



ANNUAL  
REPORT

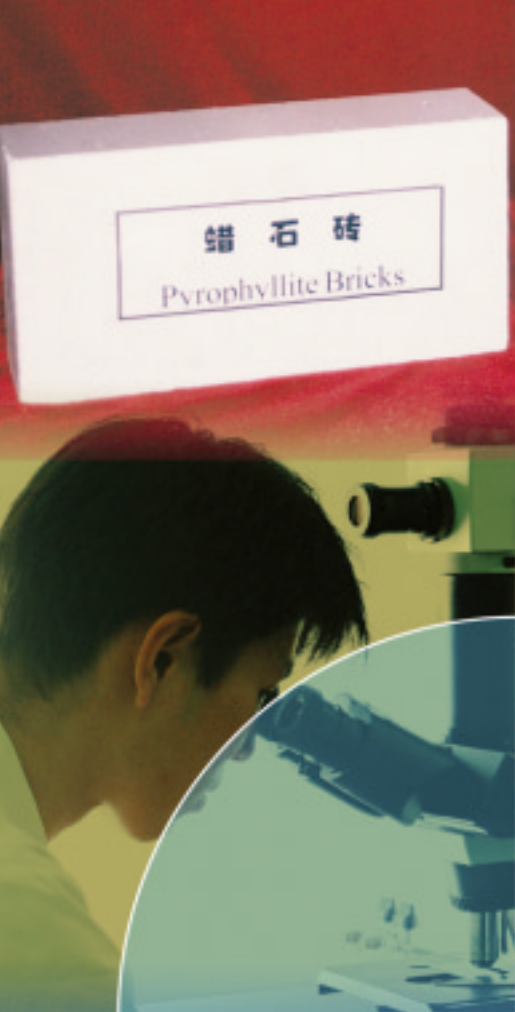
2002  
年報

**CRE**

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)

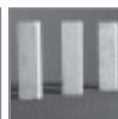




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**董事****執行董事**

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**

何錫麟會計師行，執業會計師

**審計委員會**

劉余九先生  
黃春華先生

**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**

Ho and Ho & Company, Certified Public Accountants

**AUDIT COMMITTEE**

Mr. Liu Yujiu  
Mr. Huang Chunhua

**主要往來銀行****中國**

中國銀行  
中國工商銀行  
中國建設銀行

**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](http://www.creh.com.hk)

**公關顧問**

縱橫財經公關顧問有限公司

**PRINCIPAL BANKERS****PRC**

Bank of China  
Industrial & Commercial Bank of China  
China Construction Bank

**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**

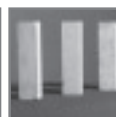
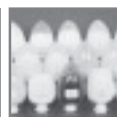
Computershare Hong Kong Investor Services Limited  
Shops 1712-1716  
17th Floor, Hopewell Centre  
183 Queen's Road East  
Hong Kong

**INTERNET WEBSITE**

[www.creh.com.hk](http://www.creh.com.hk)

**PUBLIC RELATIONS CONSULTANT**

Strategic Financial Relations Limited



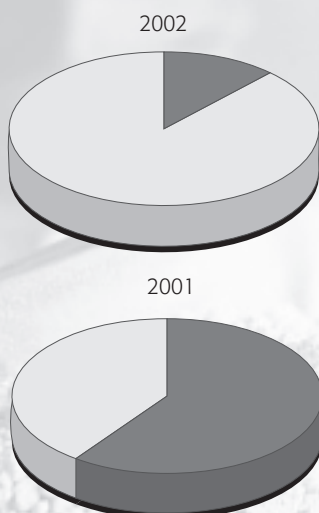
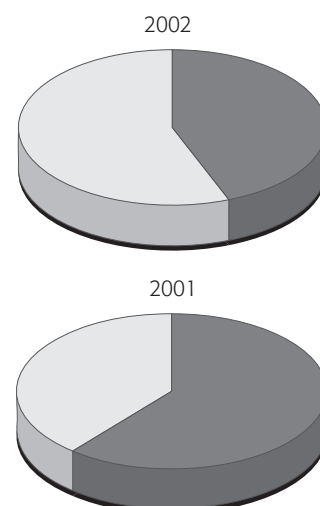
|             |                                     | 二零零二年<br>2002<br>百萬港元<br>HK\$'M | 二零零一年<br>2001<br>百萬港元<br>HK\$'M | 二零零零年<br>2000<br>百萬港元<br>HK\$'M | 一九九九年<br>1999<br>百萬港元<br>HK\$'M | 一九九八年<br>1998<br>百萬港元<br>HK\$'M |
|-------------|-------------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| 營業額         | Turnover                            | 468                             | 618                             | 558                             | 448                             | 419                             |
| 溢利淨額        | Net Profit                          | 41                              | 142                             | 141                             | 81                              | 62                              |
| 每股基本盈利 (港仙) | Basic Earnings per Share (HK cents) | 5.0                             | 19.1                            | 23.2                            | 16.8                            | 13.8                            |

## 營業額 Turnover

|      |                     | 二零零二年<br>2002  |      | 二零零一年<br>2001  |      |
|------|---------------------|----------------|------|----------------|------|
|      |                     | 百萬港元<br>HK\$'M | %    | 百萬港元<br>HK\$'M | %    |
| 稀土產品 | Rare Earth Products | 206            | 44%  | 375            | 61%  |
| 耐火產品 | Refractory Products | 262            | 56%  | 243            | 39%  |
| 總和   | Total               | 468            | 100% | 618            | 100% |

■ Rare Earth Products  
稀土產品

□ Refractory Products  
耐火產品



## 分類業績 Segment results

|      |                     | 二零零二年<br>2002  |      | 二零零一年<br>2001  |      |
|------|---------------------|----------------|------|----------------|------|
|      |                     | 百萬港元<br>HK\$'M | %    | 百萬港元<br>HK\$'M | %    |
| 稀土產品 | Rare Earth Products | 10             | 12%  | 99             | 60%  |
| 耐火產品 | Refractory Products | 73             | 88%  | 66             | 40%  |
| 總和   | Total               | 83             | 100% | 165            | 100% |

■ Rare Earth Products  
稀土產品

□ Refractory Products  
耐火產品





二零零二年，全球經濟持續衰退，本集團經歷了上市以來最嚴峻的考驗。經濟不景，加上行業產能嚴重過剩，導致稀土價格在歷史最低位徘徊，稀土行業整體出現虧損。本集團憑藉良好的生產裝備及嚴格的質量管理，使稀土業務得以維持利潤。在耐火材料業務方面，本集團依靠國際合作夥伴的技術支援，開拓及穩定市場份額，保持了穩健的增長。

本集團的成功有賴於客戶的支持與信任及員工的努力，對於一些媒體的報導及疑問，本集團已作出澄清。然而由於國內市場競爭激烈，基於商業因素考慮，本集團不便公開太多商業及經營的相關資料。本人堅信本集團的業績乃經過國際公認的專業會計師審核，數據真實可靠。

於去年年中，本集團的前度核數師安達信公司由於與另一公司——羅兵咸永道會計師事務所合併而辭任本集團核數師一職。本集團然後因種種原因更換了核數師包括安永會計師事務所及畢馬威會計師事務所。最後本集團在接觸過多家會計師事務所後於二零零三年五月五日挑選了對國內情況比較了解的何錫麟會計師行擔任本集團的核數師，現已完成了審核工作。由於核數師一再變更，故今年經審核業績公告的時間比往年延遲。

#### 財務業績

截至二零零二年十二月三十一日止年度，本集團錄得營業額467,663,000港元，較去年同期的617,808,000港元下跌約24%。營業額下跌，主要是因為稀土的營業額從二零零一年的374,661,000港元下跌到二零零二年的206,127,000港元。股東應佔溢利為41,032,000港元。每股基本盈利為5港仙。於回顧期內，本集團仍處於稅務優惠期而得以豁免了部分中國企業所得稅。

The lagging world economy persisted in 2002, giving the Group the toughest and most challenging period since its listing. Affected by the sluggish economy and the severe over supply of rare earth products, price levels for rare earth products plunged, lingering at historical lows and causing the entire rare earth industry to suffer loss. However, helped by its comprehensive production facilities and stringent quality controls, the Group managed to record profits for the rare earth business. In the refractory materials business, the Group expanded and sustained its market share with the technical support rendered by international partners and was therefore able to maintain a stable growth.

The Group's success is attributed to the continued support and trust given by its clients as well as the dedication of its staff members. In response to some news reports and queries raised by certain media, the Company has clarified to explain the situation. However, due to the intense competition in the PRC market and for commercial reasons, the Group was not in a position to disclose too much information regarding the business and operations. The Group's annual results were audited by internationally recognized professional accountants, therefore I strongly believe that the financial figures were true and fair.

In the middle of last year, the Group's ex-auditors, Arthur Andersen & Co., resigned due to its combination with PricewaterhouseCoopers. The Group has then changed its auditors including Ernst & Young and KPMG due to various reasons. On 5 May 2003, the Group decided to appoint Ho and Ho & Company, auditors who have a deeper understanding of the situation in the PRC, to fill the vacancy and they have now completed their audit. As a result of the changes of auditors, this year's audited results announcement was postponed compared with previous year.

#### FINANCIAL RESULTS

For the year ended 31 December 2002, the Group recorded a total turnover of HK\$467,663,000, representing a 24% drop approximately from HK\$617,808,000 last year. The decrease in turnover was mainly caused by the drop in the rare earth business, whose turnover declined from HK\$374,661,000 in 2001 to HK\$206,127,000 in 2002. Profit attributable to shareholders amounted to HK\$41,032,000. Basic earnings per share were HK5 cents. During the year under review, the Group still enjoyed tax-relief and was partially exempted on the PRC Enterprise Income Tax.



## 股息

董事會建議派發截至二零零二年十二月三十一日止年度之末期股息每股1港仙。連同中期股息1港仙，累積全年每股股息共2港仙。倘若股東於二零零三年八月八日舉行的股東週年大會中通過有關動議，末期股息將於二零零三年八月二十二日或以前派發給於二零零三年八月八日登記冊上的股東。

本公司將於二零零三年八月五日至八月八日，包括首尾兩天，暫停辦理股份過戶手續，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大會，所有股份之過戶文件連同有關之股票須於二零零三年八月四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

### 稀土業務

稀土是冶金、石油化工和玻璃製造必不可少的添加材料，也是製造發光材料、永磁材料和高性能電池的基本原料，其應用更涉及到電腦、電視、手提電話及汽車等大眾產品。

中國稀土礦產的蘊藏量佔全球約80%，目前全球的稀土原材料主要由中國供應。

本集團利用在香港資本市場籌集的資本及企業留存資金，在二零零零年和二零零一年對稀土生產線實施了徹底的技術改造和擴建，把原來分散的生產線整合成三條連續的分離稀土生產線，使本集團的規模化程度和稀土分離質量都達到了國際領先水平。二零零二年，本集團進一步完善生產工藝，在降低消耗、提高回收率、穩定產品質量方面又取得了進一步的成效。目前，本集團已擁有年生產6,500噸(REO)優質稀土產品的能力。

## DIVIDENDS

The Board has recommended the payment of a final dividend of HK1 cent per share for the year ended 31 December 2002. Together with the interim dividend of HK1 cent per share, total dividends for the year will amount to HK2 cents per share. Subject to the approval of shareholders at the forthcoming Annual General Meeting to be held on 8 August 2003, the final dividend will be paid on or before 22 August 2003 to the registered shareholders as at 8 August 2003.

The Register of Members will be closed from 5 August to 8 August 2003, both days inclusive. During this period, no transfer of shares will be registered. To qualify for the entitlement of the proposed final dividend and to attend 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, Computershare Hong Kong Investor Services Limited, for registration not later than 4:00 p.m. on 4 August 2003.

## BUSINESS REVIEW

### Rare Earth Business

Rare earth products are essential additives for metallurgy, petrochemical and glass. They are also used as raw materials in the production of fluorescent materials, magnetic materials and high performance batteries. Their applications have also been extended to many consumer products such as computers, television sets, mobile phones and automobiles.

Holding approximately 80% of the world's rare earth reserves, China is currently the world's main supplier of rare earth materials.

Making use of the net proceeds raised in the Hong Kong capital market and the capital generated from ongoing business, the Group has undertaken comprehensive and thorough technical reforms with the expansion of its rare earth production lines in 2000 and 2001. It has combined and consolidated its originally divided production lines into three connected rare earth separating production lines, raising the Group's integration levels and the quality of its rare earth separation technology to international standards. In 2002, the Group further enhanced its production techniques, attaining further improvements in lowering consumption rates, raising recycling rates and stabilizing the quality of products. The Group's annual production capacity for high-quality rare earth products currently reaches 6,500 tonnes (REO).





然而亦由於技術與工藝的改進，本集團很多於上市前沿用至今的機器設備等固定資產已顯得不合時宜而被淘汰，另外還有一部份資產因遷拆改建而報銷，故此對於固定資產的撇帳較往年大幅增加。希望此舉能對本集團未來的業績帶來更健康的增長。

市場方面，二零零二年世界經濟增長放緩，尤其是中國的稀土產品出口大戶日本及美國經濟萎縮，與稀土消費直接相關的半導體、資訊等高科技產業發展緩慢，加上中國國內的稀土礦產開採過度，生產企業惡性競爭，導致稀土價格在二零零二年跌至歷史新低。

面對艱難的營商環境，本集團利用本身在資金、設備、技術和工藝方面的優勢，同時嚴厲推行成本控制、生產工藝改進、跟蹤市場等政策，得以實現稀土業務略有盈利的成績。鑒於二零零二年稀土價格已達到全行業虧損的低位，本集團相信中國政府的行業整合政策以及世界經濟的復甦，都將使稀土價格回升。本集團在二零零二年採取了適當增加庫存的政策。縱然因為價格下跌及庫存數量上升而使二零零二年的存貨撥備較往年多，然而希望透過增加庫存及不參與不良的割價競爭，能將惡性循環的負面影響減至最低。

Nevertheless, due to technological advancements and modernization of skills, some of the fixed assets, including machinery and equipment which had been in use before the Group's listing, are now obsolete. Some of the assets were also disposed due to removal and renovation. This has led to a substantial increase in the written-off of fixed assets compared to the previous year. Hopefully this move will bring a positive impact on the growth of the Group's performance in the future.

Regarding the market, the worldwide economy experienced a downturn in 2002. In particular, the recession in Japan and the United States, the two main export countries for China's rare earth products, affected the development of high-tech industries such as semiconductors and information technology, in turn lowering the consumption of rare earth. This situation was further worsened by the over extraction of rare earth materials within the region, leading to fierce competition and thus the decline in rare earth products' prices to historical lows in 2002.

Amid this difficult business environment, the Group was able to capitalize on its competitive edge in terms of capital, facilities, skills and techniques, and, at the same time, through enforcing stringent cost controls, improving production techniques, and market-tracking policies, to bring in slight profits for the rare earth business. As the price of rare earth has fallen to loss incurring levels in 2002, the Group is confident that the industry-wide consolidation policies being implemented by the PRC government, together with the eventual recovery of the global economy, will make the price of rare earth rebound. The Group adopted a strategy to increase inventory levels of rare earth products in 2002. Although the provision for inventory was larger than that in last year due to the drop in prices and increases in inventory levels, through increasing the inventory balances and not participating in unhealthy price wars, the negative repercussions due to the poor economic cycle could hopefully be minimized.



同時，本集團大力推行向稀土的高附加值深加工產品發展的戰略，旗下的無錫新威螢光材料有限公司之設計產能500噸三基色螢光粉生產線已於二零零二年五月開始投產，本年度共售出產品近100噸。螢光粉產品的毛利大大高於氧化稀土產品，螢光粉產量的提高將成為本集團盈利的新增長點之一。

於回顧期內，本集團共銷售約3,700噸稀土氧化物，連同上述的螢光粉及其他稀土產品，稀土業務的營業額為206,127,000港元。在眾多產品中，雖然主要應用於節能燈和顯示屏的氧化鎔的價格與去年比較基本持平，但主要應用於磁性材料、磁光記憶材料及玻璃等產品的氧化釹及氧化鐳的平均價下調約一半，而被廣泛應用於製造光學玻璃的氧化釧的價格亦下調約三成多。隨著銷售量及價格的下跌，再加上大幅增加存貨撥備，本集團於二零零二年稀土產品的業務利潤大幅下降，毛利率從二零零一年的28%大幅下降到二零零二年的5%。

#### 耐火材料業務

耐火產品廣泛應用於冶金、石油化工、建材、電力等行業。

本集團的耐火材料業務自上市以來一直穩定增長。本集團利用資本市場籌集到的資金，於二零零一年對耐火材料第二生產部進行了重組和擴建，而於二零零二年六月又完成了對耐火材料第一生產部進行技改擴能改造，實現日本引進設計的118米超高溫隧道窯一次性調試成功，從而使本集團的中高檔耐火產品生產能力提高到年生產80,000噸。新的超高溫隧道窯

At the same time, the Group focused its efforts on the development of high value-added products. Trichromatic phosphor production line with designed capacity up to 500 tonnes of its subsidiary, Wuxi Xinwei Fluorescent Materials Company Limited, commenced operations in May 2002. It recorded sales of almost 100 tonnes of products this year. As the gross profit of fluorescent products is much higher than that of oxidized rare earth products, the increase in the output of fluorescent powder would become a profit driven point for the Group.

