Hong Kong dollars unless otherwise stated)

### 7. 董事及五位最高薪人士酬金(續)

- b. 五位最高薪人士包括四位(二零零零年：四位)董事，彼等的酬金詳情載於上文附註(a)。彼等的酬金總額連同其餘一位人士(二零零零年：一位人士)的酬金如下：

		本集團 Group	
		二零零一年 2001 港幣千元 HK\$'000	二零零零年 2000 港幣千元 HK\$'000
薪金及其他酬金	Salaries and other emoluments	3,042	3,037

五位最高薪人士(包括董事及僱員)的酬金介乎：

The emoluments of the five highest paid individuals (including directors and employees) fall within the following bands:

		本集團 Group	
		二零零一年 2001	二零零零年 2000
零 – 1,000,000港元	Nil – HK\$1,000,000	4	4
1,000,001港元 – 1,500,000港元	HK\$1,000,001 – HK\$1,500,000	1	1

於截至二零零一年及二零零零年十二月三十一日止兩個年度內，本集團並無向五名最高薪人士(包括董事及其他僱員)支付任何酬金，作為鼓勵其加入或於加入本集團時的報酬或離職的賠償。

During the two years ended 31 December 2001 and 2000, no emoluments were paid to the five highest paid individuals (including directors and other employees) as inducement to join or upon joining the Group or as compensation for loss of office.

# 財務報表附註

## NOTES TO THE FINANCIAL STATEMENTS

(除另有說明外，所有款額均以港元呈報)

(Amounts expressed in Hong Kong dollars unless otherwise stated)

### 8. 僱員退休福利

如中國有關規則及條例所規定，本公司的中國附屬公司須為其全體僱員向國營退休計劃供款，供款額為僱員底薪的20%。僱員退休後的生活津貼由國營退休計劃負責支付，中國附屬公司除每年供款外，毋須支付實際退休金，亦毋須負責僱員的退休後福利。於二零零一年，退休計劃供款額約為2,018,000港元（二零零零年：1,993,000港元）。

本集團旗下一在香港營運的公司自二零零零年十二月一日起已參與強制性公積金計劃（「強積金」）。該計劃為定額供款退休金計劃。該公司每月按僱員底薪5%向該計劃供款。截至二零零一年十二月三十一日止年度，本集團向強積金供款約61,000港元（二零零零年：7,000港元）。強積金的資產與本集團的資產分開持有，並由獨立專業基金經理管理。

### 9. 稅項

- a. 應付稅項包括應付中國增值稅。
- b. 基於本集團截至二零零一年及二零零零年十二月三十一日止兩年度內在香並無任何應課稅利潤，故並無作出任何香港利得稅的計提撥備。
- c. 於二零零一年及二零零零年十二月三十一日，並無任何重大未計提撥備的遞延稅項。
- d. 本公司之中國附屬公司須就應課稅利潤繳納中國企業所得稅（「企業所得稅」）。根據中國有關稅法，該兩家中國附屬公司在經抵銷所有以前年度虧損後的首個盈利年度起兩年內獲享豁免繳付企業所得稅，並在其後三個年度獲減稅50%（「減稅期」）。本集團已將其享有的第一個減稅年度遞延至二零零零年開始。因此，截至二零零零年及二零零一年十二月三十一日止年度被視為該兩家中國附屬公司的首兩個盈利年度，而得享免繳該兩年度的企業所得稅。

### 8. EMPLOYMENT RETIREMENT BENEFITS

As stipulated by the relevant rules and regulations in the PRC, the PRC subsidiaries of the Company are required to contribute to a state-sponsored retirement plan for all of their employees based on 20% of the employees' basic salary. The state-sponsored retirement plan is responsible for the entire pension obligations payable to retired employees and the PRC subsidiaries of the Company have no further obligations for the actual pension payments or other post-retirement benefits beyond the annual contributions. In 2001, the retirement plan contributions amounted to approximately HK\$2,018,000 (2000 – HK\$1,993,000).

A company in the Group operating in Hong Kong has participated in the Mandatory Provident Fund Scheme ("MPF"), which is a defined contribution pension scheme, since 1 December 2000. The company makes monthly contributions to the scheme based on 5% of the employees' basic salaries. For the year ended 31 December 2001, the Group's contributions to the MPF were approximately HK\$61,000 (2000 – HK\$7,000). The assets of the fund are held separately from those of the Group and are managed by independent professional fund managers.

### 9. TAXATION

- a. Taxation payable comprised PRC VAT payable.
- b. No provision for Hong Kong profits tax has been made as the Group had no assessable profits in Hong Kong for the two years ended 31 December 2001 and 2000.
- c. There was no material unprovided deferred taxation as at 31 December 2001 and 2000.
- d. The PRC subsidiaries of the Company are subject to enterprise income tax ("EIT") in the PRC based on assessable profits. Pursuant to the relevant tax laws in the PRC, the two subsidiaries in the PRC are entitled to full exemption from EIT for two years starting from their first profit-making year, after offsetting all losses brought forward, followed by a 50% reduction for the next three years thereafter (the "Tax Holiday"). The Group deferred its entitlement to the Tax Holiday to 2000. As a result, full exemption from EIT was enjoyed by the two subsidiaries for the years ended 31 December 2000 and 2001, which are deemed to be their first and second profit-making years, respectively.

# 財務報表附註

## NOTES TO THE FINANCIAL STATEMENTS

(除另有說明外，所有款額均以港元呈報)

(Amounts expressed in Hong Kong dollars unless otherwise stated)

### 10. 股息

### 10. DIVIDENDS

		二零零一年 2001 港幣千元 HK\$'000	二零零零年 2000 港幣千元 HK\$'000
本年度股息：	Dividends for the year:		
－已付的中期股息每股 普通股0.02港元 (二零零零年：0.01港元)	－ Interim, paid of HK\$0.02 per ordinary share (2000 – HK\$0.01)	16,289	6,018
－建議派發的末期股息每股 普通股0.02港元 (二零零零年：0.03港元)	－ Final, proposed of HK\$0.02 per ordinary share (2000 – HK\$0.03)	16,289	20,259
		32,578	26,277

於二零零零年十二月三十一日後建議的截至二零零零年十二月三十一日止年度末期股息約為20,259,000港元，其後實際宣佈及派發的末期股息總額約為20,773,000港元。

The final dividends of approximately HK\$20,259,000 for the year ended 31 December 2000 were proposed after 31 December 2000. The amount subsequently declared and paid was approximately HK\$20,773,000.

按過往慣例，於結算日後宣派的末期股息約20,259,000港元原已入賬列為二零零零年十二月三十一日的負債。但由於採納SSAP 9(修訂版)，該等末期股息已撥回二零零一年一月一日之年初保留溢利項下。股息現於建議派發的期間入賬。

The previously recorded final dividends proposed after the balance sheet date but accrued as a liability as at 31 December 2000 were approximately HK\$20,259,000. After the adoption of SSAP 9 (revised), these dividends have been written back against opening retained profit as at 1 January 2001. Dividends are now recorded in the period in which they are proposed.

於二零零一年十二月三十一日後，董事建議派發每股普通股0.02港元的末期股息，總額約為16,289,000港元。根據SSAP 9(修訂版)，建議派發的股息不會列為二零零一年十二月三十一日之應付股息。

Subsequent to 31 December 2001, the directors recommended a final dividend of HK\$0.02 per ordinary share, totaling approximately HK\$16,289,000. Pursuant to SSAP 9 (revised), the proposed dividends were not reflected as dividend payable as at 31 December 2001.

# 財務報表附註

## NOTES TO THE FINANCIAL STATEMENTS

(除另有說明外，所有款額均以港元呈報)

(Amounts expressed in Hong Kong dollars unless otherwise stated)

### 11. 每股盈利

#### a. 每股基本盈利

每股基本盈利乃根據本年度淨溢利約142,214,000港元(二零零零年：140,923,000港元)及本年內已發行普通股的加權平均數約744,432,000股(二零零零年：607,684,000股)計算。

#### b. 每股攤薄盈利

每股攤薄盈利乃按本年度經調整淨溢利約142,214,000港元(二零零零年：141,486,000港元)及已發行普通股的加權平均數約754,283,000股(二零零零年：623,944,000股)計算，並已考慮到由於已發行之可換股債券被兌換及已發行之購股權被行使而產生之潛在攤薄影響。

用以計算每股基本及攤薄盈利的普通股數目的調節表如下：

### 11. EARNINGS PER SHARE

#### a. Basic earnings per share

Basic earnings per share was calculated based on the net profit for the year of approximately HK\$142,214,000 (2000: HK\$140,923,000) and the weighted average number of ordinary shares of approximately 744,432,000 (2000: 607,684,000) in issue during the year.

#### b. Diluted earnings per share

Diluted earnings per share was calculated based on the adjusted net profit for the year of approximately HK\$142,214,000 (2000: HK\$141,486,000), and the weighted average number of ordinary shares in issue of approximately 754,283,000 (2000: 623,944,000) after taking into consideration the potential dilutive effect of conversion of convertible bonds and exercise of a subscription right granted to the bond holder.