During the year under review, the Group sold about 3,700 tonnes rare earth oxides, together with the fluorescent products as mentioned above and other rare earth products, turnover of rare earth business amounted to HK\$206,127,000. Among the different types of products, the price level for Europium oxide, which is widely deployed in the production of energy efficient lighting and monitor screens, maintained its levels compared with that in last year. While the prices for Neodymium oxide and Dysprosium oxide, which are mainly used on metallic materials, magneto-optic memory materials and glass decreased on average by a half, the prices for Lanthanum oxide which is widely employed in the production of optical glass also dropped by more than 30%. Affected by the reduction in sales volume and lowered price levels, coupled with the significant increase in the provision for inventory, the Group's profits generated from rare earth business in 2002 dropped substantially, with the gross profit margin moving down to 5% in 2002 compared with 28% in 2001.

#### Refractory Materials Business

Refractory products are widely employed in industries including the metallurgy, petrochemical, construction and electrical-related businesses.

The Group's refractory materials business has been sustaining a stable growth since its listing. Using the proceeds raised in the capital market, the Group's refractory materials production Division II underwent reconstruction and expansion in 2001. The refractory materials production Division I also completed a further round of technical reform and expansion in June 2002. The newly installed 118m super high temperature tunnel kiln with design imported from Japan achieved satisfactory results in trial production, raising



比二零零一年建成的要求更嚴格，能生產出更優質的耐火產品，因此它的造價亦比較高。由於有關設備於二零零二年六月才投入生產，故新增產能的貢獻將反映於二零零三年之業績內。

本集團生產的中高檔耐火產品主要供應鋼鐵、有色金屬冶煉、石油化工和玻璃製造等行業。本集團借助和國際合作夥伴進行長期技術協作的優勢，不斷提高產品質量和開發產品品種，開拓國際市場，使公司的耐火產品出口從二零零一年的16%進一步上升到二零零二年的18%。國內銷售方面，本集團採取提供優質產品及優質服務的營銷策略，繼續保持在國內主要煉鋼企業客戶中的市場份額。

於回顧期內，本集團共銷售約55,000噸耐火材料，銷售額從二零零一年的243,147,000港元上升到261,536,000港元，增長約8%。由於二零零二年耐火材料用戶普遍壓縮生產成本，使耐火產品的價格整體有所下降。儘管如此，本集團耐火產品的毛利率仍能維持於30%以上。

#### 科研開發

二零零二年，在行業整體毛利下降的市場環境下，我們不是被動地等待市場價格回升，而是主動地調整自己的產品結構，通過開發和生產高附加值產品，來提升本集團的整體盈利水平。本集團規劃設計產能為500噸的熒光材料生產線已經投產，可望在二零零三年為本集團帶來新的盈利增長。

the annual production capacity for medium to high-grade refractory products to 80,000 tonnes. The standards and quality of the new super high temperature tunnel kiln are much higher than the previous one completed in 2001. It could produce refractory products of much higher quality, therefore its construction costs were also higher. The Group expects the contribution to revenue from these production facilities, which commenced operation in June 2002, to be reflected in the results for the financial year 2003.

The Group supplies medium to high-grade refractory products mainly to companies engaging in the production of steel, non-ferrous metallurgy, petrochemical and glass. The long-term technical assistance from international partners is the Group's prime competitive edge. It will continue to apply its expertise to improve the standard and quality of the Group's products and explore new product varieties. With an expanded scope of superb products, more international markets were captured and it secured a surge in exports of refractory products growing from 16% in 2001 to 18% in 2002. As for local sales, adhering diligently to its business strategies of providing top quality products and superior services, the Group was able to maintain its share in the market of the steel industry in the PRC.

During the year under review, the Group sold about 55,000 tonnes of refractory materials. Turnover surged from HK\$243,147,000 in 2001 to HK\$261,536,000, representing a growth of approximately 8%. Triggered by users squeezing production costs, price levels for refractory products also dropped. Nevertheless, the Group managed to maintain the gross profit margin of refractory products at over 30%.

#### RESEARCH AND DEVELOPMENT

While the industry experienced a drop in gross profit in 2002, rather than waiting for a rebound in product prices, we took the initiative to restructure our product mix through exploring and producing high value-added products to raise overall profit levels for the Group. The production line of fluorescent materials with designed capacity of up to 500 tonnes has commenced operations, and is expected to bring in growth in profits for the Group in 2003.





在科研方面，本集團的科研開發中心正與上海的大專院校合作研究開發新的LED粉及PDP等離子顯示屏粉，而納米級稀土氧化物和稀土深加工的拋光粉材料的研究亦取得了進展；極有應用前景的緻密鋁磚和緻密鉻磚的研製也取得了成功。

### 環境保護

本集團視環境保護為對人類提供社會效益的直觀體現。本集團作為中國江蘇省的重點環保監測企業，在年度內，本集團的各項受江蘇省環保廳專項監測的指標均達到合格範圍，3,500噸(REO)離子型礦技改擴能專案也經江蘇省環保廳驗收合格。集團內部的环境管理體系從二零零二年六月正式運行，目前“CQC”正對本集團ISO14000標準的貫標工作進行正式審核。

### 流動資金及財務資源

於二零零二年十二月三十一日，本集團持有現金及銀行存款約333,000,000港元而並無未償還長期負債。總負債對總資產比率仍維持於約7%。

### 僱員及薪酬

於二零零二年十二月三十一日，本集團僱用了員工約950人，為員工提供了完善的薪酬及福利制度。本集團一直根據市場需要，引進及培訓包括管理、科研及生產等各方面的專業人才，更透過定期的員工培訓，令各員工可在崗位上發揮所長。

回顧期內，僱員成本扣除董事酬金後合計約為11,776,000港元。此外，本集團亦設有購股權計劃，以激勵合資格員工。

Boasting outstanding research and development capabilities, the Group's research and development centre cooperates with the technical institutes in Shanghai to carry out research and develop the new LED powder and PDP powder. Additionally, the Group also saw progress in the research on nano technological oxidized rare earth and value-added polishing powder. It also attained successes in the research and production of highly applicable refractory products such as high densed zirconia bricks and high densed chrome bricks.

### ENVIRONMENTAL PROTECTION

The Group considers environmental protection a direct act of bringing benefits to the community. As a corporation on the surveillance list of the Environmental Protection Department of Jiangsu Province, the PRC, the Group's production procedures and facilities, which include a production line for Ionic Ore with an annual production capacity of 3,500 tonnes (REO), are fully compliant with the environmental regulations. The Group's internal environmental protection management system was launched in June 2002 and the Group has applied for ISO14000 certification. CQC is currently auditing related implementation work.

### LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2002, the Group had cash and bank balances of approximately HK\$333,000,000 with nil long-term liability. Total liabilities to total assets ratio has been maintained at approximately 7%.

### STAFF AND REMUNERATION

As at 31 December 2002, the Group had a workforce of approximately 950 staff. Comprehensive remuneration and welfare packages are offered to them. Keeping abreast of market trends, the Group continues to employ professionals with the right skills and expertise in management, research and development, and production. Training programs are also conducted regularly to enable staff to fully explore their potential in their respective positions.

During the year under review, total staff costs incurred excluding directors' emoluments amounted to HK\$11,776,000. The Group has also adopted a share option scheme as part of the benefits package to reward staff for outstanding performance.



### 所得款項用途

本集團於二零零一年七月配售了105,200,000股新股而籌集了約2.5億港元。其中約1.4億港元已於二零零一及二零零二年期間投資於耐火產品生產線的改造及熒光材料生產設備的添置上。餘下的款項已全數投放於流動資產上。

### 展望

本集團在過去幾年的基本發展戰略是通過擴展生產規模及改善生產設備來實現規模經濟效益。董事會認為，本集團的技改和擴建階段基本完成。本集團未來幾年的目標是，在不顯著增加內部投資的條件下，發掘企業的內部和外部資源優勢，以技術研究開發為主導，生產高增值的深加工產品為方向，提高企業的綜合競爭能力和經濟效益，發展向上下游產業為依托。

### 稀土業務

自去年開始，國家積極督促及協助中國的稀土企業建立兩大稀土集團公司以保護國有資源，擬將中國的稀土行業作大規模整頓。南北集團有望於二零零三年內成立，將是中國稀土行業發展的重要里程碑。而國家相應的種種政策將在一定程度上消除稀土企業的惡性競爭，稀土價格有望回升到合理的水平。本集團將鼎力支持國家稀土集團公司的未來發展。

雖然本集團預期稀土價格回升將給本集團帶來增加銷售和提高毛利率的雙重利益，但我們仍堅持全力發展高附加值產品和調整產品結構的目標。我們計劃在二零零三年進一步增加熒光材料的銷售，及爭取早日把拋光粉材料等更多高附加值產品推向市場。

### USE OF PROCEEDS

In July 2001, the Group has placed 105,200,000 new shares and generated net proceeds of approximately HK\$250,000,000. Among which, HK\$140,000,000 had been used in investment for restructuring the production lines for refractory products and the additions of production facilities for fluorescent materials in 2001 and 2002. The remaining portion had been allocated to current assets.

### PROSPECTS

The Group's business strategies in the past few years were, through the expansion and upgrading of production facilities, to achieve economies of scale. The Board believes that preliminary technical reforms and expansion have generally been completed. On the understanding that not many internal investments will be made, the Group's business goal for the next few years will be to further explore its internal and external competitive advantages. Major emphasis will also be placed on the research and development of value-added products, which will allow the Group to benefit from the economies of scale achieved and to enhance overall competitiveness.

### Rare Earth Business

Since last year, the PRC government has initiated the restructuring of the PRC's rare earth industries. It has actively supervised and assisted rare earth corporations in the PRC to form two major rare earth groups in order to protect state-owned resources. The Southern and Northern groups are expected to be established in 2003 and it will be an important milestone in the development of China's rare earth industry. The regulatory policies will help to minimize the negative impact of fierce market competition and bring the price of rare earth back to reasonable levels. The Group pledges its full support to the future development of the rare earth groups.

Although the Group is confident of a rebound in rare earth prices, which will bring in extra sales and increase gross profit margins, we will continue in full thrust to achieve the goal of developing high value-added products and restructure our product mix. We plan to further increase the sales of fluorescent materials and launch more high value-added products, including polishing powder into the market as soon as we can in 2003.



此外，本集團對提升研發能力的工作從未鬆懈。本集團持續為研發人員提供培訓、與大型研發機構及大學共同研發產品，並經常走訪客戶，瞭解市場發展及客戶所需，配合他們更快、更準確地發展新產品，保持與國際市場接軌。

本集團明白強化銷售網路的重要性，將繼續聘用及培訓銷售人才，開發新的市場及加強與客戶的密切聯繫。

#### 耐火材料業務

耐火材料行業的發展趨勢是，耐火產品的總體需求在逐步下降，但中高檔耐火產品的比例在不斷提高。為滿足市場對本企業生產的高檔耐火產品的持續需求增長，本集團計劃進一步改善現有的生產設施，在無需額外融資的前提下，令年產能力由目前的80,000噸提升至約100,000噸。擴充工程已在進行中，預期可於二零零三年年末完成。

此外，本集團將繼續拓展國際市場，提高市場佔有率，務求達至50%出口比例的長遠目標。

#### 致謝

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

主席

蔣泉龍

二零零三年六月二十六日

Furthermore, the Group will unrelentingly improve its research and development capabilities. It has been constantly providing trainings for its research and development staff and, in cooperation with large-scale research and development institutions and universities, developing new products. To grow with the global market, the Group will work hand-in-hand with clients, staying alert to their needs and market trends, and assisting them in developing new products in a timely manner.

Appreciating the importance of strengthening its sales network, the Group will continue to employ and nurture sales professionals, explore new market segments and strengthen customer relationships.

#### Refractory Materials Business

While decreasing demand for refractory products looks to be the general trend for refractory materials industry, the demand for medium to high-grade refractory products is on the rise. To meet this increasing demand for medium to high-grade refractory products, the Group plans to further improve and upgrade existing production facilities, increasing the present production capacity of 80,000 tonnes to approximately 100,000 tonnes without seeking additional financing. The expansion plan is now in progress and is expected to be completed at the end of 2003.

The Group will also continue to enlarge its market share in international markets and achieve its long-term goal to increase the export ratio to 50%.

#### APPRECIATION

Finally, on behalf of the Board, I would like to extend my gratitude to our shareholders, investors, customers, suppliers and business partners for their continuous commitment and contribution. I also wish to thank all our staff members for their continued commitment and dedication.

Jiang Quanlong

Chairman

26 June 2003





### 執行董事

蔣泉龍先生，50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，43歲，本集團創辦人及副主席，兼為本集團行政總裁。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，35歲，於一九八八年加入本集團。范先生主要負責本集團整體行政工作及運作。

杜小梅女士，39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，69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。

### EXECUTIVE DIRECTORS

**Mr. Jiang Quanlong**, aged 50, 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 industries. 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 43, is a founding member and the deputy chairman of the Group. Ms. Qian is also the chief executive officer of the Group. Ms. Qian has over 10 years of experience in the rare earth and refractory materials industries. 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 35, joined the Group in 1988. Mr. Fan is mainly responsible for the overall administration and operation of the Group.

**Ms. To Siu Mui, Annie**, aged 39, 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 rare earth and metal industries.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Liu Yujiu**, aged 69, 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 from December 1992 to December 1997.



**黃春華先生**，38歲，自二零零一年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**，33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。

#### 高級管理層

**樓吉翔先生**，51歲，於二零零零年加入本集團，現為本集團副總經理，兼為無錫新威熒光材料有限公司總經理，主管稀土及熒光材料業務之運作。樓先生原是一家著名稀土廠的副總經理，在稀土和有色金屬行業擁有逾二十年的經驗。

**蔣才南先生**，44歲，於一九八六年加入本集團，現為本集團副總經理，兼為宜興新威利成耐火材料有限公司總經理，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**，42歲，於一九八六年加入本集團，現為本集團副總經理，兼為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。

**Mr. Huang Chunhua**, aged 38, joined the Group in 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 33, 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.

#### SENIOR MANAGEMENT

**Mr. Lou Jixiang**, aged 51, joined the Group in 2000. Mr. Lou is the deputy general manager of the Group and the general manager of Wuxi Xinwei Fluorescent Materials Company Limited. Mr. Lou is responsible for the operation of rare earth and fluorescent materials 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 industries.

**Mr. Jiang Caina**, aged 44, joined the Group in 1986. Mr. Jiang is the deputy general manager of the Group and the general manager of Yixing Xinwei Refractory Materials Company Limited. Mr. Jiang is responsible for the operation of the refractory material business. Mr. Jiang has over 20 years of experience in the refractory materials industry.

**Mr. Zhu Panjun**, aged 42, joined the Group in 1986. Mr. Zhu is the deputy general manager of the Group and the general manager of Yixing Xinwei Leeshing Rare Earth Company Limited. Mr. Zhu has over 10 years of experience in the rare earth industry.



許盤鳳女士，38歲，於一九八七年加入本集團，現為本集團副總經理，主管稀土產品之銷售。許女士在稀土產品的生產和營銷上擁有豐富的工作經驗。

俞正明先生，67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，是稀土及有色金屬行業的資深專家。

徐建文先生，34歲，於一九八八年加入本集團，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，36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。

陳良平先生，55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，60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。

**Ms. Xu Panfeng**, aged 38, joined the Group in 1987. Ms. Xu is the deputy general manager of the Group and is responsible for the sales of rare earth products. She has years of experience in production and marketing of rare earth products.