Reconciliation of the number of ordinary shares for calculation of basic and diluted earnings per share:

		二零零一年 2001	二零零零年 2000
用以計算每股基本盈利的 普通股加權平均數	Weighted average number of ordinary shares used in calculating basic earnings per share	744,432,000	607,684,000
被視為毋須代價而發行的 普通股	Deemed issue of ordinary shares at no consideration	9,851,000	16,260,000
用以計算每股攤薄盈利的 普通股加權平均數	Weighted average number of ordinary shares used in calculating diluted earnings per share	754,283,000	623,944,000



# 財務報表附註

## NOTES TO THE FINANCIAL STATEMENTS

(除另有說明外，所有款額均以港元呈報)

(Amounts expressed in Hong Kong dollars unless otherwise stated)

### 12. 固定資產及在建工程

#### a. 本集團

### 12. FIXED ASSETS AND CONSTRUCTION-IN-PROGRESS

#### a. Group

		二零零一年 2001					二零零零年 2000
		樓宇 Buildings 港幣千元 HK\$'000	機器及設備 Machinery and equipment 港幣千元 HK\$'000	辦公室設備 及裝置 Office equipment and fixtures 港幣千元 HK\$'000	汽車 Motor vehicles 港幣千元 HK\$'000	在建工程 Construction- in-progress 港幣千元 HK\$'000	合共 Total 港幣千元 HK\$'000
成本	Cost						
年初	Beginning of year	86,791	139,142	2,106	5,099	38,236	177,301
添置	Additions	2,519	7,504	459	840	124,448	104,643
清理	Disposal	(3,660)	(10,524)	(17)	–	–	(11,525)
轉撥自在建工程	Transfer from construction-in-progress	52,024	44,078	8	1,322	(97,432)	–
滙兌調整	Translation adjustments	49	79	1	3	21	955
年終	End of year	137,723	180,279	2,557	7,264	65,273	393,096
累計折舊	Accumulated depreciation						
年初	Beginning of year	16,579	32,811	1,799	3,616	–	43,842
本年度計提	Charge for the year	5,546	14,360	405	1,061	–	21,372
清理撥回	Written back on disposal	(2,032)	(6,317)	(4)	–	–	(8,353)
滙兌調整	Translation adjustments	8	19	1	2	–	30
年終	End of year	20,101	40,873	2,201	4,679	–	67,854
賬面淨值	Net book value						
年終	End of year	117,622	139,406	356	2,585	65,273	325,242
年初	Beginning of year	70,212	106,331	307	1,483	38,236	216,569

二零零一年及二零零零年並無資本化利息開支。

所有樓宇均位於中國。

There was no capitalisation of interest expense in 2001 and 2000.

All the buildings are located in the PRC.

# 財務報表附註

## NOTES TO THE FINANCIAL STATEMENTS

(除另有說明外，所有款額均以港元呈報)

(Amounts expressed in Hong Kong dollars unless otherwise stated)

### 12. 固定資產及在建工程(續)

#### a. 本集團(續)

於截至二零零一年十二月三十一日止年度，本集團開始建造一幢新耐火材料廠房。已發生之有關成本已記錄為於二零零一年十二月三十一日的在建工程。本集團就使用該新廠房所在的土地而須向當地政府支付的補償額仍在洽商中。本集團正在向有關政府部門申請撥發土地使用權或就有關土地的使用訂立租約。

此外，本集團已就於二零零零年興建之員工宿舍的所在地正在向有關政府部門申請撥發土地使用權或就有關土地的使用訂立租約。

#### b. 本公司

### 12. FIXED ASSETS AND CONSTRUCTION-IN-PROGRESS (continued)

#### a. Group (continued)

During the year ended 31 December 2001, the Group started the construction of a new refractory product manufacturing plant. The relevant costs incurred were recorded as construction-in-progress as at 31 December 2001. The compensation to be paid to the local government for the use of the land where the new plant is located is still under negotiation and the Group is in the process of applying to the relevant government authorities for a grant of the land use right or the execution of a lease agreement in relation to the use of the land.

In addition, the Group is in the process of applying to the relevant government authorities for a grant of the land use right or the execution of a lease agreement in relation to the use of land where the staff quarter as constructed in 2000 are located.

#### b. Company

		二零零一年 2001					二零零零年 2000
		樓宇 Buildings 港幣千元 HK\$'000	機器及設備 Machinery and equipment 港幣千元 HK\$'000	辦公室設備 及裝置 Office equipment and fixtures 港幣千元 HK\$'000	汽車 Motor vehicles 港幣千元 HK\$'000	在建工程 Construction- in-progress 港幣千元 HK\$'000	合共 Total 港幣千元 HK\$'000
成本	Cost						
年初	Beginning of year	-	-	175	-	-	175
添置	Additions	-	-	62	-	-	62
清理	Disposal	-	-	(17)	-	-	(17)
年終	End of year	-	-	220	-	-	220
累計折舊	Accumulated depreciation						
年初	Beginning of year	-	-	38	-	-	38
本年度計提	Charge for the year	-	-	36	-	-	36
清理撥回	Written back on disposal	-	-	(4)	-	-	(4)
年終	End of year	-	-	70	-	-	70
賬面淨值	Net book value						
年終	End of year	-	-	150	-	-	150
年初	Beginning of year	-	-	137	-	-	137

# 財務報表附註

## NOTES TO THE FINANCIAL STATEMENTS

(除另有說明外，所有款額均以港元呈報)

(Amounts expressed in Hong Kong dollars unless otherwise stated)

### 13. 投資於附屬公司

於本公司的資產負債表內，投資於附屬公司包括：

### 13. INVESTMENTS IN SUBSIDIARIES

On the balance sheet of the Company, investments in subsidiaries comprised:

		本公司 Company	
		二零零一年 2001 港幣千元 HK\$'000	二零零零年 2000 港幣千元 HK\$'000
非上市股份，按成本	Unlisted shares, at cost	151,707	151,707
應收附屬公司款項	Due from subsidiaries	455,198	183,283
		606,905	334,990

應收附屬公司款項均為無抵押、不計利息及無固定還款期。

The amounts due from subsidiaries are unsecured, non-interest bearing and without fixed repayment terms.

董事認為該等附屬公司的實際價值不低於其各自於二零零一年十二月三十一日的賬面值。

The directors are of the opinion that the underlying value of the subsidiaries is not less than their respective carrying amounts as at 31 December 2001.

於二零零一年十二月三十一日本公司各附屬公司詳情如下：

Details of the subsidiaries of the Company as at 31 December 2001 are as follows:

名稱 Name	註冊成立／營運之地點及日期 Place and date of incorporation/operations	註冊資本／已發行及繳足股本 Registered capital/issued and fully paid capital	本公司應佔權益／有投票權股本百分比 Percentage of equity interest/ voting rights held by the Company 直接 間接 Directly Indirectly		主要業務 Principal activities
新威稀土集團(香港)有限公司 Xinwei Rare Earth Group (Hong Kong) Limited	香港 一九九八年 十月二十三日 Hong Kong 23 October 1998	(i) 10,000,000港元 無投票權 遞延股份(附註a) (ii) 2港元普通股股份 (i) HK\$10,000,000 non-voting deferred shares (Note a) (ii) HK\$2 ordinary shares	—	100%	貿易 Trading
Lee Shing Holdings Limited (「Lee Shing Holdings」) (附註b)	英屬處女群島 一九九八年 十二月三日	20美元	100%	—	投資控股
Lee Shing Holdings Limited (「Lee Shing Holdings」) (Note b)	British Virgin Islands 3 December 1998	US\$20	100%	—	Investment holding

# 財務報表附註

## NOTES TO THE FINANCIAL STATEMENTS

(除另有說明外，所有款額均以港元呈報)

(Amounts expressed in Hong Kong dollars unless otherwise stated)

### 13. 投資於附屬公司 (續)

### 13. INVESTMENTS IN SUBSIDIARIES (continued)

名稱 Name	註冊成立 ／營運之 地點及日期 Place and date of incorporation/ operations	註冊資本／ 已發行及 繳足股本 Registered capital/ issued and fully paid capital	本公司應佔權益／ 有投票權股本百分比 Percentage of equity interest/ voting rights held by the Company		主要業務 Principal activities
			直接 Directly	間接 Indirectly	
中國稀土貿易有限公司	香港 二零零一年 二月十六日	2港元普通股股份	—	100%	貿易
China Rare Earth Trading Limited	Hong Kong 16 February 2001	HK\$2 ordinary shares	—	100%	Trading
新威利成稀土 (附註c)	中國 一九九三年 七月十七日	15,660,000美元	—	95%	精煉及銷售 稀土產品
Xinwei Leeshing Rare Earth (Note c)	The PRC 17 July 1993	US\$15,660,000	—	95%	Extraction and selling of rare earth products
宜興新威利成耐火材料 有限公司(「新威利成耐火 材料」)(附註d)	中國 一九九九年 七月三十日	7,000,000美元	—	100%	製造及銷售 耐火材料
Yixing Xinwei Leeshing Refractory Materials Co., Ltd. ("Xinwei Leeshing Refractory Materials") (Note d)	The PRC 30 July 1999	US\$7,000,000	—	100%	Manufacturing and selling of refractory products
龍科國際貿易(上海) 有限公司(「龍科」) (附註e)	中國 二零零零年 二月二十四日	200,000美元	100%	—	沒有經營活動
* Wellfire (Shanghai) Co. Ltd. ("Wellfire") (Note e)	The PRC 24 February 2000	US\$200,000	100%	—	Dormant
無錫新威熒光材料 有限公司 (「無錫新威」)(附註f)	中國 二零零一年 十二月二十日	12,000,000美元	—	71%	沒有經營活動
Wuxi Xinwei Fluorescent Materials Co., Ltd. (“Wuxi Xinwei”) (Note f)	The PRC 20 December 2001	US\$12,000,000	—	71%	Dormant

\* 公司中文名稱直譯為英文。

\* Direct translation of the name of the companies from Chinese.

# 財務報表附註

## NOTES TO THE FINANCIAL STATEMENTS

(除另有說明外，所有款額均以港元呈報)

(Amounts expressed in Hong Kong dollars unless otherwise stated)

### 13. 投資於附屬公司(續)

附註：

- a. 無投票權的遞延股份並未繳足。除非已向普通股持有人分派每股普通股1,000,000,000港元，否則該等股份並無投票權，且無權於清盤時享有股息及任何分派。
- b. Lee Shing Holdings是新威利成稀土及新威利成耐火材料的中間控股公司。
- c. 新威利成稀土為一間中外合資合營企業，原本由新威集團公司(見附註3(a)(i))成立及由一九九三年七月十七日起開始為期三十年的經營期。新威利成稀土自成立起至重組前一直無經營任何業務。根據重組，新威利成稀土的95%的權益轉讓予Lee Shing Holdings，而新威集團公司當時則保留其餘5%權益。新威利成稀土其後開展擁有本集團稀土產品的業務。
- d. 新威利成耐火材料為一間全外資企業，經營年期由一九九九年七月三十日起計為期三十年。其成立目的為擁有本集團的耐火材料業務。於二零零一年該公司獲有關當局批准將註冊資本由4,000,000美元(相等於30,992,000港元)增至7,000,000美元(相等於54,460,000港元)。資本增加是透過將該公司應付予本集團的部份結餘撥充資本。
- e. 龍科為一間全外資企業，經營期由二零零零年二月二十四日起計為期50年。其於註冊成立後並無經營活動。
- f. 無錫新威是中國有關當局批准成立的全外資企業，於二零零一年十二月二十日成立，經營期為三十年。本集團透過Lee Shing Holdings擁有其71%股本權益。於二零零一年十二月三十一日，本集團及少數股東尚未支付有關的註冊資本。詳情請參閱附註16。

### 13. INVESTMENTS IN SUBSIDIARIES (continued)

Notes:

- a. The non-voting deferred shares have not been paid up. These shares have no voting rights, are not entitled to dividends, and are not entitled to any distribution upon winding up unless a sum of HK\$1,000 million per ordinary share has been distributed to the holders of the ordinary shares.
- b. Lee Shing Holdings is the intermediate holding company of Xinwei Leeshing Rare Earth and Xinwei Leeshing Refractory Materials.
- c. Xinwei Leeshing Rare Earth is a Sino-foreign equity joint venture originally established by Xinwei Group Limited (see Note 3(a)(i)) with an operating period of 30 years commencing from 17 July 1993. Xinwei Leeshing Rare Earth had been dormant since incorporation until the Reorganisation. Pursuant to the Reorganisation, 95% of the equity interests in Xinwei Leeshing Rare Earth were transferred to Lee Shing Holdings with Xinwei Group Limited retaining the remaining 5% interest. Xinwei Leeshing Rare Earth was then activated to own the rare earth products operations of the Group.
- d. Xinwei Leeshing Refractory Materials is a wholly foreign-owned enterprise with an operating period of 30 years commencing from 30 July 1999. It was established to own the refractory products operations of the Group. It obtained an approval from the relevant authorities to increase its registered capital from US\$4,000,000 (equivalent to HK\$30,992,000) to US\$7,000,000 (equivalent to HK\$54,460,000) in 2001. The increment was fulfilled by capitalising a portion of the amount due from it to the Group.
- e. Wellfire is a wholly foreign-owned enterprise with an operating period of 50 years, commencing from 24 February 2000. It has been dormant since incorporation.
- f. Pursuant to an approval obtained from the relevant authorities in the PRC, Wuxi Xinwei, a wholly foreign-owned enterprise, was established with an operating period of 30 years commencing from 20 December 2001. The Group, through Lee Shing Holdings, owns 71% of its equity interest. As at 31 December 2001, the registered capital had not been contributed by the Group or the minority shareholder. Please also refer to Note 16 for details.

# 財務報表附註

## NOTES TO THE FINANCIAL STATEMENTS

(除另有說明外，所有款額均以港元呈報)

(Amounts expressed in Hong Kong dollars unless otherwise stated)

### 14. 存貨淨額

### 14. INVENTORIES, NET

		本集團 Group	
		二零零一年 2001 港幣千元 HK\$'000	二零零零年 2000 港幣千元 HK\$'000
原材料	Raw materials	49,244	43,901
半成品	Work in progress	60,004	31,514
製成品	Finished goods	64,984	40,767
		174,232	116,182
減：存貨可變現淨值撥備	Less: Provision for net realisable value of inventories	(8,693)	(5,182)
		165,539	111,000

本集團約10,599,000港元(二零零零年：15,740,000港元)之存貨是按可變現淨值列賬。

Approximately HK\$10,599,000 (2000 – HK\$15,740,000) of the inventories of the Group were carried at net realisable value.

### 15. 應收賬款及其他應收款淨額

本集團向合資格銷售客戶提供平均30至90天的信貸期。

信貸額是經過評估客戶的財政實力及其過往的賬款支付記錄後而向客戶提供。所有客戶均設定信貸限額，而只有在得到本集團高級職員核准後才可以超過限額。與認為有信貸風險的客戶進行交易會以現金進行。專業職員監察逾期應收賬款，並負責跟進。

於二零零一年十二月三十一日，應收賬款及其他應收款淨額包括：

### 15. ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES, NET

The Group offers an average credit term of 30 to 90 days to eligible trade customers.

Credit is offered to customers following an assessment of their financial abilities and payment track record. Credit limits are set for all customers and these can be exceeded only with the approval of senior officers of the Group. Business with customers considered to have credit risk is conducted on a cash basis. Professional staff monitor overdue accounts receivable and follow up collections.

As at 31 December 2001, accounts receivable and other receivables, net comprised:

		本集團 Group	
		二零零一年 2001 港幣千元 HK\$'000	二零零零年 2000 港幣千元 HK\$'000
應收賬款	Accounts receivable	115,686	98,271
其他應收款	Other receivables	15,209	10,165
		130,895	108,436
減：呆壞賬撥備	Less: Provision for bad and doubtful debts	(12,034)	(17,095)
		118,861	91,341

# 財務報表附註

## NOTES TO THE FINANCIAL STATEMENTS

(除另有說明外，所有款額均以港元呈報)

(Amounts expressed in Hong Kong dollars unless otherwise stated)

### 15. 應收賬款及其他應收款淨額(續)

應收賬款賬齡分析如下：

		本集團 Group	
		二零零一年 2001 港幣千元 HK\$'000	二零零零年 2000 港幣千元 HK\$'000
本期至6個月	Current to less than 6 months	103,856	74,228
6個月至1年	6 months to less than 1 year	2,464	4,889
1至2年	1 to less than 2 years	1,189	10,763
超過2年	Over 2 years	8,177	8,391
		115,686	98,271

### 16. 預付附屬公司投資款

就附註13(f)所述成立無錫新威一家中國附屬公司一事，本集團已於年內預付100,000,000港元(「預付款項」)予一家於中國的有關連公司無錫宜美。全數款項預計會由無錫宜美代表本集團出資及轉撥往無錫新威，作為該公司的註冊資本及股東貸款。於二零零一年十二月三十一日，該預付款項仍未出資及轉撥，並存放於無錫宜美在中國開立的計息而無抵押的銀行存款賬戶中。

於年結後，約66,000,000港元已轉撥往無錫新威之銀行存款賬戶中。此外董事會批准將該預付款項的餘額約34,000,000港元及與該預付款項相關之利息收入以股東貸款形式投放在無錫新威。

### 17. 現金及現金等值項目及已抵押存款

於二零零一年十二月三十一日，本集團以人民幣結算的現金及現金等值項目約為人民幣112,976,000元(二零零零年：人民幣78,562,000元)。人民幣不可自由兌換成外幣，其匯率由中國政府釐定。

已抵押存款指抵押予銀行作為發出若干信用證的抵押品的存款(見附註22)。

### 15. ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES, NET (continued)

An aging analysis of the accounts receivable balance is as follows:

### 16. PREPAYMENT FOR AN INVESTMENT IN A SUBSIDIARY

In connection with the establishment of a subsidiary of the Company in the PRC, Wuxi Xinwei (as mentioned in Note 13(f)), the Group made a prepayment of a sum of HK\$100 million (the "Prepayment") to a related company of the Company in the PRC, Wuxi Yimei, during the year. The Prepayment was intended to be contributed and transferred by Wuxi Yimei to Wuxi Xinwei on behalf of the Group as its registered capital and shareholder's loan. As at 31 December 2001, the contribution and transfer of the Prepayment had not been made and it was maintained in an interest-bearing, unsecured bank deposit account of Wuxi Yimei in the PRC.