**Mr. Yu Zhengming**, aged 67, 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 a senior expert in the rare earth and non-ferrous metals industries.

**Mr. Xu Jianwen**, aged 34, 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 the rare earth industry.

**Mr. Zhao Jianwen**, aged 36, joined the Group in 1987. Mr. Zhao is the head of technology department of the Yixing Xinwei Leeshing Rare Earth Company Limited. Mr. Zhao has over 10 years of experience in the rare earth industry.

**Mr. Chen Liangping**, aged 55, 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 the refractory materials industry.

**Mr. Reiji Kuwahara**, aged 60, 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（「本集團」）截至二零零二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16。

#### 分類資料

本集團分類資料的詳情載於財務報表附註4。

#### 業績及分派

本集團於截至二零零二年十二月三十一日止年度的業績載於本年報第25頁的綜合損益表內。

年內已派發中期股息每股1港仙。董事會現建議派發截至二零零二年十二月三十一日止年度的末期股息每股1港仙予於二零零三年八月八日名列股東名冊的股東。

其他分派詳情載於財務報表附註22。

#### 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22。

#### 財務概要

本集團於截至二零零二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62頁。

The directors have pleasure in presenting their annual report and the audited financial statements of China Rare Earth Holdings Limited (the "Company") and its subsidiaries (the "Group") for the year ended 31 December 2002.

#### 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 16 to the financial statements.

#### SEGMENTAL INFORMATION

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

#### RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2002 are set out in the consolidated income statement on page 25 of the annual report.

An interim dividend of HK1 cent per share was declared and paid to the shareholders during the year. The directors recommend the payment of a final dividend of HK1 cent per share for the year ended 31 December 2002 to the shareholders on the Register of Members on 8 August 2003.

Details of other appropriation are set out in Note 22 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 22 to the financial statements.

#### FINANCIAL SUMMARY

A summary of the results of the Group for the past five financial years ended 31 December 2002 is set out on page 62 of the annual report.

**物業、廠房及設備以及在建工程**

本集團及本公司於年內的物業、廠房及設備以及在建工程的變動詳情載於財務報表附註15。

**股本**

本公司於二零零二年十二月三十一日的法定及已發行股本詳情載於財務報表附註21。

**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23。

**退休金計劃**

本集團的退休金計劃詳情載於財務報表附註11。

**董事**

年內及直至本報告刊發日期之本公司的董事為：

**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

應玉明先生(於二零零三年一月二日獲委任及於二零零三年四月二十九日退任)

**獨立非執行董事**

劉余九先生

黃春華先生

**PROPERTY, PLANT AND EQUIPMENT AND CONSTRUCTION IN PROGRESS**

Details of the movements in the property, plant and equipment and construction in progress of the Group and the Company during the year are set out in Note 15 to the financial statements.

**SHARE CAPITAL**

Details of the authorized and issued share capital of the Company as at 31 December 2002 are set out in Note 21 to the financial statements.

**BORROWINGS**

Details of the bank borrowings and banking facilities of the Group are set out in Note 23 to the financial statements.

**RETIREMENT SCHEMES**

Details of the retirement schemes of the Group are set out in Note 11 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

Mr. Ying Yuming (*appointed on 2 January 2003 and resigned on 29 April 2003*)

**Independent non-executive directors**

Mr. Liu Yujiu

Mr. Huang Chunhua



根據本公司的公司細則第108條，劉余九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。

於二零零二年十二月三十一日，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。

各非執行董事已獲為期兩年的委任。

#### 董事於股份的權益

於二零零二年十二月三十一日，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

| 董事<br>Directors      | 權益性質<br>Nature of interests                | 所持股份數目<br>Number of shares held |
|----------------------|--|---------------------------------|
| 錢元英<br>Qian Yuanying | 公司權益 (附註1)<br>Corporate interests (Note 1) | 420,050,000                     |
| 黃春華<br>Huang Chunhua | 個人權益<br>Personal interests                 | 2,868,000                       |

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

As at 31 December 2002, none of the directors has a service contract with the Company which is not determinable 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 2002, 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





## (ii) 附屬公司

## (a) 新威稀土集團(香港)有限公司

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

## (b) 宜興新威利成稀土有限公司

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

## (ii) Subsidiaries

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

## (b) Yixing Xinwei Leeshing Rare Earth Company Limited

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) 權益由宜興新威集團有限公司持有，該國內企業由蔣泉龍擁有90%權益，餘下的10%權益由其子擁有。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 90% owned by Mr. Jiang Quanlong with remaining 10% owned by his son. Mr. Jiang is also the legal representative of the enterprise.

## 董事於合約的權益

年內，本集團毋須支付代價而使用宜興新威集團有限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19,122,000港元。

## DIRECTORS' INTERESTS IN CONTRACTS

During the year, the Group arranged export sales of its product outside the PRC using the export quota of Xinwei Group Limited at no consideration. Export sales handled through this arrangement amounted to approximately HK\$19,122,000.



年內，本集團向蔣先生租用兩個辦公室單位作為銷售及市場推廣總部。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，本集團向一間由蔣太太擁有權益的關聯公司無錫泛亞高溫陶瓷有限公司支付約806,000港元，作為於截至二零零二年十二月三十一日止年度使用其廠房作為熒光材料生產廠房的代價。此外，本集團於年內向該公司銷售約239,000港元的材料。

年內，本集團向一間由蔣先生及蔣太太擁有權益的關聯公司Xinwei (Australia) Pty. Ltd.採購約750,000港元的材料。

除上文及財務報表附註26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。

於二零零二年十二月三十一日，並無董事被授予任何購股權。

During the year, the Group leased two office premises from Mr. Jiang for use as its sales and marketing headquarters. 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 paid approximately HK\$806,000 as a compensation to Wuxi Pan-Asia High Temperature Ceramics Company Limited, a related company in which Mrs. Jiang has beneficial interests, for the use of a plant as its production plant for fluorescent materials for the year ended 31 December 2002. In addition, the Group sold materials to that company amounting to approximately HK\$239,000 during the year.

During the year, the Group purchased materials from Xinwei (Australia) Pty. Ltd., a related company in which Mr. Jiang and Mrs. Jiang have beneficial interests, amounting to approximately HK\$750,000.

Save as disclosed above and in Note 26 to the financial statements, no director 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 2002, no such option had been granted to the directors.



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。

#### 主要股東

於二零零二年十二月三十一日，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44%，而本集團最大客戶的銷售額則約佔15%。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38%，而本集團最大供應商的採購額則約佔14%。

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。

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.

#### SUBSTANTIAL SHAREHOLDERS

As at 31 December 2002, 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 44% of the Group's total sales and the sales attributable to the Group's largest customer was approximately 15%. The aggregate purchases attributable to the Group's five largest suppliers during the year represented approximately 38% of the Group's total purchases and the purchases attributable to the Group's largest supplier was approximately 14%.

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.

**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**

本公司於二零零二年十二月三十一日止年度內全期，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。

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**

年內，作為本公司過去三年核數師的安達信公司退任而安永會計師事務所獲委任為本公司核數師。安永會計師事務所於二零零三年三月十二日退任而畢馬威會計師事務所於二零零三年三月十三日獲委任為本公司核數師。畢馬威會計師事務所於二零零三年四月十七日退任而何錫麟會計師行於二零零三年五月五日獲委任為本公司核數師。本公司於即將舉行的股東週年大會上將提呈續聘何錫麟會計師行為本公司核數師的決議案。

承董事會名

**蔣泉龍**

主席

香港，二零零三年六月二十六日

**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 2002.

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

**AUDITORS**

During the year, Messrs. Arthur Andersen & Co., who acted as auditors of the Company for the past three years, resigned and Messrs. Ernst & Young were appointed as auditors of the Company. Messrs. Ernst & Young resigned on 12 March 2003 and Messrs. KPMG were appointed on 13 March 2003 as auditors of the Company. Messrs. KPMG resigned on 17 April 2003 and Messrs. Ho and Ho & Company were appointed on 5 May 2003 as auditors of the Company. A resolution to reappoint Messrs. Ho and Ho & Company as auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

**Jiang Quanlong**

Chairman

Hong Kong, 26 June 2003





何錫麟會計師行  
執業會計師  
香港皇后大道西2-12號  
聯發商業中心304室

**HO AND HO & COMPANY**  
*Certified Public Accountants*  
Room 304, Arion Commercial Centre,  
2-12 Queen's Road West,  
Hong Kong

致中國稀土控股有限公司各股東  
(於開曼群島註冊成立之有限公司)

**To the shareholders of**  
**China Rare Earth Holdings Limited**  
(Incorporated in the Cayman Islands with limited liability)

本核數師已將刊於第25頁至第61頁內根據香港公認會計原則編製之財務報表審核完竣。

We have audited the financial statements on pages 25 to 61 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

#### 董事及核數師的責任 . . . . .

貴公司董事須負責編製真實而公正的財務報表。在編製該等財務報表時，董事必須貫徹採用合適的會計政策。

#### **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.

本核數師的責任是根據審核工作的結果，對該等財務報表作出獨立意見，並將此意見向股東報告。

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

#### 意見的基礎 . . . . .

本核數師乃按照香港會計師公會所發出的核數準則進行審核工作。審核工作範圍包括以抽查方式審查與財務報表內所載各數額及披露事項有關的憑證，並包括評估董事於編製該等財務報表時所作出的重大估計和判斷，及衡量究竟其所釐定的會計政策是否適合貴公司及貴集團的具體情況，以及有否貫徹地被運用及充分地予以披露。

#### **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 judgments 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.



本核數師計劃及進行審核工作時，均以取得一切認為必需的資料及解釋為目標，使能為本核數師提供充份的憑證，就該等財務報表是否存在重要的錯誤陳述，作出合理的確定。於作出意見時，本核數師亦已衡量該等財務報表內所載的資料在整體上是否足夠。本核數師相信我們的審核工作已為核數意見建立合理的基礎。

### 意見

我們在沒有保留意見下，謹請注意我們並非貴公司及 貴集團截至二零零一年十二月三十一日止年度之核數師。貴公司及 貴集團於二零零二年四月十八日出具截至二零零一年十二月三十一日止年度的財務報表是由另一間核數師行審核。我們並無對該財務報表進行審核，故此我們不會對本年度財務報表的比較數字發表任何意見。因此，本年度財務報表的比較數字可能不能與本年度的數字作比較。

取決於上文所述，本核數師認為上述的財務報表均真實而公正地反映 貴公司及 貴集團於二零零二年十二月三十一日的財政狀況及截至該日止年度 貴集團的溢利和現金流量，並根據香港公司條例之披露要求而妥善編製。

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 of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

### OPINION

Without qualifying our opinion, we draw attention to the fact that we are not auditors of the Company and the Group for the year ended 31 December 2001. The financial statements for the year ended 31 December 2001, issued on 18 April 2002, were audited by another firm of auditors. We did not audit the financial statements for the year ended 31 December 2001 and therefore do not express any opinion on the comparative figures presented in the financial statements for the current year. Accordingly, the comparative figures presented in the financial statements may not be comparable with the figures for the current year.

Subject to the above mentioned, in our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group as at 31 December 2002 and of its 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.

何錫麟會計師行  
執業會計師

香港，二零零三年六月二十六日

HO AND HO & COMPANY  
Certified Public Accountants

Hong Kong, 26 June 2003

|                               |            |
|-------------------------------|------------|
| 綜合損益表                         | <b>254</b> |
| CONSOLIDATED INCOME STATEMENT |            |

截至二零零二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 2002 (Amounts expressed in Hong Kong dollars)

|            |                                   |             | 二零零二年<br>2002<br>千港元<br>HK\$'000 | 二零零一年<br>2001<br>千港元<br>HK\$'000 |
|------------|-----------------------------------|-------------|----------------------------------|----------------------------------|
|            |                                   | 附註<br>Notes |                                  |                                  |
| 營業額        | Turnover                          | (5)         | 467,663                          | 617,808                          |
| 銷售成本       | Cost of sales                     |             | (363,610)                        | (434,757)                        |
| 毛利         | Gross profit                      |             | 104,053                          | 183,051                          |
| 利息收入       | Interest income                   | (6)         | 4,438                            | 6,253                            |
| 銷售及分銷費用    | Selling and distribution expenses |             | (13,364)                         | (11,207)                         |
| 行政費用       | Administrative expenses           |             | (18,148)                         | (20,877)                         |
| 經營溢利       | Profit from operations            | (7)         | 76,979                           | 157,220                          |
| 財務成本       | Finance costs                     | (8)         | –                                | (2,621)                          |
| 其他費用淨額     | Other expenses, net               | (9)         | (28,064)                         | (7,892)                          |
| 除稅前溢利      | Profit before taxation            |             | 48,915                           | 146,707                          |
| 稅項         | Taxation                          | (12)        | (8,593)                          | –                                |
| 除少數股東權益前溢利 | Profit before minority interests  |             | 40,322                           | 146,707                          |
| 少數股東權益     | Minority interests                |             | 710                              | (4,493)                          |
| 本年度溢利淨額    | Net profit for the year           |             | 41,032                           | 142,214                          |
| 股息         | Dividends                         | (13)        | 16,289                           | 32,578                           |
| 每股盈利       | Earnings per share                | (14)        |                                  |                                  |
| – 基本       | – Basic                           |             | 5.0仙cents                        | 19.1仙cents                       |
| – 攤薄       | – Diluted                         |             | 不適用N/A                           | 18.9仙cents                       |

於二零零二年十二月三十一日(所有款額均以港元呈報)

As at 31 December 2002 (Amounts expressed in Hong Kong dollars)

|                    |   | 附註<br>Notes | 二零零二年<br>2002<br>千港元<br>HK\$'000 | 二零零一年<br>2001<br>千港元<br>HK\$'000 |
|--------------------|---|-------------|----------------------------------|----------------------------------|
| 非流動資產              | Non-current assets  |             |                                  |                                  |
| 物業、廠房及設備<br>以及在建工程 | Property, plant and equipment<br>and construction-in-progress | (15)        | 353,216                          | 325,242                          |
| 預付附屬公司投資<br>款項     | Prepayment for an investment<br>in a subsidiary               |             | –                                | 100,000                          |
|                    |   |             | 353,216                          | 425,242                          |
| 流動資產               | Current assets  |             |                                  |                                  |
| 存貨                 | Inventories   | (17)        | 187,031                          | 165,539                          |
| 應收賬款及其他應收款         | Accounts and other receivables                                | (18)        | 126,809                          | 118,861                          |
| 預付款項、按金及<br>其他流動資產 | Prepayments, deposits and<br>other current assets             |             | 28,215                           | 56,756                           |
| 應收關聯公司<br>款項       | Amounts due from related<br>companies                         | (26a)       | –                                | 1,463                            |
| 預交稅項               | Tax recoverable   | (12)        | 864                              | –                                |
| 已抵押存款              | Pledged deposits  | (19)        | –                                | 1,081                            |
| 現金及銀行結存            | Cash and bank balances  | (19)        | 332,915                          | 247,936                          |
|                    |   |             | 675,834                          | 591,636                          |
| 流動負債               | Current liabilities   |             |                                  |                                  |
| 應付賬款               | Accounts payable  | (20)        | 51,375                           | 22,162                           |
| 預提費用及其他<br>應付款     | Accruals and other<br>payables                                |             | 19,566                           | 38,730                           |
| 應付董事款項             | Amounts due to directors                                      | (26c)       | 4,137                            | 13,906                           |
| 應付關聯公司<br>款項       | Amounts due to related<br>companies                           | (26a)       | 105                              | 1,856                            |
| 應付稅項               | Tax payable   | (12)        | 83                               | 2,427                            |
|                    |   |             | 75,266                           | 79,081                           |
| 流動資產淨額             | Net current assets  |             | 600,568                          | 512,555                          |
| 資產總額減流動負債          | Total assets less current liabilities                         |             | 953,784                          | 937,797                          |
| 少數股東權益             | Minority interests  |             | (15,359)                         | (16,069)                         |
|                    |   |             | 938,425                          | 921,728                          |
| 資本及儲備              | Capital and reserves  |             |                                  |                                  |
| 股本                 | Share capital   | (21)        | 81,445                           | 81,445                           |
| 儲備                 | Reserves  | (22)        | 856,980                          | 840,283                          |
|                    |   |             | 938,425                          | 921,728                          |

載於第25至61頁的財務報表於二零零三年六月二十六日獲董事會批准及授權公佈，並由下列董事代表簽署：

The financial statements on pages 25 to 61 were approved and authorised for issue by the Board of Directors on 26 June 2003 and are signed on its behalf by:

蔣泉龍  
董事

錢元英  
董事

Jiang Quanlong  
Director

Qian Yuanying  
Director



|   |     |
|---|-----|
| <div>資產負債表</div> <div>BALANCE SHEET</div> | 274 |
|---|-----|

於二零零二年十二月三十一日(所有款額均以港元呈報)  
As at 31 December 2002 (Amounts expressed in Hong Kong dollars)

|                    |   | 附註    | 二零零二年<br>2002<br>千港元<br>HK\$'000 | 二零零一年<br>2001<br>千港元<br>HK\$'000 |
|--------------------|---|-------|----------------------------------|----------------------------------|
|                    |   | Notes |                                  |                                  |
| 非流動資產              | Non-current assets  |       |                                  |                                  |
| 物業、廠房及設備<br>以及在建工程 | Property, plant and equipment<br>and construction-in-progress | (15)  | 256                              | 150                              |
| 附屬公司投資             | Investments in subsidiaries                                   | (16)  | 631,440                          | 606,905                          |
|                    |   |       | 631,696                          | 607,055                          |
| 流動資產               | Current assets  |       |                                  |                                  |
| 預付款項、按金及<br>其他流動資產 | Prepayments, deposits and<br>other current assets             |       | 670                              | 2,515                            |
| 已抵押存款              | Pledged deposits  | (19)  | –                                | 1,081                            |
| 現金及銀行結存            | Cash and bank balances  | (19)  | 11,868                           | 29,131                           |
|                    |   |       | 12,538                           | 32,727                           |
| 流動負債               | Current liabilities   |       |                                  |                                  |
| 預提費用及其他<br>應付款     | Accruals and other<br>payables                                |       | 1,741                            | 1,515                            |
| 應付董事款項             | Amounts due to directors                                      | (26c) | 4,847                            | 1,514                            |
|                    |   |       | 6,588                            | 3,029                            |
| 流動資產淨額             | Net current assets  |       | 5,950                            | 29,698                           |
|                    |   |       | 637,646                          | 636,753                          |
| 資本及儲備              | Capital and reserves  |       |                                  |                                  |
| 股本                 | Share capital   | (21)  | 81,445                           | 81,445                           |
| 儲備                 | Reserves  | (22)  | 556,201                          | 555,308                          |
|                    |   |       | 637,646                          | 636,753                          |

載於第25至61頁的財務報表於二零零三年六月二十六日獲董事會批准及授權公佈，並由下列董事代表簽署：

The financial statements on pages 25 to 61 were approved and authorised for issue by the Board of Directors on 26 June 2003 and are signed on its behalf by:

蔣泉龍  
董事

錢元英  
董事

Jiang Quanlong  
Director

Qian Yuanying  
Director

# 綜合權益變動表

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## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

截至二零零二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 2002 (Amounts expressed in Hong Kong dollars)

|                         |  | 股本            | 股份溢價          | 資本儲備            | 法定儲備               | 股息儲備             | 外匯兌換儲備                       | 累計溢利                | 總額       |
|-------------------------|--|---------------|---------------|-----------------|--------------------|------------------|------------------------------|---------------------|----------|
|                         |  | Share capital | Share premium | Capital reserve | Statutory reserves | Dividend reserve | Exchange translation reserve | Accumulated profits | Total    |
|                         |  | 千港元           | 千港元           | 千港元             | 千港元                | 千港元              | 千港元                          | 千港元                 | 千港元      |
|                         |  | HK\$'000      | HK\$'000      | HK\$'000        | HK\$'000           | HK\$'000         | HK\$'000                     | HK\$'000            | HK\$'000 |
| 於二零零一年一月一日              | At 1 January 2001  | 67,529        | 130,958       | 32,837          | 11,593             | —                | 3,218                        | 274,718             | 520,853  |
| 兌換可換股債券而發行股份            | Shares issued upon conversion of convertible bonds                 | 2,996         | 31,324        | —               | —                  | —                | —                            | —                   | 34,320   |
| 行使認購普通股的權利而發行股份         | Shares issued upon exercise of rights to subscribe ordinary shares | 400           | 6,014         | —               | —                  | —                | —                            | —                   | 6,414    |
| 根據股本配售發行股份              | Placement of new shares  | 10,520        | 247,220       | —               | —                  | —                | —                            | —                   | 257,740  |
| 發行股份費用                  | Share issue expenses   | —             | (3,031)       | —               | —                  | —                | —                            | —                   | (3,031)  |
| 本年度溢利淨額                 | Net profit for the year  | —             | —             | —               | —                  | —                | —                            | 142,214             | 142,214  |
| 轉往法定儲備                  | Appropriations to statutory reserves                               | —             | —             | —               | 15,375             | —                | —                            | (15,375)            | —        |
| 年內分派(附註13及22(d))        | Distributions during the year (Note 13 & 22(d))                    | —             | —             | —               | —                  | —                | —                            | (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及二零零二年一月一日 | At 31 December 2001 and 1 January 2002                             | 81,445        | 412,485       | 32,837          | 26,968             | —                | 3,498                        | 364,495             | 921,728  |
| — 原先所列                  | — as originally stated   | 81,445        | 412,485       | 32,837          | 26,968             | —                | 3,498                        | 364,495             | 921,728  |
| — 於資產負債表日後宣佈的建議末期股息     | — proposed final dividend declared after the balance sheet date    | —             | —             | —               | —                  | 16,289           | —                            | (16,289)            | —        |
| — 經重列                   | — as restated  | 81,445        | 412,485       | 32,837          | 26,968             | 16,289           | 3,498                        | 348,206             | 921,728  |
| 本年度溢利淨額                 | Net profit for the year  | —             | —             | —               | —                  | —                | —                            | 41,032              | 41,032   |
| 轉往法定儲備                  | Appropriations to statutory reserves                               | —             | —             | —               | 14,716             | —                | —                            | (14,716)            | —        |
| 撥出之股息(附註13)             | Dividends set aside (Note 13)                                      | —             | —             | —               | —                  | 16,289           | —                            | (16,289)            | —        |
| 已付股息                    | Dividends paid   | —             | —             | —               | —                  | —                | —                            | —                   | —        |
| — 二零零一年末期股息             | — for 2001 final dividend  | —             | —             | —               | —                  | (16,289)         | —                            | —                   | (16,289) |
| — 二零零二年中期股息             | — for 2002 interim dividend  | —             | —             | —               | —                  | (8,145)          | —                            | —                   | (8,145)  |
| 中國附屬公司財務報表換算            | Translation of PRC subsidiaries' financial statements              | —             | —             | —               | —                  | —                | 99                           | —                   | 99       |
| 於二零零二年十二月三十一日           | At 31 December 2002  | 81,445        | 412,485       | 32,837          | 41,684             | 8,144            | 3,597                        | 358,233             | 938,425  |

# 綜合現金流量表

## CONSOLIDATED CASH FLOW STATEMENT

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截至二零零二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 2002 (Amounts expressed in Hong Kong dollars)

|                                     |   | 二零零二年<br>2002<br>千港元<br>HK\$'000 | 二零零一年<br>2001<br>千港元<br>HK\$'000 |
|-------------------------------------|---|----------------------------------|----------------------------------|
| 經營活動                                | Operating activities  |                                  |                                  |
| 除稅前溢利                               | Profit before taxation  | 48,915                           | 146,707                          |
| 調整項目：                               | Adjustments for:  |                                  |                                  |
| 利息支出                                | Interest expenses   | —                                | 2,621                            |
| 利息收入                                | Interest income   | (4,438)                          | (6,253)                          |
| 物業、廠房及設備<br>之重估虧絀                   | Deficit on revaluation of property,<br>plant and equipment                              | 1,844                            | —                                |
| 物業、廠房及設備<br>折舊                      | Depreciation on property, plant and<br>equipment  | 33,125                           | 21,372                           |
| 物業、廠房及設備<br>以及在建工程之<br>撇銷虧損         | Loss on written off of property, plant<br>and equipment and<br>construction-in-progress | 31,638                           | —                                |
| 處置物業、廠房<br>及設備之<br>(收益)/虧損          | (Gain)/loss on disposal<br>of property, plant and<br>equipment                          | (831)                            | 5,848                            |
| 存貨撥備                                | Provision for inventories   | 5,108                            | 3,511                            |
| 存貨撇銷                                | Written off of inventories  | 16,574                           | —                                |
| 撥回呆壞賬撥備                             | Written back of provision for bad and<br>doubtful debts                                 | (3,505)                          | (5,061)                          |
| 營運資金變動前<br>的經營現金流量                  | Operating cash flows before movements<br>in working capital                             | 128,430                          | 168,745                          |
| 存貨增加                                | Increase in inventories   | (43,174)                         | (58,050)                         |
| 應收賬款及其他<br>應收款增加                    | Increase in accounts and other<br>receivables   | (4,443)                          | (22,459)                         |
| 預付款項、按金及<br>其他流動資產減少                | Decrease in prepayments, deposits and<br>other current assets                           | 28,541                           | 42,948                           |
| 應收關聯公司款項<br>減少/(增加)                 | Decrease/(increase) in amounts due<br>from related companies                            | 1,463                            | (666)                            |
| 應付賬款增加/(減少)                         | Increase/(decrease) in accounts payable   | 29,213                           | (1,869)                          |
| 預提費用及包括應付<br>中國增值稅的其他<br>應付款(減少)/增加 | (Decrease)/increase in accruals<br>and other payables, including<br>PRC VAT payable     | (21,508)                         | 5,483                            |
| 應付董事款項(減少)/<br>增加                   | (Decrease)/increase in amounts due to<br>directors                                      | (9,769)                          | 12,616                           |
| 應付關聯公司款項<br>減少                      | Decrease in amounts due to related<br>companies   | (1,751)                          | (88)                             |
| 已付企業所得稅                             | Enterprise Income Tax paid  | (9,457)                          | —                                |
| 經營活動所得現金淨額                          | Net cash inflow from operating activities   | 97,545                           | 146,660                          |

# 綜合現金流量表

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## CONSOLIDATED CASH FLOW STATEMENT

截至二零零二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 2002 (Amounts expressed in Hong Kong dollars)

|                             |  | 二零零二年<br>2002<br>千港元<br>HK\$'000 | 二零零一年<br>2001<br>千港元<br>HK\$'000 |
|-----------------------------|--|----------------------------------|----------------------------------|
| 投資活動                        | Investing activities   |                                  |                                  |
| 購置物業、廠房及<br>設備以及在建工程<br>支出  | Purchase of property, plant and<br>equipment and expenditure on<br>construction-in-progress        | (114,205)                        | (135,770)                        |
| 處置物業、廠房及<br>設備以及在建工程<br>所得款 | Proceeds from disposal of property,<br>plant and equipment and<br>construction-in-progress         | 20,455                           | —                                |
| 關聯公司退還<br>預付附屬公司<br>投資款項    | Refund from a related company in<br>respect of the prepayment for an<br>investment in a subsidiary | 100,000                          | —                                |
| 預付附屬公司<br>投資款項              | Prepayment for an investment in<br>a subsidiary  | —                                | (100,000)                        |
| 已抵押存款減少                     | Decrease in pledged deposits   | 1,081                            | 26,157                           |
| 已收利息                        | Interest received  | 4,438                            | 6,253                            |
| 投資活動之現金流入／<br>(流出)淨額        | Net cash generated from/(used in)<br>investing activities  | 11,769                           | (203,360)                        |
| 融資活動                        | Financing activities   |                                  |                                  |
| 償還銀行貸款                      | Repayment of bank loans  | —                                | (39,506)                         |
| 已付股息                        | Dividends paid   | (24,434)                         | (37,062)                         |
| 已付利息                        | Interest paid  | —                                | (2,621)                          |
| 發行股份所得款項                    | Proceeds from issue of shares  | —                                | 264,154                          |
| 發行股份費用                      | Share issue expenses   | —                                | (3,031)                          |
| 融資活動之現金<br>(流出)／流入淨額        | Net cash (used in)/from financing<br>activities  | (24,434)                         | 181,934                          |
| 現金及現金等值項目<br>增加淨額           | Net increase in cash and cash<br>equivalents   | 84,880                           | 125,234                          |
| 年初現金及現金<br>等值項目             | Cash and cash equivalents at beginning of<br>the year  | 247,936                          | 122,551                          |
| 外匯兌換率變動之影響                  | Effect of changes in exchange rate   | 99                               | 151                              |
| 年末現金及現金<br>等值項目結存分析         | Analysis of the balances of cash and<br>cash equivalents at end of the year                        |                                  |                                  |
| 現金及銀行結存                     | Cash and bank balances   | 332,915                          | 247,936                          |



截至二零零二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 2002 (Amounts expressed in Hong Kong dollars)

## 1. 一般資料

本公司於開曼群島註冊成立為一間獲豁免的有限責任公司，其股份於香港聯合交易所有限公司上市。

本集團從事製造及銷售稀土產品、耐火產品及熒光產品。

## 2. 採納會計實務準則／會計政策變動

於本年度，本集團首次採納多項由香港會計師公會頒佈之全新及經修訂之會計實務準則(「會計實務準則」)。採納該等會計實務準則導致本集團現金流量表及權益變動表之呈報格式出現多項變動，但對本年度及過往會計年度之業績並無任何重大影響，因此無須作出以前年度調整。

### 現金流量表

於本年度，本集團採納會計實務準則第15號(經修訂)「現金流量表」。根據會計實務準則第15號(經修訂)，現金流量表分為三個類別－經營、投資及融資活動，而非過往的五個類別。過往分開呈列之已收利息、已付利息及已付股息乃分別分類為投資及融資活動現金流量。由收入相關稅務而產生之現金流量分類為經營活動，除非可另行識別為投資或融資活動。

## 1. GENERAL

The Company is incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited.

The Group is engaged in the manufacture and sale of rare earth products, refractory products and fluorescent products.

## 2. ADOPTION OF STATEMENTS OF STANDARD ACCOUNTING PRACTICE/CHANGES IN ACCOUNTING POLICIES

In the current year, the Group has adopted, for the first time, a number of new and revised Statements of Standard Accounting Practice ("SSAPs") issued by the Hong Kong Society of Accountants. The adoption of these SSAPs has resulted in a change in the format of presentation of the consolidated cash flow statement and the consolidated statement of changes in equity, but has had no material effect on the results for the current or prior accounting years. Accordingly, no prior year adjustment has been required.

### Cash flow statements

In the current year, the Group has adopted SSAP 15 (Revised) "Cash Flow Statements". Under SSAP 15 (Revised), cash flows are classified under three headings – operating, investing and financing, rather than the previous five headings. Interest received, interest paid and dividends paid, which were previously presented under a separate heading, are classified as investing and financing cash flows respectively. Cash flows arising from taxes on income are classified as operating activities, unless they can be separately identified with investing or financing activities.

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## 2. 採納會計實務準則／會計政策變動(續)

### 僱員福利

於本年度，本集團採納會計實務準則第34號「僱員福利」引入僱員福利之量度規則，包括退休福利計劃。由於本集團只參與界定供款退休金計劃，故採納會計實務準則第34號並無對財務報表造成重大影響。

## 3. 主要會計政策

本財務報表是按歷史成本慣例法編製及根據香港公認會計原則編製，所採用之主要會計政策載於下文：

### (a) 綜合賬目之基準

本綜合財務報表包括本公司及其附屬公司每年結算至十二月三十一日止的財務報表。

本年度購入或出售附屬公司的業績，視乎情況按其收購生效日起或迄至其出售生效日止(如適用)，而計入綜合損益表內。

所有集團內各公司間的重要交易及結餘均於編製綜合賬目時抵銷。

## 2. ADOPTION OF STATEMENTS OF STANDARD ACCOUNTING PRACTICE/CHANGES IN ACCOUNTING POLICIES (Continued)

### Employee benefits

In the current year, the Group has adopted SSAP 34 "Employee benefits" which introduces measurement rules for employee benefits including retirement benefit plans. Because the Group participates only in defined contribution retirement benefit scheme, the adoption of SSAP 34 has not had any material impact on the financial statements.

## 3. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and have been prepared in accordance with accounting principles generally accepted in Hong Kong. The principal accounting policies adopted are set out below:

### (a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 December each year.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All significant intercompany transactions and balances within the Group have been eliminated on consolidation.