Subsequent to year end, approximately HK\$66 million was transferred to Wuxi Xinwei's bank deposit account. The remaining balance of the Prepayment of approximately HK\$34 million and the related interest income accrued on the Prepayment was approved by the Board of Directors to be contributed to Wuxi Xinwei in the form of a shareholder's loan.

### 17. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

As at 31 December 2001, the cash and cash equivalents of the Group denominated in Renminbi amounted to approximately RMB112,976,000 (2000 – RMB78,562,000). Renminbi is not freely convertible into foreign currencies and its exchange rate is determined by the government of the PRC.

Pledged deposits represent deposits placed with a bank as security against the issuance of certain letters of credit (see Note 22).



# 財務報表附註

## NOTES TO THE FINANCIAL STATEMENTS

(除另有說明外，所有款額均以港元呈報)

(Amounts expressed in Hong Kong dollars unless otherwise stated)

### 18. 應付賬款

應付賬款賬齡分析如下：

### 18. ACCOUNTS PAYABLE

An aging analysis of accounts payable is as follows:

		本集團 Group	
		二零零一年 2001 港幣千元 HK\$'000	二零零零年 2000 港幣千元 HK\$'000
本期至6個月	Current to less than 6 months	18,371	19,606
6個月至1年	6 months to less than 1 year	2,512	2,450
1至2年	1 to less than 2 years	1,057	1,975
超過2年	Over 2 years	222	—
		22,162	24,031

### 19. 可換股債券

於二零零零年六月十三日(「截止日」)，本集團與一位第三者(「買方」)訂立一項認購協議(「該協議」)，其所載條款及權利如下：

- 本公司發行及售予買方總本金額為5,000,000美元(39,000,000港元)的可換股債券(「債券」)。債券將於二零零三年到期。債券可按換股價(「換股價」)兌換本公司所發行的新發行普通股，換股價相等於(i)緊接截止日前30個營業日本公司股份每股平均收市價的130%或(ii)緊接買方選擇換股日期前30個營業日股份每股任何五個收市價平均數之90%(以較低者為準)，並規定換股價不得低於股份之面值0.1港元。債券的年利率為不時尚未贖回本金額的3%。根據該協議，本公司於達成該協議所述若干條件後，有權(「選擇權」)再發行另外價值5,000,000美元(39,000,000港元)的第二批債券。

截至二零零一年十二月三十一日止年度，價值34,320,000港元(二零零零年：4,680,000港元)的債券已按每股0.9792港元至每股1.3400港元(二零零零年：每股0.8352港元至每股0.9018港元)的兌換價，兌換為29,958,890股(二零零零年：5,294,169股)本公司普通股股份(亦見附註20(a))。本公司並無行使選擇權，該權利現已期滿失效。

### 19. CONVERTIBLE BONDS

On 13 June 2000 ("the Closing Date"), the Company entered into a subscription agreement ("the Agreement") with a third party ("the Purchaser") with the following terms and rights:

- The Company issued and sold to the Purchaser convertible bonds ("the Bonds") with an aggregate principal amount of US\$5,000,000 (equivalent to HK\$39,000,000) which would be due in 2003. The Bonds were convertible into new ordinary shares issued by the Company at a conversion price ("the Conversion Price") equal to the lesser of (i) 130% of the average of the closing price per share of the Company for the 30 business days immediately prior to the Closing Date; or (ii) 90% of the average of any five closing prices per share during the 30 business days immediately preceding the conversion as selected by the Purchaser, provided that the Conversion Price should not be less than the par value of the shares of HK\$0.1. The Bonds were interest-bearing at 3% per annum on the outstanding principal balance from time to time. Pursuant to the Agreement, the Company also had an option ("the Option") to issue a second tranche of the Bonds up to a further US\$5,000,000 (HK\$39,000,000), upon fulfilling certain conditions as stated in the Agreement.

During the year ended 31 December 2001, HK\$34,320,000 (2000 – HK\$4,680,000) of the Bonds had been converted into 29,958,890 (2000 – 5,294,169) ordinary shares issued by the Company at conversion prices ranging from HK\$0.9792 per share to HK\$1.3400 per share (2000 – HK\$0.8352 per share to HK\$0.9018 per share) (see also Note 20(a)). The Option was not exercised by the Company and expired.

# 財務報表附註

## NOTES TO THE FINANCIAL STATEMENTS

(除另有說明外，所有款額均以港元呈報)

(Amounts expressed in Hong Kong dollars unless otherwise stated)

### 19. 可換股債券(續)

- b. 本公司亦已同意授予買方權利去認購合共最多達本公司新發行普通股4,000,000股(「該權利」)，認購價相等於緊接截止日前20個營業日本公司股份每股平均收市價之150%。年內，買方行使該權利認購合共4,000,000股本公司新發行普通股(見附註20(b))。

可換股債券的餘額變動如下：

### 19. CONVERTIBLE BONDS (continued)

- b. The Company also granted to the Purchaser rights to subscribe for up to an aggregate of 4,000,000 newly issued ordinary shares of the Company ("the Right") at a subscription price equal to 150% of the average of the closing price per share during the 20 business days immediately preceding the Closing Date. During the year, the Purchaser exercised the Right and subscribed for an aggregate of 4,000,000 newly issued ordinary shares of the Company (see Note 20(b)).

The movement of the balance of the convertible bonds is as follows:

		本集團及本公司 Group and Company	
		二零零一年 2001 港幣千元 HK\$'000	二零零零年 2000 港幣千元 HK\$'000
年初	Beginning of year	34,320	—
年內發行	Issued during the year	—	39,000
兌換為普通股	Converted into ordinary shares	(34,320)	(4,680)
年終	End of year	—	34,320

### 20. 股本

### 20. SHARE CAPITAL

		本集團及本公司 Group and Company	
		二零零一年 2001 港幣千元 HK\$'000	二零零零年 2000 港幣千元 HK\$'000
法定：	Authorised:		
1,000,000,000股(二零零零年： 1,000,000,000股) 每股0.10港元之普通股	1,000,000,000 (2000 – 1,000,000,000) ordinary shares of HK\$0.10 each	100,000	100,000
已發行及繳足：	Issued and fully paid:		
814,453,059股(二零零零年： 675,294,169股) 每股0.10港元之普通股	814,453,059 (2000 – 675,294,169) ordinary shares of HK\$0.10 each	81,445	67,529

# 財務報表附註

## NOTES TO THE FINANCIAL STATEMENTS

(除另有說明外，所有款額均以港元呈報)

(Amounts expressed in Hong Kong dollars unless otherwise stated)

### 20. 股本 (續)

下列為本公司於截至二零零一年十二月三十一日止年度之股本變動：

- a. 如附註19(a)所述，買方將總額達4,400,000美元（相等於34,320,000港元）（二零零零年：600,0000美元（相等於4,680,000港元））的債券本金額兌換為合共29,958,890股（二零零零年：5,294,169股）本公司新發行普通股股份。
- b. 如附註19(b)所述，買方於行使該權利時，已按每股1.6035港元的價格獲發行4,000,000股普通股股份，總值6,414,000港元。
- c. 根據本公司與YY Holdings Limited（「YY Holdings」）於二零零一年七月十日訂立的配售協議，YY Holdings按每股2.45港元的價格向若干獨立機構投資者配售105,200,000股本公司股份，現金總代價為257,740,000港元。此外，YY Holdings亦按每股2.45港元的價格認購105,200,000股本公司股份新發行普通股股份，現金總代價為257,740,000港元。

### 20. SHARE CAPITAL (continued)

The following changes in the Company's share capital took place during the year ended 31 December 2001:

- a. As mentioned in Note 19(a), the Purchaser converted an aggregate amount of US\$4,400,000 (equivalent to HK\$34,320,000) (2000 – US\$600,000 (equivalent to HK\$4,680,000)) of the principal balance of the Bonds into an aggregate number of 29,958,890 (2000 – 5,294,169) new ordinary shares issued by the Company.
- b. As mentioned in Note 19(b), 4,000,000 ordinary shares were issued to the Purchaser at a price of HK\$1.6035 per share, totaling HK\$6,414,000 upon the exercise of the Right owned by the Purchaser.
- c. Pursuant to a placement agreement dated 10 July 2001 between the Company and YY Holdings Limited ("YY Holdings"), YY Holdings placed 105,200,000 shares of the Company, at a price of HK\$2.45 per share, to certain independent institutional investors at an aggregate cash consideration of HK\$257,740,000. In addition, YY Holdings subscribed for 105,200,000 new ordinary shares issued by the Company at HK\$2.45 per share with cash consideration amounting to HK\$257,740,000.