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## 3. 主要會計政策(續)

## (b) 物業、廠房及設備

物業、廠房及設備乃按其成本或估值減累計折舊、攤銷及減值虧損列賬。

某些樓宇乃按照其於重估日期時之當時用途之公平價值減隨後之累計折舊於資產負債表列賬。由於定期進行物業重估，賬面值與資產負債表日所釐定之公平值沒有重大差異。

重估樓宇時出現之任何盈餘款額會撥入資產重估儲備，除重估盈餘款額與過往曾因同樣資產重估減值列於開支相抵外，則應將盈餘款額其中相等於該項資產曾從損益表中扣除的虧絀款額撥回損益表。因重估資產而減少之淨賬面金額當作開支處理，而以減值款額不超過過往因重估該項資產之重估儲備結餘為限。隨後出售或報廢重估資產時，有關重估盈餘將撥至累計溢利。

物業、廠房及設備的折舊及攤銷乃根據以下年折舊率按其由全面運作之日期起估計其可供使用之年數並計及其估計餘值，以直線法攤銷其成本值或估值：

|          |     |
|----------|-----|
| 樓宇       | 5%  |
| 機器及設備    | 10% |
| 辦公室設備及裝置 | 20% |
| 汽車       | 20% |

## 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

## (b) Property, plant and equipment

Property, plant and equipment are stated at cost or valuation less accumulated depreciation, amortisation and impairment losses.

Certain buildings are stated in the balance sheet at their revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and any subsequent impairment losses. Revaluation is performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the balance sheet date.

Any revaluation increase arising on revaluation of buildings is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised as an expense, in which case the increase is credited to the income statement to the extent of the decrease previously charged. A decrease in net carrying amount arising on revaluation of an asset is dealt with as an expense to the extent that it exceeds the balance, if any, on the revaluation reserve relating to a previous revaluation of that asset. On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus is transferred to accumulated profits.

Depreciation and amortisation is provided to write off the cost or valuation of items of property, plant and equipment, over their estimated useful lives and after taking into account their estimated residual values, using the straight-line method, at the following rates per annum:

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

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### 3. 主要會計政策(續)

#### (b) 物業、廠房及設備(續)

出售或棄用物業、廠房及設備項目所產生之收益或虧損是由出售所得收入與資產賬面數額之差額所釐定，並計入損益表內。

#### (c) 在建工程

在建工程是指施工中的廠房及物業，並按成本值減累計減值虧損列賬。成本值包括建造成本、廠房及設備成本，以及其他直接成本。於建造完工時，已準備作其擬定用途的在建工程之相關成本則轉入為物業、廠房及設備的適當類別。

尚未完成及未可作其擬定用途之在建工程概無計提折舊或攤銷。

#### (d) 附屬公司投資

附屬公司投資乃按成本值減任何可辨認的減值虧損列入本公司之資產負債表內。

#### (e) 減值

本集團於各個結算日檢討其資產之賬面值，以確定該等資產是否存在減值虧損之跡象。倘估計一項資產之可收回價值低於其賬面值，則將該資產之賬面值撇減至其可收回金額。減值虧損即時確認為費用。

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### (b) Property, plant and equipment (Continued)

The gain or loss arising from the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

#### (c) 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. Upon completion of construction, the relevant costs are transferred to appropriate categories of property, plant and equipment when they are ready for their intended use.

No depreciation or amortisation is provided on construction-in-progress until the asset is completed and put into use.

#### (d) Investments in subsidiaries

Investments in subsidiaries are included in the Company's balance sheet at cost less any identified impairment loss.

#### (e) Impairment

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as expense immediately.



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### 3. 主要會計政策(續)

#### (e) 減值(續)

當一項減值虧損隨後撥回時，則將該項資產之賬面值增加至其修訂後的估計可收回價值，但增加後之賬面值不得超過過往年度若未確認減值虧損時所確定之賬面值。減值虧損撥回即時確認為收入。

#### (f) 存貨

存貨乃按成本值及可變現淨值孰低者列賬。成本值是以加權平均法計算。

#### (g) 撥備

倘因過去發生的事項而導致企業現時需承擔債務(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，即需作出撥備。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。

#### (h) 應收賬款及其他應收款

應收賬款及其他應收款乃按成本值就呆壞賬準備作調整後列賬。

#### (i) 經營租賃

經營租賃下的應付租金以直線法按有關租賃年期於損益表中扣除。

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### (e) Impairment (Continued)

Where impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss is recognised as income immediately.

#### (f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method.

#### (g) Provisions

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 on 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 provision is the present value of the expenditure expected to be required to settle the obligation.

#### (h) Accounts and other receivables

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

#### (i) Operating leases

Rental payables under operating leases are charged to the income statement on a straight-line basis over the relevant lease terms.

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### 3. 主要會計政策(續)

#### (j) 收入確認

##### (i) 貨品銷售

貨品銷售乃於貨品交付及擁有權轉移至客戶後確認為收入。

##### (ii) 利息收入

利息收入乃按未清還的本金，以適用的利率按時間比例計算。

#### (k) 稅項

所徵收之稅項乃根據本年度業績，並就無須課稅或不獲豁免的項目作出調整後而釐定。時差乃就若干收入及支出項目於稅務上及財務報表計入不同會計期間而產生。時差所引致之稅務影響，乃使用負債法計算，於財務報表中確認為遞延稅項，惟僅限於能在可預見之將來確認為負債或資產。

根據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，此項主要間接稅在銷售貨品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%或13%計算。本集團應付的增值稅淨額相當於銷項增值稅減購買貨品及某些指定服務時支付的增值稅(稱為「進項增值稅」)。

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### (j) Revenue recognition

##### (i) Sales of goods

Sales of goods are recognised when goods are delivered and title has passed to the customers.

##### (ii) Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable.

#### (k) Taxation

The charge for taxation is based on the results for the year as adjusted for items which are non-assessable or disallowed. Timing differences arise from the recognition for tax purposes of certain items of income and expense in a different accounting period from that in which they are recognised in the financial statements. The tax effect of the timing differences, computed using the liability method, is recognised as deferred taxation in the financial statements to the extent that it is probable that a liability or an asset will crystallise in the foreseeable future.

In accordance with the relevant tax laws enacted in the PRC, all the companies of the Group established in the PRC are subject to value-added tax ("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% or 13% 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").

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**3. 主要會計政策(續)****(l) 退休福利成本**

支付國營退休計劃之款項會於到期支付時作為費用扣除。

**(m) 外幣**

以外幣進行的交易首先按交易日之匯率或合同訂明結算匯率入賬。以外幣結算的貨幣資產及負債均按結算日之匯率重新換算。匯兌所產生之溢利及虧損計入有關年度之溢利或虧損淨額。

於綜合賬目時，本集團中國業務的資產及負債按結算日之匯率換算。收入及支出項目按全年內的平均匯率換算。所引致的匯兌差額(如有)列作權益並撥入本集團匯兌儲備內處理。並於出售有關業務之年度確認為收入或費用。

**(n) 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。

**3. PRINCIPAL ACCOUNTING POLICIES (Continued)****(l) Retirement benefit costs**

Payments to the state-sponsored retirement plan are charged as expenses as they fall due.

**(m) Foreign currencies**

Transactions in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of the transactions or at the contracted settlement rate. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rates prevailing on the balance sheet date. Profits and losses arising on exchange are included in net profit or loss for the year.

On consolidation, the assets and liabilities of the Group's operations in the PRC are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the year. Exchange differences arising, if any, are classified as equity and transferred to the Group's exchange translation reserve. Such translation differences are recognised as income or expense in the year in which the operation is disposed of.

**(n) 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.

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### 3. 主要會計政策(續)

#### (n) 分類資料呈報(續)

分類收入、費用、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、應收貿易賬款，以及物業、廠房及設備。分類收入、費用、資產及負債則於綜合賬目時抵銷集團內部結餘及交易之前釐定，惟倘有關內部結餘及交易屬於同一分類的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。

分類資本性支出指收購分類資產的期間內產生的總成本，而有關資產預期可用超過一個財政年度。

未分類項目主要包括企業資產及企業費用。

### 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匯報較為有關聯，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：製造及銷售稀土產品(包括熒光產品)

耐火：製造及銷售耐火產品

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### (n) Segment reporting (Continued)

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 intercompany balances and transactions within the Group are eliminated as part of the consolidation process, except to the extent that such intercompany 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 year to acquire segment assets that are expected to be used for more than one financial year.

Unallocated items mainly comprise corporate assets and corporate expenses.

### 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 manufacture and sale of rare earth products including fluorescent products

Refractory : The manufacture and sale of refractory products



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## 4. 分類資料(續)

## 4. SEGMENT INFORMATION (Continued)

|                |   | 稀土<br>Rare Earth                 |                                  | 耐火<br>Refractory                 |                                  | 總額<br>Total                      |                                  |
|----------------|---|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
|                |   | 二零零二年<br>2002<br>千港元<br>HK\$'000 | 二零零一年<br>2001<br>千港元<br>HK\$'000 | 二零零二年<br>2002<br>千港元<br>HK\$'000 | 二零零一年<br>2001<br>千港元<br>HK\$'000 | 二零零二年<br>2002<br>千港元<br>HK\$'000 | 二零零一年<br>2001<br>千港元<br>HK\$'000 |
| 營業額            | Turnover  | 206,127                          | 374,661                          | 261,536                          | 243,147                          | 467,663                          | 617,808                          |
| <b>業績</b>      | <b>RESULTS</b>                                  |                                  |                                  |                                  |                                  |                                  |                                  |
| 分類業績           | Segment results                                 | 10,439                           | 99,022                           | 73,006                           | 66,390                           | 83,445                           | 165,412                          |
| 未分類<br>企業費用    | Unallocated<br>corporate expenses               |                                  |                                  |                                  |                                  | (10,904)                         | (14,445)                         |
| 利息收入           | Interest income                                 |                                  |                                  |                                  |                                  | 4,438                            | 6,253                            |
| 經營溢利           | Profit from operations                          |                                  |                                  |                                  |                                  | 76,979                           | 157,220                          |
| 財務成本           | Finance costs                                   |                                  |                                  |                                  |                                  | -                                | (2,621)                          |
| 其他費用淨額         | Other expenses, net                             |                                  |                                  |                                  |                                  | (28,064)                         | (7,892)                          |
| 稅項             | Taxation  |                                  |                                  |                                  |                                  | (8,593)                          | -                                |
| 少數股東權益         | Minority interests                              |                                  |                                  |                                  |                                  | 710                              | (4,493)                          |
| 本年度溢利淨額        | Net profit for the year                         |                                  |                                  |                                  |                                  | 41,032                           | 142,214                          |
| <b>其他資料</b>    | <b>OTHER INFORMATION</b>                        |                                  |                                  |                                  |                                  |                                  |                                  |
| 分類資產           | Segment assets                                  | 586,816                          | 532,126                          | 423,653                          | 236,496                          | 1,010,469                        | 768,622                          |
| 未分類企業<br>資產    | Unallocated<br>corporate assets                 |                                  |                                  |                                  |                                  | 18,581                           | 248,256                          |
| 資產總值           | Total assets                                    |                                  |                                  |                                  |                                  | 1,029,050                        | 1,016,878                        |
| 分類負債           | Segment liabilities                             | 33,757                           | 32,035                           | 38,965                           | 29,769                           | 72,722                           | 61,804                           |
| 未分類企業<br>負債    | Unallocated<br>corporate liabilities            |                                  |                                  |                                  |                                  | 2,544                            | 17,277                           |
| 負債總值           | Total liabilities                               |                                  |                                  |                                  |                                  | 75,266                           | 79,081                           |
| 年內產生的<br>資本性支出 | Capital expenditure<br>incurred during the year | 47,919                           | 77,838                           | 66,040                           | 57,656                           |                                  |                                  |
| 折舊             | Depreciation                                    | 21,085                           | 14,401                           | 11,955                           | 6,901                            |                                  |                                  |
| 折舊以外的<br>非現金支出 | Non-cash expenses<br>other than depreciation    | 42,613                           | 9,359                            | 10,707                           | -                                |                                  |                                  |

截至二零零二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 2002 (Amounts expressed in Hong Kong dollars)

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 of America. An analysis of turnover by geographical segment is as follows:

|    |                              | 按地區市場之營業額<br>Turnover by<br>geographical market |                                  |
|----|------------------------------|---|----------------------------------|
|    |                              | 二零零二年<br>2002<br>千港元<br>HK\$'000                | 二零零一年<br>2001<br>千港元<br>HK\$'000 |
| 中國 | The PRC                      | 353,965   | 336,565                          |
| 日本 | Japan                        | 77,332  | 151,546                          |
| 美國 | The United States of America | 7,329   | 81,209                           |
| 其他 | Others                       | 29,037  | 48,488                           |
|    |                              | 467,663   | 617,808                          |

本集團超過百份之九十的分類資產是位於中國。

Over 90% of segment assets of the Group are located in the PRC.

5. 營業額

5. TURNOVER

|                          |  | 本集團<br>The Group                 |                                  |
|--------------------------|--|----------------------------------|----------------------------------|
|                          |  | 二零零二年<br>2002<br>千港元<br>HK\$'000 | 二零零一年<br>2001<br>千港元<br>HK\$'000 |
| 稀土產品、<br>耐火產品及<br>熒光產品銷售 | Sales of rare earth products,<br>refractory products and<br>fluorescent products | 467,663                          | 617,808                          |

6. 利息收入

6. INTEREST INCOME

|          |                                  | 本集團<br>The Group                 |                                  |
|----------|----------------------------------|----------------------------------|----------------------------------|
|          |                                  | 二零零二年<br>2002<br>千港元<br>HK\$'000 | 二零零一年<br>2001<br>千港元<br>HK\$'000 |
| 銀行存款利息收入 | Interest income on bank deposits | 4,438                            | 6,253                            |

截至二零零二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 2002 (Amounts expressed in Hong Kong dollars)

## 7. 經營溢利

經營溢利已扣除／(計入)下列各項：

## 7. PROFIT FROM OPERATIONS

Profit from operations has been arrived at after charging/(crediting):

|  |  | 本集團<br>The Group |                 |
|--|--|------------------|-----------------|
|  |  | 二零零二年<br>2002    | 二零零一年<br>2001   |
|  |  | 千港元<br>HK\$'000  | 千港元<br>HK\$'000 |
| 存貨成本(不包括<br>員工成本、物業、<br>廠房及設備折舊、<br>存貨撥備及<br>存貨撇銷) | Cost of inventories excluding<br>staff costs, depreciation on property,<br>plant and equipment, provision for<br>inventories and written off<br>of inventories | 301,388          | 398,875         |
| 存貨撥備   | Provision for inventories  | 5,108            | 3,511           |
| 存貨撇銷   | Written off of inventories   | 16,574           | —               |
| 員工成本(不包括<br>董事酬金(附註10))                            | Staff costs excluding directors'<br>emoluments (Note 10)   |                  |                 |
| — 薪金及工資  | — salaries and wages   | 10,784           | 11,472          |
| — 僱員福利撥備   | — provision of employee welfare  | 105              | 1,614           |
| — 僱員退休福利供款<br>(附註11)                               | — contribution to employment<br>retirement benefits (Note 11)  | 887              | 2,079           |
| 外匯匯兌虧損淨額   | Exchange loss, net   | 142              | 22              |
| 物業、廠房及<br>設備折舊                                     | Depreciation on property,<br>plant and equipment   | 33,125           | 21,372          |
| 已租物業之經營<br>租賃支出                                    | Operating lease charges on<br>rented premises  |                  |                 |
| — 第三方  | — third parties  | 1,109            | 1,100           |
| — 關連人士(附註26<br>(b)(ii)及(v))                        | — related parties<br>(Note 26(b)(ii) & (v))  | 1,010            | 204             |
| 核數師酬金  | Auditors' remuneration   | 1,950            | 1,500           |
| 處置物業、廠房及<br>設備(收益)／虧損                              | (Gain)/Loss on disposal of<br>property, plant and equipment  | (831)            | 5,848           |
| 撥回應收賬款及<br>其他應收款<br>的呆壞賬撥備                         | Written back of provision for<br>bad and doubtful debts of accounts<br>and other receivables   | (3,505)          | (5,061)         |

截至二零零二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 2002 (Amounts expressed in Hong Kong dollars)

8. 財務成本

8. FINANCE COSTS

|                                  |   | 本集團<br>The Group                 |                                  |
|----------------------------------|---|----------------------------------|----------------------------------|
|                                  |   | 二零零二年<br>2002<br>千港元<br>HK\$'000 | 二零零一年<br>2001<br>千港元<br>HK\$'000 |
| 須於五年內全部償還的<br>銀行貸款及其他<br>借貸的利息支出 | Interest expenses on bank loans<br>and other borrowings wholly<br>repayable within five years | —                                | 2,621                            |

9. 其他費用淨額

於本年度，其他費用淨額已包括物業、廠房及設備以及在建工程之撇銷虧損合共31,638,000港元。

9. OTHER EXPENSES, NET

During the year, loss on written off of property, plant and equipment and construction-in-progress amounted to HK\$31,638,000 was included in the other expenses, net.

10. 董事酬金

(a) 根據香港公司條例第161條及上市規則的規定而披露的董事酬金如下：

10. DIRECTORS' EMOLUMENTS

(a) Details of directors' emoluments pursuant to Section 161 of the Hong Kong Companies Ordinance and the provisions of the Listing Rules are as follows:

|         |                          | 本集團<br>The Group                 |                                  |
|---------|--------------------------|----------------------------------|----------------------------------|
|         |                          | 二零零二年<br>2002<br>千港元<br>HK\$'000 | 二零零一年<br>2001<br>千港元<br>HK\$'000 |
| 非執行董事   | Non-executive directors  |                                  |                                  |
| — 袍金    | — Fees                   | 83                               | 83                               |
| 執行董事    | Executive directors      |                                  |                                  |
| — 薪金及津貼 | — Salaries and allowance | 2,843                            | 2,452                            |
|         |                          | 2,926                            | 2,535                            |

截至二零零二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 2002 (Amounts expressed in Hong Kong dollars)

#### 10. 董事酬金(續)

按董事人數及酬金範圍分析的董事酬金如下：

#### 10. DIRECTORS' EMOLUMENTS (Continued)

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

|                           |                               | 本集團<br>The Group |               |
|---------------------------|-------------------------------|------------------|---------------|
|                           |                               | 二零零二年<br>2002    | 二零零一年<br>2001 |
| 零 – 1,000,000港元           | Nil – HK\$1,000,000           | 5                | 6             |
| 1,000,001港元 – 1,500,000港元 | HK\$1,000,001 – HK\$1,500,000 | 1                | 1             |

(b) 五位最高薪人士包括四位(二零零一年：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(二零零一年：一位)人士的酬金如下：

(b) Of the five highest paid individuals of the Group, four (2001: four) are directors of the Company whose emoluments are included in Note (a) above. Their total emoluments together with the remaining one (2001: one) individual are as follows:

|         |                               | 本集團<br>The Group |                 |
|---------|-------------------------------|------------------|-----------------|
|         |                               | 二零零二年<br>2002    | 二零零一年<br>2001   |
|         |                               | 千港元<br>HK\$'000  | 千港元<br>HK\$'000 |
| 薪金及其他酬金 | Salaries and other emoluments | 3,493            | 3,042           |

包括董事及僱員在內的五位最高薪人士的酬金介乎於下列範圍：

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

|                           |                               | 本集團<br>The Group |               |
|---------------------------|-------------------------------|------------------|---------------|
|                           |                               | 二零零二年<br>2002    | 二零零一年<br>2001 |
| 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             |



截至二零零二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 2002 (Amounts expressed in Hong Kong dollars)

#### 10. 董事酬金(續)

於截至二零零一年及二零零二年十二月三十一日止年度內，本集團並無向五位最高薪人士(包括董事及僱員)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賠償。

#### 11. 僱員退休福利

如中國有關規則及條例的規定，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款。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。截至二零零二年十二月三十一日止年度，退休計劃供款額約為822,000港元(二零零一年：2,018,000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。截至二零零二年十二月三十一日止年度，本集團向強積金供款約65,000港元(二零零一年：61,000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。

#### 10. DIRECTORS' EMOLUMENTS (Continued)

During the years ended 31 December 2001 and 2002, no emoluments were paid to the five highest individuals including directors and employees as inducement to join or upon joining the Group or as compensation for loss of office.

#### 11. 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 employee's 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. For the year ended 31 December 2002, the retirement plan contributions amounted to approximately HK\$822,000 (2001: HK\$2,018,000).

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 2002, the Group's contributions to the MPF were approximately HK\$65,000 (2001: HK\$61,000). The assets of the fund are held separately from those of the Group and are managed by independent professional fund managers.

截至二零零二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 2002 (Amounts expressed in Hong Kong dollars)

## 12. 稅項

## 12. TAXATION

|          |                        | 本集團<br>The Group |                 |
|----------|------------------------|------------------|-----------------|
|          |                        | 二零零二年<br>2002    | 二零零一年<br>2001   |
|          |                        | 千港元<br>HK\$'000  | 千港元<br>HK\$'000 |
| 企業所得稅    | Enterprise Income Tax  |                  |                 |
| — 中國附屬公司 | — The PRC subsidiaries | 8,593            | —               |

由於本集團的溢利均不在香港產生，故並無就香港利得稅計提撥備。

Hong Kong Profits Tax has not been provided for in the financial statements as the Group did not derive any assessable profits in Hong Kong.

應付及預交稅項已包括中國增值稅及中國企業所得稅(「企業所得稅」)。

Tax payable and recoverable comprised PRC VAT and PRC Enterprise Income Tax ("EIT").

企業所得稅已根據各中國附屬公司的估計應課稅溢利按有關稅率計提。

EIT has been provided at the prevailing rates on the estimated assessable profits applicable to each PRC subsidiary.

根據中國有關稅法，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%。

Pursuant to the relevant tax laws in the PRC, 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.

於本年內有兩家中國附屬公司獲減免企業所得稅50%。

During the year, two PRC subsidiaries are entitled to a 50% reduction of EIT.

截至本年度或於資產負債表日，本集團並沒有重大未計提遞延稅項。

The Group did not have any significant unprovided deferred taxation for the year or at the balance sheet date.

截至二零零二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 2002 (Amounts expressed in Hong Kong dollars)

13. 股息

13. DIVIDENDS

|                                      |   | 二零零二年<br>2002<br>千港元<br>HK\$'000 | 二零零一年<br>2001<br>千港元<br>HK\$'000 |
|--------------------------------------|---|----------------------------------|----------------------------------|
| 已付的中期股息每股0.01港元<br>(二零零一年: 0.02港元)   | Interim dividend paid: HK\$0.01<br>(2001: HK\$0.02) per share   | 8,145                            | 16,289                           |
| 建議派發的末期股息每股0.01港元<br>(二零零一年: 0.02港元) | Proposed final dividend: HK\$0.01<br>(2001: HK\$0.02) per share | 8,144                            | 16,289                           |
|                                      |   | 16,289                           | 32,578                           |

14. 每股盈利

14. EARNINGS PER SHARE

每股基本及攤薄盈利乃根據本集團之本年度溢利淨額合共41,032,000港元(二零零一年: 142,214,000港元)及以下數據計算:

The calculation of the basic and diluted earnings per share is based on the Group's net profit for the year of HK\$41,032,000 (2001: HK\$142,214,000) and the following data:

|                             |   | 二零零二年<br>2002 | 二零零一年<br>2001 |
|-----------------------------|---|---------------|---------------|
| 用以計算每股基本<br>盈利的普通股<br>加權平均數 | Weighted average number of<br>ordinary shares for the purposes<br>of basic earnings per share   | 814,453,059   | 744,432,000   |
| 被視為無須代價<br>而發行的普通股          | Deemed issue of ordinary shares<br>at no consideration  | —             | 9,851,000     |
| 用以計算每股攤薄<br>盈利的普通股<br>加權平均數 | Weighted average number of<br>ordinary shares for the purposes<br>of diluted earnings per share | 814,453,059   | 754,283,000   |

截至二零零二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 2002 (Amounts expressed in Hong Kong dollars)

15. 物業、廠房及設備以及在  
工程  
本集團

15. PROPERTY, PLANT AND EQUIPMENT AND  
CONSTRUCTION-IN-PROGRESS  
The Group

|               |   | 樓宇<br>Buildings<br>千港元<br>HK\$'000 | 機器及<br>設備<br>Machinery<br>and<br>equipment<br>千港元<br>HK\$'000 | 辦公室設備<br>及裝置<br>Office<br>equipment<br>and fixtures<br>千港元<br>HK\$'000 | 汽車<br>Motor<br>vehicles<br>千港元<br>HK\$'000 | 在建工程<br>Construction-<br>in-progress<br>千港元<br>HK\$'000 | 總額<br>Total<br>千港元<br>HK\$'000 |
|---------------|---|------------------------------------|---|--|--|---|--------------------------------|
| <b>成本或估值</b>  | <b>COST OR VALUATION</b>                  |                                    |   |  |  |   |                                |
| 於二零零二年一月一日    | At 1 January 2002                         | 137,723                            | 180,279   | 2,557  | 7,264                                      | 65,273  | 393,096                        |
| 添置            | Additions                                 | 13,065                             | 26,201  | 4,140  | 1,777                                      | 69,022  | 114,205                        |
| 由在建工程<br>轉入   | Transfer from<br>construction-in-progress | 10,234                             | 106,008   | —  | 148  | (116,390)   | —                              |
| 處置/撇銷         | Disposals/written off                     | (21,893)                           | (49,045)  | (1,765)  | (4,427)                                    | (13,877)  | (91,007)                       |
| 重估虧絀          | Deficit on revaluation                    | (1,844)                            | —   | —  | —  | —   | (1,844)                        |
| 重分類           | Reclassification                          | —                                  | —   | 333  | (333)                                      | —   | —                              |
| 於二零零二年十二月三十一日 | At 31 December 2002                       | 137,285                            | 263,443   | 5,265  | 4,429                                      | 4,028   | 414,450                        |
| 包括：           | Comprising:                               |                                    |   |  |  |   |                                |
| 按成本           | At cost                                   | 120,078                            | 263,443   | 5,265  | 4,429                                      | 4,028   | 397,243                        |
| 按估值           | At valuation                              | 17,207                             | —   | —  | —  | —   | 17,207                         |
|               |   | 137,285                            | 263,443   | 5,265  | 4,429                                      | 4,028   | 414,450                        |
| <b>累計折舊</b>   | <b>ACCUMULATED<br/>DEPRECIATION</b>       |                                    |   |  |  |   |                                |
| 於二零零二年一月一日    | At 1 January 2002                         | 20,101                             | 40,873  | 2,201  | 4,679                                      | —   | 67,854                         |
| 本年度計提         | Charge for the year                       | 7,101                              | 23,794  | 875  | 1,355                                      | —   | 33,125                         |
| 處置/撇銷         | Written back on<br>disposals/written off  | (7,622)                            | (28,082)  | (1,379)  | (2,662)                                    | —   | (39,745)                       |
| 撥回            | Reclassification                          | 626                                | 1,892   | (862)  | (1,656)                                    | —   | —                              |
| 於二零零二年十二月三十一日 | At 31 December 2002                       | 20,206                             | 38,477  | 835  | 1,716                                      | —   | 61,234                         |
| <b>賬面淨值</b>   | <b>NET BOOK VALUE</b>                     |                                    |   |  |  |   |                                |
| 於二零零二年十二月三十一日 | At 31 December 2002                       | 117,079                            | 224,966   | 4,430  | 2,713                                      | 4,028   | 353,216                        |
| 於二零零一年十二月三十一日 | At 31 December 2001                       | 117,622                            | 139,406   | 356  | 2,585                                      | 65,273  | 325,242                        |

所有樓宇均位於中國。

All the buildings are located in the PRC.

截至二零零二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 2002 (Amounts expressed in Hong Kong dollars)

**15. 物業、廠房及設備以及在建设工程(續)**

本集團某些樓宇由獨立專業估值師威格斯(香港)有限公司於二零零二年十二月三十一日按公開市值為基準進行重估。重估產生之虧絀1,844,000港元(二零零一年:無)已於損益表中扣除。

於資產負債表日,本集團正在向相關的政府部門申請有關位於中國的樓宇賬面淨值合共74,410,000港元的房產証,而於資產負債表日後上述之樓宇均已取得房產証。

另外,於資產負債表日,本集團的樓宇賬面淨值包括了已資本化的土地使用權租賃費用合共3,712,000港元。

**本公司****15. PROPERTY, PLANT AND EQUIPMENT AND CONSTRUCTION-IN-PROGRESS (Continued)**

Certain buildings of the Group were revalued at 31 December 2002 on an open market value basis by Vigers Hong Kong Ltd., an independent professional valuer. The deficit arising on revaluation of HK\$1,844,000 (2001: Nil) has been charged to the income statement.

At the balance sheet date, the Group was in the process of applying to the relevant government authorities for the Building Ownership Certificates in respect of buildings located in the PRC at an aggregate net book value of HK\$74,410,000. Subsequent to the balance sheet date, all of the Building Ownership Certificates were issued to the Group.

In addition, at the balance sheet date, capitalised lease charges amounted to HK\$3,712,000 in respect of land use right were included in the net book value of buildings of the Group.

**THE COMPANY**

辦公室設備及裝置  
Office equipment  
and fixtures  
千港元  
HK\$'000

**成本**

於二零零二年一月一日  
添置  
處置/撇銷

**COST**

At 1 January 2002 220  
Additions 246  
Disposals/written off (91)

於二零零二年十二月三十一日

At 31 December 2002 375

**累計折舊**

於二零零二年一月一日  
本年度計提  
處置/撇銷撥回

**ACCUMULATED DEPRECIATION**

At 1 January 2002 70  
Charge for the year 85  
Written back on disposals/written off (36)

於二零零二年十二月三十一日

At 31 December 2002 119

**賬面淨值**

於二零零二年十二月三十一日

**NET BOOK VALUE**

At 31 December 2002 256

於二零零一年十二月三十一日

At 31 December 2001 150



截至二零零二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 2002 (Amounts expressed in Hong Kong dollars)

**16. 附屬公司投資**

**16. INVESTMENTS IN SUBSIDIARIES**

|           |                               | 本公司<br>The Company |                 |
|-----------|-------------------------------|--------------------|-----------------|
|           |                               | 二零零二年<br>2002      | 二零零一年<br>2001   |
|           |                               | 千港元<br>HK\$'000    | 千港元<br>HK\$'000 |
| 非上市股票，成本值 | Unlisted shares, at cost      | 151,707            | 151,707         |
| 應收附屬公司款項  | Amounts due from subsidiaries | 479,733            | 455,198         |
|           |                               | 631,440            | 606,905         |

應收附屬公司款項是無抵押的、不計利息的及無固定還款期。

The amounts due from subsidiaries are unsecured, non-interest bearing and have no fixed terms of repayment.

董事認為該等附屬公司的實際價值不低於資產負債表的賬面值。

The directors are of the opinion that the underlying value of the subsidiaries is not less than their respective carrying amounts at the balance sheet date.