# 財務報表附註

## NOTES TO THE FINANCIAL STATEMENTS

(除另有說明外，所有款額均以港元呈報)

(Amounts expressed in Hong Kong dollars unless otherwise stated)

### 20. 股本 (續)

本公司已發行股本之變動概要如下：

### 20. SHARE CAPITAL (continued)

A summary of the movements in the Company's issued share capital is as follows:

		股份數目 Number of shares	面值 Nominal value 港幣千元 HK\$'000
二零零零年一月一日結餘	Balance as at 1 January 2000	600,000,000	60,000
債券兌換而發行股份	Shares issued upon conversion of the Bonds	5,294,169	529
根據股份配售發行股份	Shares issued pursuant to a share placement	70,000,000	7,000
二零零零年十二月三十一日結餘	Balance as at 31 December 2000	675,294,169	67,529
債券兌換而發行股份(附註a)	Shares issued upon conversion of the Bonds (Note a)	29,958,890	2,996
行使該權利而發行股份 (附註b)	Shares issued upon exercise of the Right (Note b)	4,000,000	400
根據股份配售發行股份 (附註c)	Shares issued pursuant to a share placement (Note c)	105,200,000	10,520
二零零一年十二月三十一日結餘	Balance as at 31 December 2001	814,453,059	81,445

# 財務報表附註

## NOTES TO THE FINANCIAL STATEMENTS

(除另有說明外，所有款額均以港元呈報)

(Amounts expressed in Hong Kong dollars unless otherwise stated)

### 21. 儲備

### 21. RESERVES

		股份溢價 Share premium 港幣千元 HK\$'000 (附註(a)) (Note (a))	資本儲備 Capital reserve 港幣千元 HK\$'000	法定儲備 Statutory reserves 港幣千元 HK\$'000	外匯兌換儲備 Exchange translation reserve 港幣千元 HK\$'000	保留溢利 Retained profit 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000
本集團	Group						
於二零零零年一月一日(如早前申報)	As at 1 January 2000, as previously reported	61,292	32,837	5,706	901	145,700	246,436
並非於年結前批准而轉撥往法定儲備(SSAP 9(修訂版)的影響)(附註(b))	Appropriations to statutory reserves not approved before year end, effect of SSAP 9 (revised) (Note (b))	-	-	(3,917)	-	3,917	-
並非於年結前宣佈的建議末期股息(SSAP 9(修訂版)的影響)	Proposed final dividends not declared before year end, effect of SSAP 9 (revised)	-	-	-	-	12,000	12,000
於二零零零年一月一日，重新編列	As at 1 January 2000, restated	61,292	32,837	1,789	901	161,617	258,436
債券兌換而發行股份	Shares issued upon conversion of the Bonds	4,151	-	-	-	-	4,151
配售新股份	Placement of new shares	66,500	-	-	-	-	66,500
發行股份費用	Share issue expenses	(985)	-	-	-	-	(985)
本年度淨溢利	Net profit for the year	-	-	-	-	140,923	140,923
轉撥往法定儲備(附註(b))	Appropriations to statutory reserves (Note (b))	-	-	9,804	-	(9,804)	-
年內分派(附註10及附註(g))	Distributions during the year (Note 10 & Note (g))	-	-	-	-	(18,018)	(18,018)
中國附屬公司財務報表換算	Translation of PRC subsidiaries' financial statements	-	-	-	2,317	-	2,317
於二零零零年十二月三十一日，重新編列	As at 31 December 2000, restated	130,958	32,837	11,593	3,218	274,718	453,324
於二零零一年一月一日(如早前申報)	As at 1 January 2001, as previously reported	130,958	32,837	20,235	3,218	245,817	433,065
並非於年結前批准而轉撥往法定儲備(SSAP 9(修訂版)的影響)(附註(b))	Appropriations to statutory reserves not approved before year end, effect of SSAP 9 (revised) (Note (b))	-	-	(8,642)	-	8,642	-
並非於年結前宣佈的建議末期股息(SSAP 9(修訂版)的影響)	Proposed final dividends not declared before year end, effect of SSAP 9 (revised)	-	-	-	-	20,259	20,259
於二零零一年一月一日，重新編列	As at 1 January 2001, restated	130,958	32,837	11,593	3,218	274,718	453,324
債券兌換而發行股份(附註20(a))	Shares issued upon conversion of the Bonds (Note 20(a))	31,324	-	-	-	-	31,324
行使該權利而發行股份(附註20(b))	Shares issued upon exercise of the Right (Note 20(b))	6,014	-	-	-	-	6,014
配售新股份(附註20(c))	Placement of new shares (Note 20(c))	247,220	-	-	-	-	247,220
發行股份費用	Share issue expenses	(3,031)	-	-	-	-	(3,031)
本年度淨溢利	Net profit for the year	-	-	-	-	142,214	142,214
轉撥往法定儲備(附註(b))	Appropriations to statutory reserves (Note (b))	-	-	15,375	-	(15,375)	-
年內分派(附註10及附註(g))	Distributions during the year (Note 10 & Note (g))	-	-	-	-	(37,062)	(37,062)
中國附屬公司財務報表換算	Translation of PRC subsidiaries' financial statements	-	-	-	280	-	280
於二零零一年十二月三十一日	As at 31 December 2001	412,485	32,837	26,968	3,498	364,495	840,283

# 財務報表附註

## NOTES TO THE FINANCIAL STATEMENTS

(除另有說明外，所有款額均以港元呈報)

(Amounts expressed in Hong Kong dollars unless otherwise stated)

### 21. 儲備 (續)

### 21. RESERVES (continued)

本公司	Company	股份溢價 Share premium 港幣千元 HK\$'000 (附註(a)) (Note (a) )	資本儲備 Capital reserve 港幣千元 HK\$'000	法定儲備 Statutory reserves 港幣千元 HK\$'000	外匯兌換儲備 Exchange translation reserve 港幣千元 HK\$'000	保留溢利 Retained profit 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000
於二零零零年一月一日 (如早前申報)	As at 1 January 2000, as previously reported	211,242	—	—	—	2,203	213,445
並非於年結前宣佈 的建議末期股息 (SSAP 9(修訂版) 的影響)	Proposed final dividends not declared before year end, effect of SSAP 9 (revised)	—	—	—	—	12,000	12,000
於二零零零年一月一日，重新編列	As at 1 January 2000, restated	211,242	—	—	—	14,203	225,445
債券兌換而發行股份	Shares issued upon conversion of the Bonds	4,151	—	—	—	—	4,151
配售新股份	Placement of new shares	66,500	—	—	—	—	66,500
發行股份費用	Share issue expenses	(985)	—	—	—	—	(985)
本年度淨溢利	Net profit for the year	—	—	—	—	28,575	28,575
年內分派(附註10及 附註(g))	Distributions during the year (Note 10 & Note (g) )	—	—	—	—	(18,018)	(18,018)
於二零零零年十二月三十一日，重新編列	As at 31 December 2000, restated	280,908	—	—	—	24,760	305,668
於二零零一年一月一日 (如早前申報)	As at 1 January 2001, as previously reported	280,908	—	—	—	4,501	285,409
並非經年結前宣佈 的建議末期股息 (SSAP 9(修訂版) 的影響)	Proposed final dividends not declared before year end, effect of SSAP 9 (revised)	—	—	—	—	20,259	20,259
於二零零一年一月一日，重新編列	As at 1 January 2001, restated	280,908	—	—	—	24,760	305,668
債券兌換而發行股份 (附註20(a))	Shares issued upon conversion of the Bonds (Note 20(a) )	31,324	—	—	—	—	31,324
行使該權利而發行股份 (附註20(b))	Shares issued upon exercise of the Right (Note 20(b) )	6,014	—	—	—	—	6,014
配售新股份 (附註20(c))	Placement of new shares (Note 20(c) )	247,220	—	—	—	—	247,220
發行股份費用	Share issue expenses	(3,031)	—	—	—	—	(3,031)
本年度淨溢利	Net profit for the year	—	—	—	—	5,175	5,175
年內分派(附註10及 附註(g))	Distributions during the year (Note 10 & Note (g) )	—	—	—	—	(37,062)	(37,062)
於二零零一年十二月三十一日	As at 31 December 2001	562,435	—	—	—	(7,127)	555,308