於二零零二年十二月三十一日本公司的主要附屬公司詳情如下：

Details of the Company's principal subsidiaries as at 31 December 2002 are as follows:

| 附屬公司名稱<br>Name of subsidiary                                 | 註冊成立／<br>營運之地點及日期<br>Place and date<br>of incorporation/<br>operations | 註冊及<br>已繳足資本<br>Registered and<br>fully paid capital | 已發行及<br>繳足股本<br>Issued and<br>fully paid<br>capital | 本公司應佔權益／<br>有投票權股本百分比<br>Effective percentage<br>of equity interests/<br>voting rights held<br>by the Company |                  | 主營業務<br>Principal<br>activities |
|--|--|--|---|---|------------------|---------------------------------|
|  |  |  |   | 直接<br>Directly  | 間接<br>Indirectly |                                 |
| 利成控股有限公司<br>Lee Shing Holdings Limited                       | 英屬處女群島<br>一九九八年十二月三日<br>British Virgin Islands<br>3 December 1998      | —  | 20美元<br>US\$20                                      | 100%  | —                | 投資控股<br>Investment holding      |
| 龍科國際貿易(上海)<br>有限公司<br>Wellfire (Shanghai)<br>Company Limited | 中國<br>二零零零年二月二十四日<br>The PRC<br>24 February 2000                       | 200,000美元<br>US\$200,000                             | —   | 100%  | —                | 貿易<br>Trading                   |

截至二零零二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 2002 (Amounts expressed in Hong Kong dollars)

16. 附屬公司投資(續)

16. INVESTMENTS IN SUBSIDIARIES (Continued)

| 附屬公司名稱<br>Name of subsidiary  | 註冊成立/<br>營運之地點及日期<br>Place and date<br>of incorporation/<br>operations | 註冊及<br>已繳足資本<br>Registered and<br>fully paid capital | 已發行及<br>繳足股本<br>Issued and<br>fully paid<br>capital | 本公司應佔權益/<br>有投票權股本百分比<br>Effective percentage<br>of equity interests/<br>voting rights held<br>by the Company |                  | 主營業務<br>Principal<br>activities                                |
|---|--|--|---|---|------------------|--|
|   |  |  |   | 直接<br>Directly  | 間接<br>Indirectly |  |
| 宜興新威利成稀土<br>有限公司<br>Yixing Xinwei Leeshing<br>Rare Earth Company Limited                  | 中國<br>一九九三年七月十七日<br>The PRC<br>17 July 1993                            | 15,660,000美元<br>US\$15,660,000                       | —   | —   | 95%              | 製造及銷售稀土產品<br>Manufacture and sale<br>of rare earth<br>products |
| 宜興新威利成耐火材料<br>有限公司<br>Yixing Xinwei Leeshing<br>Refractory Materials<br>Company Limited   | 中國<br>一九九九年七月三十日<br>The PRC<br>30 July 1999                            | 17,000,000美元<br>US\$17,000,000                       | —   | —   | 100%             | 製造及銷售耐火產品<br>Manufacture and sale<br>of refractory products    |
| 無錫新威熒光材料<br>有限公司(附註a)<br>Wuxi Xinwei Fluorescent<br>Materials Company<br>Limited (Note a) | 中國<br>二零零一年十二月二十日<br>The PRC<br>20 December 2001                       | 8,520,000美元<br>US\$8,520,000                         | —   | —   | 100%             | 製造及銷售熒光產品<br>Manufacture and sale<br>of fluorescent products   |
| 中國稀土貿易<br>有限公司<br>China Rare Earth<br>Trading Limited                                     | 香港<br>二零零一年二月十六日<br>Hong Kong<br>16 February 2001                      | —  | 2港元<br>HK\$2  | —   | 100%             | 貿易<br>Trading  |

(a) 於資產負債表日，少數股東並未投入註冊資本合共3,480,000美元。少數股東的董事亦是該附屬公司的董事。

(a) At the balance sheet date, there was registered capital of US\$3,480,000 not yet paid up by the minority shareholder. The director of the minority shareholder is also a director of the subsidiary.

截至二零零二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 2002 (Amounts expressed in Hong Kong dollars)

## 17. 存貨

## 17. INVENTORIES

|        |                                 | 本集團<br>The Group    |                    |
|--------|---------------------------------|---------------------|--------------------|
|        |                                 | 二零零二年<br>2002       | 二零零一年<br>2001      |
|        |                                 | 千港元<br>HK\$'000     | 千港元<br>HK\$'000    |
| 原材料    | Raw materials                   | 43,864              | 49,244             |
| 在製品    | Work in progress                | 51,485              | 60,004             |
| 產成品    | Finished goods                  | 105,483             | 64,984             |
| 減：存貨撥備 | Less: Provision for inventories | 200,832<br>(13,801) | 174,232<br>(8,693) |
|        |                                 | 187,031             | 165,539            |

於資產負債表日，存貨中包括可變現淨值列賬的存貨約為20,942,000港元(二零零一年：10,599,000港元)。

At the balance sheet date, approximately HK\$20,942,000 (2001: HK\$10,599,000) of the inventories of the Group were carried at net realisable value.

## 18. 應收賬款及其他應收款

本集團給予貿易客戶平均三十至九十日的平均信貸期。

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，並負責跟進收款。

## 18. ACCOUNTS AND OTHER RECEIVABLES

The Group allows an average credit period of 30 to 90 days to its 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.

截至二零零二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 2002 (Amounts expressed in Hong Kong dollars)

## 18. 應收賬款及其他應收款(續)

於資產負債表日，應收賬款及其他應收款已包括：

## 18. ACCOUNTS AND OTHER RECEIVABLES

(Continued)

At the balance sheet date, accounts and other receivables comprised:

|         |   | 本集團<br>The Group                 |                                  |
|---------|---|----------------------------------|----------------------------------|
|         |   | 二零零二年<br>2002<br>千港元<br>HK\$'000 | 二零零一年<br>2001<br>千港元<br>HK\$'000 |
| 應收賬款    | Accounts receivable                           | 109,036                          | 115,686                          |
| 其他應收款   | Other receivables                             | 26,302                           | 15,209                           |
|         |   | 135,338                          | 130,895                          |
| 減：呆壞賬撥備 | Less: Provision for bad<br>and doubtful debts | (8,529)                          | (12,034)                         |
|         |   | 126,809                          | 118,861                          |

應收賬款之賬齡分析如下：

An ageing analysis of accounts receivable is as follows:

|         |                               | 本集團<br>The Group                 |                                  |
|---------|-------------------------------|----------------------------------|----------------------------------|
|         |                               | 二零零二年<br>2002<br>千港元<br>HK\$'000 | 二零零一年<br>2001<br>千港元<br>HK\$'000 |
| 本期至六個月內 | Current to less than 6 months | 98,791                           | 103,856                          |
| 六個月至一年內 | 6 months to less than 1 year  | 2,241                            | 2,464                            |
| 一至兩年內   | 1 to less than 2 years        | 2,388                            | 1,189                            |
| 兩年以上    | Over 2 years                  | 5,616                            | 8,177                            |
|         |                               | 109,036                          | 115,686                          |

## 19. 現金及銀行結存以及已抵押存款

於二零零二年十二月三十一日，本集團以人民幣結算的現金及銀行結存約為人民幣278,956,000(二零零一年：人民幣112,976,000)。人民幣是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作抵押品的存款(附註23)。

## 19. CASH AND BANK BALANCES AND PLEDGED DEPOSITS

At 31 December 2002, cash and bank balances of the Group denominated in Renminbi amounted to approximately RMB278,956,000 (2001: RMB112,976,000). 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 (Note 23).

截至二零零二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 2002 (Amounts expressed in Hong Kong dollars)

## 20. 應付賬款

應付款賬之賬齡分析如下：

## 20. ACCOUNTS PAYABLE

An ageing analysis of accounts payable is as follows:

|         |                               | 本集團<br>The Group                 |                                  |
|---------|-------------------------------|----------------------------------|----------------------------------|
|         |                               | 二零零二年<br>2002<br>千港元<br>HK\$'000 | 二零零一年<br>2001<br>千港元<br>HK\$'000 |
| 本期至六個月內 | Current to less than 6 months | 47,138                           | 18,371                           |
| 六個月至一年內 | 6 months to less than 1 year  | 2,602                            | 2,512                            |
| 一至兩年內   | 1 to less than 2 years        | 1,486                            | 1,057                            |
| 兩年以上    | Over 2 years                  | 149                              | 222                              |
|         |                               | 51,375                           | 22,162                           |

## 21. 股本

## 21. SHARE CAPITAL

|                |                               | 本集團及本公司<br>The Group and<br>the Company |                                  |
|----------------|-------------------------------|---|----------------------------------|
|                |                               | 二零零二年<br>2002<br>千港元<br>HK\$'000        | 二零零一年<br>2001<br>千港元<br>HK\$'000 |
| 法定：            | Authorised:                   |   |                                  |
| 1,000,000,000股 | 1,000,000,000 ordinary shares |   |                                  |
| 每股0.10港元之普通股   | of HK\$0.10 each              | 100,000                                 | 100,000                          |
| 已發行及繳足：        | Issued and fully paid:        |   |                                  |
| 814,453,059股   | 814,453,059 ordinary shares   |   |                                  |
| 每股0.10港元之普通股   | of HK\$0.10 each              | 81,445                                  | 81,445                           |



截至二零零二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 2002 (Amounts expressed in Hong Kong dollars)

22. 儲備  
本集團

22. RESERVES  
The Group

|                             |  | 股份溢價<br>(附註a)<br>Share<br>premium<br>(Note a)<br>千港元<br>HK\$'000 | 資本儲備<br>Capital<br>reserve<br>千港元<br>HK\$'000 | 法定儲備<br>Statutory<br>reserves<br>千港元<br>HK\$'000 | 股息儲備<br>Dividend<br>reserve<br>千港元<br>HK\$'000 | 外匯兌換<br>儲備<br>Exchange<br>translation<br>reserve<br>千港元<br>HK\$'000 | 累計溢利<br>Accumulated<br>profits<br>千港元<br>HK\$'000 | 總額<br>Total<br>千港元<br>HK\$'000 |
|-----------------------------|--|--|---|--|--|---|---|--------------------------------|
| 於二零零一年一月一日                  | At 1 January 2001  | 130,958  | 32,837  | 11,593   | -  | 3,218   | 274,718   | 453,324                        |
| 兌換可換股債券<br>而發行<br>股份        | Shares issued upon<br>conversion of<br>convertible bonds                 | 31,324   | -   | -  | -  | -   | -   | 31,324                         |
| 行使認購<br>普通股的權利<br>而發行股份     | Shares issued upon<br>exercise of rights<br>to subscribe ordinary shares | 6,014  | -   | -  | -  | -   | -   | 6,014                          |
| 配售新<br>股份                   | Placement of<br>new shares   | 247,220  | -   | -  | -  | -   | -   | 247,220                        |
| 發行股份費用                      | Share issue expenses   | (3,031)  | -   | -  | -  | -   | -   | (3,031)                        |
| 本年度溢利淨額                     | Net profit for the year  | -  | -   | -  | -  | -   | 142,214   | 142,214                        |
| 轉往法定<br>儲備                  | Appropriations to<br>statutory reserves                                  | -  | -   | 15,375   | -  | -   | (15,375)  | -                              |
| 年內分派<br>(附註13及d)            | Distributions during<br>the year (Note 13 & d)                           | -  | -   | -  | -  | -   | (37,062)  | (37,062)                       |
| 中國附屬公司<br>財務報表<br>換算        | Translation of PRC<br>subsidiaries'<br>financial statements              | -  | -   | -  | -  | 280   | -   | 280                            |
| 於二零零一年十二月三十一日<br>及二零零二年一月一日 | At 31 December 2001<br>and 1 January 2002                                | 412,485  | 32,837  | 26,968   | -  | 3,498   | 364,495   | 840,283                        |
| - 原先所列                      | - as originally stated   | -  | -   | -  | -  | -   | -   | -                              |
| - 於資產負債表<br>日後宣佈的<br>建議末期股息 | - proposed final dividend<br>declared after the<br>balance sheet date    | -  | -   | -  | 16,289   | -   | (16,289)  | -                              |
| - 經重列                       | - as restated  | 412,485  | 32,837  | 26,968   | 16,289   | 3,498   | 348,206   | 840,283                        |
| 本年度溢利淨額                     | Net profit for the year  | -  | -   | -  | -  | -   | 41,032  | 41,032                         |
| 轉往法定<br>儲備                  | Appropriations to<br>statutory reserves                                  | -  | -   | 14,716   | -  | -   | (14,716)  | -                              |
| 撥出之股息<br>(附註13)             | Dividends set aside<br>(Note 13)   | -  | -   | -  | 16,289   | -   | (16,289)  | -                              |
| 已付股息                        | Dividends paid   | -  | -   | -  | -  | -   | -   | -                              |
| - 二零零一年末期股息                 | - for 2001 final dividend  | -  | -   | -  | (16,289)                                       | -   | -   | (16,289)                       |
| - 二零零二年中期股息                 | - for 2002 interim dividend  | -  | -   | -  | (8,145)  | -   | -   | (8,145)                        |
| 中國附屬公司<br>財務報表<br>換算        | Translation of PRC<br>subsidiaries'<br>financial statements              | -  | -   | -  | -  | 99  | -   | 99                             |
| 於二零零二年十二月三十一日               | At 31 December 2002  | 412,485  | 32,837  | 41,684   | 8,144  | 3,597   | 358,233   | 856,980                        |

截至二零零二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 2002 (Amounts expressed in Hong Kong dollars)

## 22. 儲備(續)

## 本公司

## 22. RESERVES (Continued)

## The Company

|                             |  | 股份溢價<br>(附註a)<br>Share premium<br>(Note a)<br>千港元<br>HK\$'000 | 股息儲備<br>Dividend<br>reserve<br>千港元<br>HK\$'000 | 累計溢利<br>Accumulated<br>profits<br>千港元<br>HK\$'000 | 總額<br>Total<br>千港元<br>HK\$'000 |
|-----------------------------|--|---|--|---|--------------------------------|
| 於二零零一年一月一日                  | At 1 January 2001  | 280,908   | –  | 24,760  | 305,668                        |
| 兌換可換股債券<br>而發行股份            | Shares issued upon conversion<br>of convertible bonds                    | 31,324  | –  | –   | 31,324                         |
| 行使認購普通股的<br>權利而發行<br>股份     | Shares issued upon exercise<br>of rights to subscribe<br>ordinary shares | 6,014   | –  | –   | 6,014                          |
| 配售新股份                       | Placement of new shares  | 247,220   | –  | –   | 247,220                        |
| 發行股份費用                      | Share issue expenses   | (3,031)   | –  | –   | (3,031)                        |
| 本年度溢利淨額<br>(附註c)            | Net profit for the year<br>(Note c)                                      | –   | –  | 5,175   | 5,175                          |
| 內年分派<br>(附註13及d)            | Distributions during the year<br>(Note 13 & d)                           | –   | –  | (37,062)  | (37,062)                       |
| 於二零零一年十二月三十一日及<br>二零零二年一月一日 | At 31 December 2001 and<br>1 January 2002                                |   |  |   |                                |
| – 原先所列(附註b)                 | – as originally stated (Note b)  | 562,435   | –  | (7,127)   | 555,308                        |
| – 於資產負債表<br>日後宣佈的建議<br>末期股息 | – proposed final dividend<br>declared after the<br>balance sheet date    | –   | 16,289   | (16,289)  | –                              |
| – 經重列(附註b)                  | – as restated (Note b)   | 562,435   | 16,289   | (23,416)  | 555,308                        |
| 本年度溢利淨額<br>(附註c及e)          | Net profit for the year<br>(Note c & e)                                  | –   | –  | 25,327  | 25,327                         |
| 撥出之股息(附註13)                 | Dividends set aside (Note 13)  | –   | 16,289   | (16,289)  | –                              |
| 已付股息                        | Dividends paid   |   |  |   |                                |
| – 二零零一年末期股息                 | – for 2001 final dividend  | –   | (16,289)                                       | –   | (16,289)                       |
| – 二零零二年中期股息                 | – for 2002 interim dividend  | –   | (8,145)  | –   | (8,145)                        |
| 於二零零二年十二月三十一日<br>(附註b)      | At 31 December 2002<br>(Note b)  | 562,435   | 8,144  | (14,378)  | 556,201                        |

截至二零零二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 2002 (Amounts expressed in Hong Kong dollars)

## 22. 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，惟緊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) 本公司之可供分派儲備包括股份溢價賬及累計溢利。於二零零二年十二月三十一日，本公司可供分派給股東的儲備約556,201,000港元(二零零一年：555,308,000港元)。

(c) 股東應佔溢利包括約25,327,000港元(二零零一年：5,175,000港元)的溢利，已於本公司財務報表內處理。

(d) 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。

(e) 關於作為香港辦事處的租賃物業之租約合同由本公司的附屬公司代表本公司簽訂。於本年度，該等安排的相關經營租賃費用及物業管理費合共1,284,000港元已計入於本公司的本年度溢利淨額。

## 22. 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 Company's reserves available for distribution comprise the share premium account and accumulated profits. At 31 December 2002, the reserves of the Company available for distribution to shareholders amounted to approximately HK\$556,201,000 (2001: HK\$555,308,000).

(c) The Group's profit attributable to shareholders included profit of approximately HK\$25,327,000 (2001: HK\$5,175,000) which has been dealt with in the financial statements of the Company.

(d) 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.

(e) The tenancy agreements in relation to rented premises used as the office in Hong Kong were signed by the subsidiaries of the Company on behalf of the Company. During the year, the relevant operating lease charges and building management fee totalling HK\$1,284,000 in respect of the arrangement were included in the net profit for the year of the Company.

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**23. 銀行融資**  
於二零零二年十二月三十一日，本集團具有銀行融資約27,098,000港元 (二零零一年：30,406,000港元) 作為貿易融資。同日未提用之融資金額約為27,098,000港元 (二零零一年：29,325,000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擔保。所有上述融資均按商業利率計息。

**24. 承擔**  
於資產負債表日，本集團沒有在財務報表內撥備之承擔如下：

(a) 購買設備與機器以及建造樓宇之資本承擔：

**23. BANKING FACILITIES**  
At 31 December 2002, the Group had banking facilities of approximately HK\$27,098,000 (2001: HK\$30,406,000) for trade finance. Unused facilities as at the same date amounted to approximately HK\$27,098,000 (2001: HK\$29,325,000). 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. All of the above facilities bear interest at commercial rates.