# 財務報表附註

## NOTES TO THE FINANCIAL STATEMENTS

(除另有說明外，所有款額均以港元呈報)

(Amounts expressed in Hong Kong dollars unless otherwise stated)

### 21. 儲備 (續)

- a. 根據開曼群島公司法(一九九八年修訂版)，股份溢價賬可供分派予本公司股東，惟繫隨建議分派股息之日，本公司將可於日常業務過程中償付其到期的債務。
- b. 一九九九年及二零零零年度之利潤轉撥往法定儲備的款額分別為9,840,000港元及14,529,000港元已計入本集團截至一九九九年及二零零零年十二月三十一日止年度的財務報表。一九九九年及二零零零年撥款額中之5,923,000港元及5,887,000港元是按照中國有關金融條例及一家中國附屬公司的公司細則轉撥，一九九九年及二零零零年的餘額分別為3,917,000港元及8,642,000港元則由董事酌情決定，並於一九九九年及二零零零年十二月三十一日後批准。由於已採納SSAP 9(修訂版)，該3,917,000港元及8,642,000港元之轉撥已撥回二零零零年及二零零一年一月一日之年初保留溢利項目下。所有酌情轉撥現於獲批准之期間入賬。

於二零零一年十二月三十一日後經董事酌情決定由二零零一年度之利潤轉撥往法定儲備的款額8,584,000港元並未計入本集團截至二零零一年十二月三十一日止年度的財務報表。

- c. 於一九九九年本集團重組時，新威集團公司及其附屬公司直至一九九九年四月三十日止的保留溢利約110,320,000港元已撥充資本，作為本集團兩間附屬公司的註冊資本及資本儲備，以及將不會供本公司作分派之用。因此，本集團一筆同一數目的保留溢利亦不會供分派予股東之用。

### 21. RESERVES (continued)

- a. Under the Companies Law (1998 Revision) of the Cayman Islands, the share premium account is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.
- b. The appropriations of profits for 1999 and 2000 to statutory reserves in the amounts of HK\$9,840,000 and HK\$14,529,000 were recorded in the Group's financial statements for the years ended 31 December 1999 and 2000, respectively. HK\$5,923,000 and HK\$5,887,000 out of the appropriations for 1999 and 2000 were made in accordance with relevant financial regulations in the PRC and Articles of Association of a subsidiary in the PRC. The remaining balances of HK\$3,917,000 and HK\$8,642,000 for 1999 and 2000 were made at the directors' discretion and approved after 31 December 1999 and 2000, respectively. Due to the adoption of SSAP 9 (revised), the appropriations of HK\$3,917,000 and HK\$8,642,000 have been written back against the opening retained profits as at 1 January 2000 and 2001, respectively. Discretionary appropriations to reserves are now recorded in the period in which they are approved.

Subsequent to 31 December 2001, an appropriation of profit for 2001 to statutory reserves in the amount of HK\$8,584,000 was made at the directors' discretion, and, accordingly, was not recorded in the Group's financial statements for the year ended 31 December 2001.

- c. During the Reorganisation of the Group in 1999, retained profit up to 30 April 1999 of Xinwei Group Limited and its then subsidiaries amounting to approximately HK\$110,320,000 were capitalised as registered capital and capital reserve of two subsidiaries of the Group and will not be available for distribution to the Company. Accordingly, a portion of the Group's retained profit in the same amount are also not available for distribution to shareholders.



# 財務報表附註

## NOTES TO THE FINANCIAL STATEMENTS

(除另有說明外，所有款額均以港元呈報)

(Amounts expressed in Hong Kong dollars unless otherwise stated)

### 21. 儲備(續)

- d. 中國附屬公司的股息將會按其法定財務報表內所申報的溢利宣派。上述溢利將會與根據香港一般接納的會計原則(「HKGAAP」)申報的數額不同。新威利成稀土及新威利成耐火材料於二零零一年十二月三十一日按照HKGAAP所錄得的保留溢利總金額約為276,000,000港元(二零零零年(重列)：178,000,000港元)而按照中國會計法規所錄得可供分派予股東的總金額則約為290,000,000港元(二零零零年(重列)：169,000,000港元)。
- e. 本公司之可供分派儲備包括股份溢價賬及可派發保留溢利。於二零零一年十二月三十一日，本公司可供分派給股東的儲備約555,308,000港元(二零零零年(重列)：305,668,000港元)。
- f. 股東應佔溢利包括約5,175,000港元(二零零零年：28,575,000港元)溢利，已於本公司財務報表內處理。
- g. 年內分派包括於財政年度內宣佈派發或建議的股息。於資產負債表結算日後宣佈派發或建議的股息並不確認為負債，因此並無計入年內的分派中。

### 22. 銀行融資

於二零零一年十二月三十一日，本公司分別有銀行融資約30,406,000港元(二零零零年：39,000,000港元)作為貿易融資。同日本提用之融資金額約為29,325,000港元(二零零零年：11,762,000港元)。該貿易融資是以一筆不少於已提用融資金額的銀行定期存款作第一抵押為擔保。本集團於二零零零年亦有約39,506,000港元之長期貸款，而該貸款於二零零一年已全數償還。

全部融資均按商業利率計息。

### 21. RESERVES (continued)

- d. Dividends from the PRC subsidiaries will be declared based on profits as reported in their statutory financial statements. Such profits will be different from the amounts reported under generally accepted accounting principles in Hong Kong ("HKGAAP"). The aggregate amount of the retained profits of Xinwei Leeshing Rare Earth and Xinwei Leeshing Refractory Materials as at 31 December 2001 reported under HKGAAP amounted to approximately HK\$276,000,000 (2000 (Restated) – HK\$178,000,000), while the aggregate amount available for distribution to shareholders as at 31 December 2001 as reported under accounting regulation in the PRC was HK\$290,000,000 (2000 (restated) – HK\$169,000,000).
- e. The Company's reserves available for distribution comprise the share premium account and retained profit. As at 31 December 2001, the reserves of the Company available for distribution to shareholders amounted to approximately HK\$555,308,000 (2000 (Restated) – HK\$305,668,000).
- f. The profit attributable to shareholders included profit of approximately HK\$5,175,000 (2000 – HK\$28,575,000) which has been dealt with in the financial statements of the Company.
- g. Distributions during the year include dividends declared or proposed within the financial year. Dividends declared or proposed after the balance sheet date were not recognised as a liability and accordingly were not included as part of the distributions during the year.

### 22. BANKING FACILITIES

As at 31 December 2001, the Group had banking facilities of approximately HK\$30,406,000 (2000 – HK\$39,000,000) for trade finance. Unused facilities as at the same date amounted to approximately HK\$29,325,000 (2000 – HK\$11,762,000). The trade finance facility is secured by a first charge over a time deposit account held with a bank in an amount not less than the utilised facility amount. The Group also had long-term loan facilities of approximately HK\$39,506,000 in 2000 which was fully repaid in 2001.

All of the above facilities bear interest at commercial rates.

# 財務報表附註

## NOTES TO THE FINANCIAL STATEMENTS

(除另有說明外，所有款額均以港元呈報)

(Amounts expressed in Hong Kong dollars unless otherwise stated)

### 23. 綜合現金流量表附註

- a. 除稅前溢利與經營業務之現金流入淨額的調節表如下：

### 23. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

- a. Reconciliation of profit before taxation to net cash inflow from operating activities:

		二零零一年 2001 港幣千元 HK\$'000	二零零零年 2000 港幣千元 HK\$'000 (附註27) (Note 27)
來自正常業務的除稅前 經營溢利：	Operating profit from ordinary activities before taxation:		
除稅前溢利	Profit before taxation	146,707	145,679
固定資產折舊	Depreciation of fixed assets	21,372	14,311
清理固定資產虧損	Loss on disposal of fixed assets	5,848	7,967
存貨可變現淨值撥備	Provision for net realisable value of inventories	3,511	2,286
呆壞賬撥備(撥回)	(Write-back of) Provision for bad and doubtful debts	(5,061)	7,617
利息收入	Interest income	(6,253)	(4,648)
利息開支	Interest expenses	2,621	4,013
可換股債券發行費用	Convertible bond issue expenses	—	1,757
存貨增加	Increase in inventories	(58,050)	(58,252)
應收賬款及其他 應收款之(增加)減少	(Increase) Decrease in accounts receivable and other receivables	(22,459)	1,161
預付款項、按金及其他 流動資產之減少(增加)	Decrease (Increase) in prepayments, deposits and other current assets	42,948	(55,800)
應收關連公司款之增加	Increase in due from related companies	(666)	(389)
應付賬款之減少	Decrease in accounts payable	(1,869)	(12,972)
預提費用及其他應付款 (包括應付中國增值稅) 之增加	Increase in accruals and other payables, including PRC VAT payable	5,483	889
應付董事款之增加	Increase in due to directors	12,616	1,290
應付關連公司款之(減少) 增加	(Decrease) Increase in due to related companies	(88)	394
經營業務之現金流入淨額	Net cash inflow from operating activities	146,660	55,303

# 財務報表附註

## NOTES TO THE FINANCIAL STATEMENTS

(除另有說明外，所有款額均以港元呈報)

(Amounts expressed in Hong Kong dollars unless otherwise stated)

### 23. 綜合現金流量表附註(續)

b. 本年度之財務變動分析如下：

### 23. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (continued)

b. Analysis of changes in financing during the year is as follows:

		本集團 Group 二零零一年 2001			二零零零年 2000	
	股本 (包括股份溢價) Share capital (including share premium) 港幣千元 HK\$'000	銀行貸款 Bank loans 港幣千元 HK\$'000	可換股債券 Convertible bonds 港幣千元 HK\$'000	合共 Total 港幣千元 HK\$'000	合共 Total 港幣千元 HK\$'000	
年初	Beginning of year	198,487	39,506	34,320	272,313	171,435
發行股份	Issue of shares	264,154	—	—	264,154	73,500
發行債券	Issue of the Bonds	—	—	—	—	39,000
發行股份費用	Share issue expenses	(3,031)	—	—	(3,031)	(985)
提取銀行貸款	Draw-down of bank loans	—	—	—	—	3,771
償還銀行貸款	Repayment of bank loans	—	(39,506)	—	(39,506)	(14,408)
債券兌換普通股	Conversion of the Bonds to ordinary shares	34,320	—	(34,320)	—	—
年終	End of year	493,930	—	—	493,930	272,313

c. 重大非現金交易  
債券兌換本公司發行之普通股詳情見附註20。

c. Major non-cash transactions  
See Note 20 for details of the conversion of the Bonds into ordinary shares issued by the Group.

### 24. 或然負債

於二零零一年十二月三十一日，本公司已向若干賣方發出約1,081,000港元(二零零零年：27,238,000港元)之信用證。該款額並無列為本集團於二零零一年十二月三十一日之負債。

### 24. CONTINGENT LIABILITIES

As at 31 December 2001, the Group had issued letter of credit of approximately HK\$1,081,000 (2000 – HK\$27,238,000) to certain vendors. The amount was not recorded as a liability of the Group as at 31 December 2001.

# 財務報表附註

## NOTES TO THE FINANCIAL STATEMENTS

(除另有說明外，所有款額均以港元呈報)

(Amounts expressed in Hong Kong dollars unless otherwise stated)

### 25. 承擔

除其他附註所披露者外，本集團於二零零一年十二月三十一日有下列承擔：

#### a. 資本承擔

本集團有下列購買設備與機器及樓宇建造之重大承擔：

### 25. COMMITMENTS

Save as disclosed in other notes to the financial statements, the Group had the following commitments as at 31 December 2001:

#### a. Capital commitments

The Group had the following significant commitments for the acquisitions of equipment and machinery and the constructions of buildings:

		本集團 Group	
		二零零一年 2001 港幣千元 HK\$'000	二零零零年 2000 港幣千元 HK\$'000
已批准及訂約	Authorised and contracted for	90,303	29,172
已批准但未訂約	Authorised but not contracted for	—	30,254
總額	Total	90,303	59,426

#### b. 經營租約承擔

於二零零一年十二月三十一日，本集團已訂立經營租約，該等租約與香港及中國國內的辦公室，以及與本集團生產及管理設施所在的土地的租賃有關。於二零零一年十二月三十一日，根據本集團所訂立不可撤銷經營租約而於下列年期支付之最低承擔總額如下：

#### b. Operating lease commitments

The Group has entered into operating lease agreements in relation to leasing of office premises in Hong Kong and the PRC as well as the land on which the Group's production and administrative facilities are located. As at 31 December 2001, the total future minimum lease payments payable under non-cancellable operating leases of the Group is as follows:

		本集團 Group	
		二零零一年 2001 港幣千元 HK\$'000	二零零零年 2000 港幣千元 HK\$'000 (附註27) (Note 27)
不超過一年	Within one year	1,514	1,290
一年以上但不超過五年	After one year but within five years	4,718	2,371
超過五年	After five years	12,538	13,085
總額	Total	18,770	16,746

# 財務報表附註

## NOTES TO THE FINANCIAL STATEMENTS

(除另有說明外，所有款額均以港元呈報)

(Amounts expressed in Hong Kong dollars unless otherwise stated)

### 26. 購股權計劃

根據本公司股東於一九九九年十月十四日批准的本公司購股權計劃，各董事可於一九九九年十月十四日起十年內酌情向本集團全職僱員提出認購購股權的建議，該等購股權可根據購股權計劃所訂明的條款與條件認購本公司的股份。截至二零零一年十二月三十一日，並未有任何認股權被授出。

### 27. 上年度比較數字

本集團已採納下列由香港會計師公會最近頒佈的新會計準則：SSAP 9(修訂版)、SSAP 14(修訂版)及SSAP 26。上述新準則導致若干項目在呈報方面須作出更改，因此比較財務資料已重新編列。

此外，若干比較數字已重新分類以符合現年度之呈報方式。

### 28. 批准日期

第27至第70頁所載之財務報表已於二零零二年四月十八日經董事會批准。

### 26. SHARE OPTION SCHEME

Under the Company's share option scheme approved by the shareholders of the Company on 14 October 1999, the directors may at their discretion, within a period of ten years from 14 October 1999, make offers to full time employees of the Group to take up options to subscribe for shares of the Company subject to the terms and conditions stipulated. No options had been granted up to 31 December 2001.

### 27. PRIOR YEAR COMPARATIVE FIGURES

The Group has adopted the following new accounting standards: SSAP 9 (revised), SSAP 14 (revised) and SSAP 26 recently issued by the Hong Kong Society of Accountants. These have resulted in changes to the presentation of various items and the comparative financial information has been restated accordingly.

In addition, certain comparative figures have been reclassified to conform with the current year's presentation.

### 28. DATE OF APPROVAL OF FINANCIAL STATEMENTS

The financial statements set out on pages 27 to 70 were approved and authorised for issue by the Board of Directors on 18 April 2002.

# 財務資料概要

## FINANCIAL SUMMARY

		截至十二月三十一日止年度				
		For the year ended 31 December				
		二零零一年	二零零零年	一九九九年	一九九八年	一九九七年
		2001	2000	1999	1998	1997
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
營業額	Turnover	617,808	558,231	447,845	419,482	380,098
銷售成本	Cost of sales	(434,757)	(367,455)	(287,088)	(301,920)	(263,049)
毛利	Gross profit	183,051	190,776	160,757	117,562	117,049
除稅前溢利	Profit before taxation	146,707	145,679	116,904	87,483	76,191
稅項	Taxation	0	0	(32,745)	(22,632)	(20,650)
除稅後溢利	Profit after taxation	146,707	145,679	84,159	64,851	55,541
少數股東權益	Minority interests	(4,493)	(4,756)	(2,992)	(2,851)	(937)
本年度淨溢利	Net profit for the year	142,214	140,923	81,167	62,000	54,604
		於十二月三十一日				
		As at 31 December				
		二零零一年	二零零零年	一九九九年	一九九八年	一九九七年
		2001	2000	1999	1998	1997
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
流動資產	Current assets	591,636	452,631	323,035	164,192	—
非流動資產	Non-current assets	425,242	216,569	133,459	107,636	—
總資產	Total assets	1,016,878	669,200	456,494	271,828	—
流動負債	Current liabilities	79,081	102,445	92,490	107,922	—
非流動負債	Non-current liabilities	0	34,320	39,339	45,191	—
總負債	Total liabilities	79,081	136,765	131,829	153,113	—
少數股東權益	Minority interests	16,069	11,582	6,229	7,531	—
淨資產	Net assets	921,728	520,853	318,436	111,184	—
股本	Share capital	81,445	67,529	60,000	0	—
儲備	Reserves	840,283	453,324	258,436	111,184	—
股東權益	Shareholders' equity	921,728	520,853	318,436	111,184	—

# 財務資料概要

## FINANCIAL SUMMARY

### 附註:

1. 本集團截至一九九九年十二月三十一日止三個年度各年的業績，已按合併會計法編製，以顯示本集團如本公司的股票於香港聯合交易所上市前所進行之集團重組的業績。本集團截至二零零一年及二零零零年十二月三十一日止兩個年度各年度的業績，乃摘錄自本年報第27頁之綜合損益表。
2. 本集團已編製的綜合資產負債表之日期只有一九九八、一九九九、二零零零及二零零一年之十二月三十一日。一九九八年十二月三十一日之綜合資產負債表，乃摘錄自己出版截至一九九九年十二月三十一日止年度按上述附註1所描述之合併會計法編製之財務報表。於二零零一年十二月三十一日之綜合資產負債表乃摘錄自本年報第29及30頁。

### Notes:

1. The results of the Group for each of the three years ended 31 December 1999 have been prepared on the merger basis of accounting to indicate the results as a result of group reorganisation undertaken prior to the listing of the Company's shares on The Stock Exchange of Hong Kong Limited. The results of the Group for each of the two years ended 31 December 2001 and 2000 are extracted from the consolidated income statement on page 27 of the annual report.
2. The only consolidated balance sheets of the Group that have been prepared to date are those as at 31 December 1998, 1999, 2000 and 2001. The consolidated balance sheet as at 31 December 1998 is extracted from the published financial statements for the year ended 31 December 1999 prepared on the merger basis of accounting as described in note 1 above. The consolidated balance sheet as at 31 December 2001 is extracted from pages 29 and 30 of the annual report.