**24. COMMITMENTS**  
At the balance sheet date, the Group had the following commitments, so far as not provided for in the financial statements, in respect of:

(a) Capital commitments in respect of acquisition of equipment and machinery and construction of buildings:

|         |                               | 本集團       |          |
|---------|-------------------------------|-----------|----------|
|         |                               | The Group |          |
|         |                               | 二零零二年     | 二零零一年    |
|         |                               | 2002      | 2001     |
|         |                               | 千港元       | 千港元      |
|         |                               | HK\$'000  | HK\$'000 |
| 已授權及已訂約 | Authorised and contracted for | 6,145     | 90,303   |

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## 24. 承擔(續)

- (b) 根據不可撤銷之土地及樓宇經營租賃於日後所需繳付的最低租金款項承擔如下：

## 24. COMMITMENTS (Continued)

- (b) Operating lease commitments for future minimum lease payments under non-cancellable operating leases in respect of land and buildings which fall due as follows:

|                    |  | 本集團<br>The Group                 |                                  |
|--------------------|--|----------------------------------|----------------------------------|
|                    |  | 二零零二年<br>2002<br>千港元<br>HK\$'000 | 二零零一年<br>2001<br>千港元<br>HK\$'000 |
| 一年內                | Within one year                          | 1,959                            | 1,514                            |
| 第二至第五年<br>(包括首尾兩年) | In the second to<br>fifth year inclusive | 3,857                            | 4,718                            |
| 五年後                | Over five years                          | 12,006                           | 12,538                           |
|                    |  | 17,822                           | 18,770                           |

## 25. 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之本公司購股權計劃。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體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。本年度內，並未有任何購股權被授出。

## 25. 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 were granted during the year.



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## 26. 關聯人士交易

- (a) 應收／(應付)關聯公司款項詳情如下：

| 本集團                            | The Group                   |                           |  | 二零零一年                       |                           |  |
|--------------------------------|-----------------------------|---------------------------|--|-----------------------------|---------------------------|--|
|                                | 二零零二年                       |                           |  | 2001                        |                           |  |
| 關聯公司名稱                         | 應收                          | 應付                        | 本年度<br>欠本集團<br>最高金額<br>Maximum<br>amount<br>owed to<br>the Group | 應收                          | 應付                        | 本年度<br>欠本集團<br>最高金額<br>Maximum<br>amount<br>owed to<br>the Group |
|                                |                             |                           |  |                             |                           |  |
| Name of related company        | Due from<br>千港元<br>HK\$'000 | Due to<br>千港元<br>HK\$'000 | during the year<br>千港元<br>HK\$'000                               | Due from<br>千港元<br>HK\$'000 | Due to<br>千港元<br>HK\$'000 | during the year<br>千港元<br>HK\$'000                               |
| 鎂質耐火材料廠(附註(i))(Note (i))       | -                           | -                         | -  | -                           | (68)                      | -  |
| 上海新成稀土新材料有限公司(附註(i))(Note (i)) | -                           | -                         | -  | -                           | (1,788)                   | -  |
| 上海毅龍工貿有限公司(附註(i))(Note (i))    | -                           | -                         | 1,463  | 1,463                       | -                         | 1,568  |
| 無錫泛亞環保科技有限公司(附註(i))(Note (i))  | -                           | (17)                      | -  | -                           | -                         | -  |
| 無錫泛亞高溫陶瓷有限公司(附註(i))(Note (i))  | -                           | (88)                      | -  | -                           | -                         | -  |
|                                | -                           | (105)                     |  | 1,463                       | (1,856)                   |  |

應收／(應付)關聯公司款項是無抵押的、不計利息的及無固定還款期。

- (i) 蔣泉龍或錢元英或其近親在此等公司擁有實際權益。

The amounts due from/(to) related companies are unsecured, non-interest bearing and have no fixed terms of repayment.

- (i) Jiang Quanlong or Qian Yuanying or their close relatives have beneficial interests in these companies.

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## 26. 關聯人士交易(續)

(b) 於本年度，本集團進行以下關聯交易：

- (i) 本集團無須支付任何代價而使用宜興新威集團有限公司(前稱宜興新威集團公司)的出口配額並已安排其產品出口至中國以外地方，宜興新威集團有限公司為一間中國國內企業，由蔣泉龍擁有90%，而另外10%由蔣泉龍之子擁有(二零零一年：由錢元英之弟擁有95%，而另外5%由蔣泉龍擁有)。蔣泉龍亦是該企業的法定代表。透過上述安排而處理的出口銷售額約為19,122,000港元(二零零一年：35,142,000港元)。宜興新威集團有限公司亦持有本公司的附屬公司宜興新威利成稀土有限公司的5%權益。
- (ii) 本集團已支付約204,000港元(二零零一年：204,000港元)的租金予蔣泉龍。
- (iii) 本集團已向 Xinwei (Australia) Pty. Limited(附註 a(i)) 採購約為 750,000 港元的貨品。
- (iv) 本集團已向無錫泛亞高溫陶瓷有限公司出售約為 239,000 港元的貨品。
- (v) 本集團已支付約806,000港元的租金予無錫泛亞高溫陶瓷有限公司。

## 26. RELATED PARTY TRANSACTIONS (Continued)

(b) During the year, the Group entered into the following related party transactions:

- (i) The Group arranged export sales of its products outside the PRC using the export quota of 宜興新威集團有限公司 (formerly known as 宜興新威集團公司) at no consideration. 宜興新威集團有限公司 is a PRC domestic enterprise 90% owned by Jiang Quanlong and 10% owned by a son of Jiang Quanlong (2001: 95% owned by a brother of Qian Yuanying and 5% owned by Jiang Quanlong). Jiang Quanlong is also the legal representative of the enterprise. Export sales handled through this arrangement amounted to approximately HK\$19,122,000 (2001: HK\$35,142,000). 宜興新威集團有限公司 also holds a 5% equity interests in Yixing Xinwei Leeshing Rare Earth Company Limited, a subsidiary of the Company.
- (ii) The Group paid rent of approximately HK\$204,000 (2001: HK\$204,000) to Jiang Quanlong.
- (iii) The Group purchased goods of approximately HK\$750,000 from Xinwei (Australia) Pty. Limited (note a(i)).
- (iv) The Group sold goods of approximately HK\$239,000 to 無錫泛亞高溫陶瓷有限公司.
- (v) The Group paid rent of approximately HK\$806,000 to 無錫泛亞高溫陶瓷有限公司.

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26. 關聯人士交易(續)

(c) 應付董事款項詳情如下：

26. RELATED PARTY TRANSACTIONS (Continued)

(c) Particulars of amounts due to directors are as follows:

|     |                | 本集團       |          | 本公司         |          |
|-----|----------------|-----------|----------|-------------|----------|
|     |                | The Group |          | The Company |          |
|     |                | 二零零二年     | 二零零一年    | 二零零二年       | 二零零一年    |
|     |                | 2002      | 2001     | 2002        | 2001     |
|     |                | 千港元       | 千港元      | 千港元         | 千港元      |
|     |                | HK\$'000  | HK\$'000 | HK\$'000    | HK\$'000 |
| 蔣泉龍 | Jiang Quanlong | 3,124     | 13,271   | 3,009       | 456      |
| 錢元英 | Qian Yuanying  | 602       | 337      | 1,203       | 575      |
| 范亞軍 | Fan Yajun      | 411       | 298      | 635         | 483      |
|     |                | 4,137     | 13,906   | 4,847       | 1,514    |

應付董事款項是無抵押的、不計利息的及無固定還款期。

The amounts due to directors are unsecured, non-interest bearing and have no fixed terms of repayment.

|            |                                  | 截至十二月三十一日止年度                   |           |           |           |           |
|------------|----------------------------------|--------------------------------|-----------|-----------|-----------|-----------|
|            |                                  | For the year ended 31 December |           |           |           |           |
|            |                                  | 二零零二年                          | 二零零一年     | 二零零零年     | 一九九九年     | 一九九八年     |
|            |                                  | 2002                           | 2001      | 2000      | 1999      | 1998      |
|            |                                  | 千港元                            | 千港元       | 千港元       | 千港元       | 千港元       |
|            |                                  | HK\$'000                       | HK\$'000  | HK\$'000  | HK\$'000  | HK\$'000  |
| 營業額        | Turnover                         | 467,663                        | 617,808   | 558,231   | 447,845   | 419,482   |
| 銷售成本       | Cost of sales                    | (363,610)                      | (434,757) | (367,455) | (287,088) | (301,920) |
| 毛利         | Gross profit                     | 104,053                        | 183,051   | 190,776   | 160,757   | 117,562   |
| 除稅前溢利      | Profit before taxation           | 48,915                         | 146,707   | 145,679   | 116,904   | 87,483    |
| 稅項         | Taxation                         | (8,593)                        | —         | —         | (32,745)  | (22,632)  |
| 除少數股東權益前溢利 | Profit before minority interests | 40,322                         | 146,707   | 145,679   | 84,159    | 64,851    |
| 少數股東權益     | Minority interests               | 710                            | (4,493)   | (4,756)   | (2,992)   | (2,851)   |
| 本年度淨溢利     | Net profit for the year          | 41,032                         | 142,214   | 140,923   | 81,167    | 62,000    |
|            |                                  | 於十二月三十一日                       |           |           |           |           |
|            |                                  | As at 31 December              |           |           |           |           |
|            |                                  | 二零零二年                          | 二零零一年     | 二零零零年     | 一九九九年     | 一九九八年     |
|            |                                  | 2002                           | 2001      | 2000      | 1999      | 1998      |
|            |                                  | 千港元                            | 千港元       | 千港元       | 千港元       | 千港元       |
|            |                                  | HK\$'000                       | HK\$'000  | HK\$'000  | HK\$'000  | HK\$'000  |
| 流動資產       | Current assets                   | 675,834                        | 591,636   | 452,631   | 323,035   | 164,192   |
| 非流動資產      | Non-current assets               | 353,216                        | 425,242   | 216,569   | 133,459   | 107,636   |
| 資產總值       | Total assets                     | 1,029,050                      | 1,016,878 | 669,200   | 456,494   | 271,828   |
| 流動負債       | Current liabilities              | 75,266                         | 79,081    | 102,445   | 92,490    | 107,922   |
| 非流動負債      | Non-current liabilities          | —                              | —         | 34,320    | 39,339    | 45,191    |
| 負債總值       | Total liabilities                | 75,266                         | 79,081    | 136,765   | 131,829   | 153,113   |
| 少數股東權益     | Minority interests               | 15,359                         | 16,069    | 11,582    | 6,229     | 7,531     |
| 資產淨值       | Net assets                       | 938,425                        | 921,728   | 520,853   | 318,436   | 111,184   |
| 股本         | Share capital                    | 81,445                         | 81,445    | 67,529    | 60,000    | —         |
| 儲備         | Reserves                         | 856,980                        | 840,283   | 453,324   | 258,436   | 111,184   |
| 股東權益       | Shareholders' equity             | 938,425                        | 921,728   | 520,853   | 318,436   | 111,184   |

## 附註:

1. 本集團截至一九九八年及一九九九年十二月三十一日止兩個年度各年的業績，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。本集團截至二零零二年及二零零一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25頁之綜合損益表。
2. 一九九八年十二月三十一日之綜合資產負債表乃摘錄自已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。於二零零二年十二月三十一日之綜合資產負債表乃摘錄自本年報第26頁。

## Notes:

1. The results of the Group for each of the two years ended 31 December 1998 and 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 2002 and 2001 are extracted from the consolidated income statement on page 25 of the annual report.
2. 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 2002 is extracted from page 26 of the annual report.





茲通告中國稀土控股有限公司（「本公司」）謹訂於二零零三年八月八日（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二零零三年度股東週年大會，藉以處理以下事項：

- (1) 省覽及採納截至二零零二年十二月三十一日止年度本公司經審核財務報告及董事會與核數師報告。
- (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) 重新委聘何錫麟會計師行為本公司核數師，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；

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of China Rare Earth Holdings Limited (the "Company") for the year 2003 will be held at Basement II, The Boardroom, The Wharney Hotel, Hong Kong, 57-73 Lockhart Road, Wanchai, Hong Kong on 8 August 2003 (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 2002.
- (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 his emoluments.
- (4) To re-appoint the retiring auditors, Messrs. Ho and Ho & Company 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) 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
- (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起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) 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
- (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:

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



「配售股份」指董事會於指定期間，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(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；

(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

“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;

(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



# 股東週年大會通告

## NOTICE OF ANNUAL GENERAL MEETING

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(c) 就本決議案而言：

「有關期間」指本決議案通過之日起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%。」

承董事會命  
公司秘書  
羅納德

香港，二零零三年六月二十六日

(c) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the Memorandum and Articles of Association of the Company to be held; and
- (iii) 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.”

By Order of the Board  
Law Lap Tak  
Company Secretary

Hong Kong, 26 June 2003



香港主要營業地點：

香港中環

夏慤道10號

和記大廈618室

*Principal Place of Business in Hong Kong:*

Room 618, Hutchison House

10 Harcourt Road

Central

Hong Kong

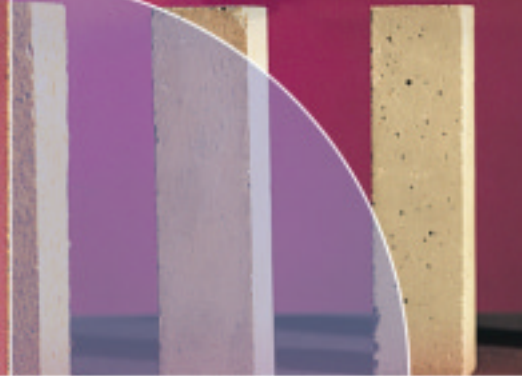
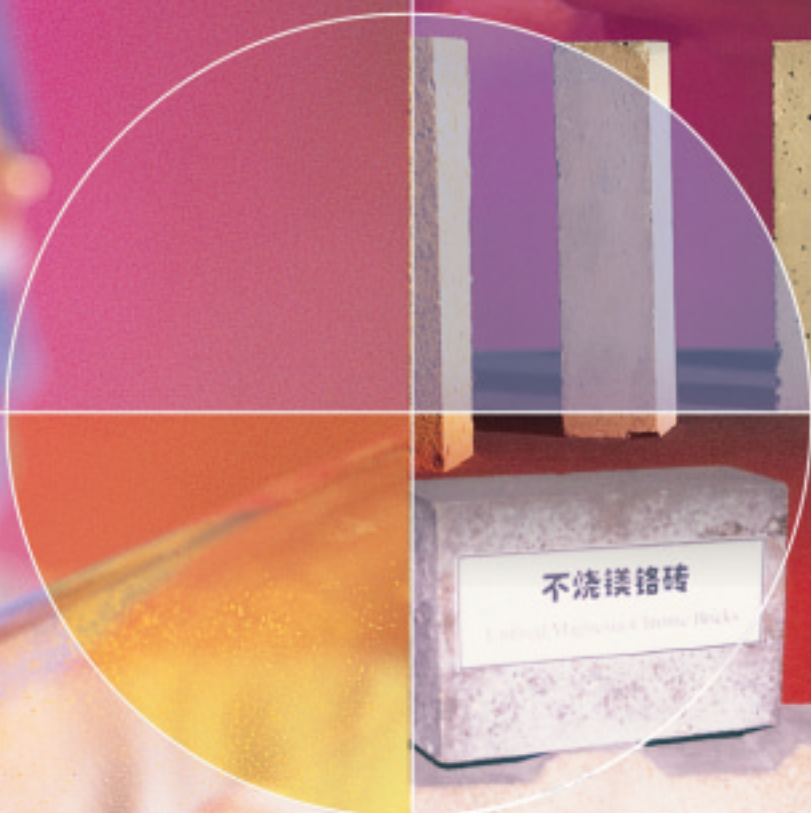
附註：

- (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1901-1905室方為有效。
- (3) 本公司將由二零零三年八月五日星期二至二零零三年八月八日星期五(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。

*Notes:*

- (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 needs 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, Computershare Hong Kong Investor Services 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, 5 August 2003 to Friday, 8 August 2003 (both days inclusive), during which period no transfer of the Company's shares will be effected.







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

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Central, Hong Kong

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