# 股東週年大會通告

## NOTICE OF ANNUAL GENERAL MEETING

茲通告中國稀土控股有限公司（「本公司」）謹訂於二零零二年五月三十一日星期五上午十時三十分假座香港灣仔駱克道57-73號香港華美酒店地庫二層會議廳舉行二零零二年度股東週年大會，藉以處理以下事項：

1. 省覽及採納截至二零零一年十二月三十一日止年度本公司經審核財務報告書及董事會與核數師報告書。
2. 宣佈派發末期股息。
3. 重選行將告退之董事，並授權本公司董事會（「董事會」）釐定董事酬金。
4. 重新委聘本公司核數師，並授權董事會釐定其酬金。
5. 作為特別事項，考慮並酌情通過下列決議案為普通決議案：

### A. 「動議」：

- (a) 在下文(c)段之限制下，一般及無條件批准董事會在有關期間（定義見本動議(d)段）內行使本公司所有權力，以配發、發行及處理本公司股本中之未發行股份，及訂立或授予可能須行使該等權力之建議、協議及購股權；
- (b) 上文(a)段之批准將授權董事會於有關期間內訂立或授予可能須在有關期間結束後行使該等權力之建議、協議及購股權；
- (c) 董事會根據上文(a)段之批准所配發或有條件或無條件地同意配發（無論是根據購股權或其他方式）之股本面值總額，除根據：
  - (i) 配售股份（定義見下文）；或
  - (ii) 本公司之任何購股權計劃；或

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of China Rare Earth Holdings Limited (the "Company") for the year 2002 will be held at Basement II, The Boardroom, The Wharney Hotel, Hong Kong, 57-73 Lockhart Road, Wanchai, Hong Kong on 31 May 2002 (Friday), at 10:30 a.m. to deal with the following matters:

1. To receive and consider the Reports of the Directors and Auditors and the audited Financial Statements of the Company for the year ended 31 December 2001.
2. To declare a final dividend.
3. To re-elect the retiring Director and to authorize the Board of Directors of the Company (the "Board") to fix their emoluments.
4. To re-appoint the retiring auditors and to authorize the Board to fix their remuneration.
5. As special business, to consider and, if thought fit, pass the following resolutions as Ordinary Resolutions.

### A. "THAT":

- (a) subject to paragraph (c) below, the exercise by the Board during the Relevant Period (as defined in paragraph (d) of this Resolution) of all the powers of the Company to allot, issue and deal with unissued shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and it is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorize the Board during the Relevant Period to make or grant offers, agreements and options which would or might be exercised 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 Board pursuant to the approval in paragraph (a), otherwise than pursuant to:-
  - (i) a Rights issue (as hereinafter defined); or
  - (ii) any share option scheme of the Company; or

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## NOTICE OF ANNUAL GENERAL MEETING

- (iii) 依據本公司之細則及其他條款規定配發或發行股份以代替全部或部份股息而發行之本公司任何股份外，

不得超過本公司於本決議案通過當日之已發行股本面值總額之20%，而上述批准須受此數額限制；及

- (d) 就本決議案而言：

「有關期間」指本決議案通過之日至下列任何一項最早發生之期間：

- (i) 本公司下屆股東週年大會結束之日；
- (ii) 任何適用法例或本公司細則規定本公司須舉行下屆股東週年大會之期限屆滿之日；及
- (iii) 本公司於股東大會通過普通決議案撤銷或修訂本決議案所授權之時。

「配售股份」指董事會於指定時間，向於指定記錄日期名列本公司股東名冊之股東，按其當時之持股比例配售股份之建議，惟董事會有權就零碎配額或考慮任何地區適用於本公司之法律規定之限制或責任或任何獲認可監管機構或任何證券交易所之規定後，作出其認為必須或權宜之豁免或其他安排。」

### B. 「動議：

- (a) 在下文(b)段限制下，一般及無條件批准董事會在有關期間（定義見本動議(c)段）內行使本公司所有權力，以購回本公司之股份，惟須根據任何適用之法例及香港聯合交易所有限公司所不時修訂之規定；

- (iii) any issue of shares in lieu of the whole or part of a dividend on shares in accordance with the Articles of Association of the Company and other relevant regulations,

shall not exceed twenty per cent (20%) of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution, and the said approval 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 earlier of:

- (1) the conclusion of the next annual general meeting of the Company;
- (2) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the Memorandum and Articles of Association of the Company to be held; and
- (3) the revocation or variation of the mandate granted under this resolution by ordinary resolution of the members in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Board to holders of shares whose names appear on the Register of Members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory applicable to the Company).”

### B. “THAT:

- (a) subject to paragraph (b) below, the exercise by the Board during the Relevant Period (as defined in paragraph (c) of this Resolution) of all the powers of the Company to repurchase its shares, subject to and in accordance with all applicable laws and/or the requirements of The Stock Exchange of Hong Kong Limited, as amended from time to time, be and is hereby generally and unconditionally approved;

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- (b) 本公司在有關期間內根據上文(a)段之批准獲授權可購回之股份面值總額，不得超過本公司於本決議案通過當日之已發行股本面值總額之10%，而上述批准須受此數額限制；及
- (c) 就本決議案而言：
- 「有關期間」指本決議案通過之日至下列任何一項最早發生之期間：
- (i) 本公司下屆股東週年大會結束之日；
  - (ii) 任何適用法例或本公司細則規定本公司須舉行下屆股東週年大會之期限屆滿之日；及
  - (iii) 本公司於股東大會通過普通決議案撤銷或修訂本決議案所授權之時。」
- C. 「動議在第5A及5B項所載之普通決議案獲正式通過之前題下，擴大於上述第5A項普通決議案授予董事會配發、發行及處理額外股份之一般授權，使根據上述第5B項普通決議案所載之一般授權可購回本公司股本之面值總額增加；惟該增幅不得超過本公司於本決議案通過當日之已發行股本面值總額之10%。」
- (b) the aggregate nominal amount of shares authorized to be repurchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed ten per cent (10%) of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution, and the said approval shall be limited accordingly; and
- (c) for the purpose of this Resolution:
- “Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:
- (1) the conclusion of the next annual general meeting of the Company;
  - (2) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the Memorandum and Articles of Association of the Company to be held; and
  - (3) the revocation or variation of the mandate granted under this resolution by ordinary resolution of the members in general meeting.”
- C. “**THAT** conditional on the passing of the Ordinary Resolutions No. 5A and 5B as set out above, the general mandate granted to the Board to allot, issue and deal with additional shares pursuant to Ordinary Resolution No. 5A be and is hereby extended by the additional to the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to the Ordinary Resolution No. 5B above, provided that such extended amount shall not exceed ten per cent (10%) of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution.”

承董事會命  
公司秘書  
羅納德

By Order of the Board  
**Law Lap Tak**  
Company Secretary

香港，二零零二年四月十八日

Hong Kong, 18 April 2002

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## NOTICE OF ANNUAL GENERAL MEETING

### 主要營業地點：

香港中環  
夏慤道10號  
和記大廈618室

### Principal Place of Business:

Room 618, Hutchison House,  
10 Harcourt Road,  
Central,  
Hong Kong.

### 附註：

### Notes:

- (1) 任何有權出席上述大會及投票之股東，均有權委任一位或多位代表出席，並代其投票。受委代表毋須為本公司股東。
  - (2) 代表委任表格連同授權簽署該代表委任表格之授權書或其他授權文件（如有的話），須於大會指定舉行時間不少於48小時前送達本公司在香港股份過戶登記分處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心19樓1901至1905室方為有效。
  - (3) 本公司將由二零零二年五月二十八日星期二至二零零二年五月三十一日星期五（包括首尾兩天）暫停辦理股份過戶登記手續。在此期間，所有股份轉讓均作無效。
- (1) A member entitled to attend and vote at the meeting mentioned above is entitled to appoint in written form one or more proxies to attend and vote at the AGM on his/her behalf. A proxy need not be a member of the Company.
  - (2) To be valid, the proxy form together with the certified power of attorney or authority (if any) must be delivered to the Company's Branch Registrar in Hong Kong, Central Registration Hong Kong Limited at Rooms 1901-1905, 19th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time of the meeting.
  - (3) The Register of Members of the Company will be closed from Tuesday, 28 May 2002 to Friday, 31 May 2002 (both days inclusive), during which period no transfer of the Company's shares will be effected.