

2005



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

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

(Stock Code 股份代號: 769)



# CHINA RARE EARTH

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## 集團資料 CORPORATE INFORMATION

## 董事

## 執行董事

蔣泉龍先生 (主席)  
 錢元英女士 (副主席)  
 許盤鳳女士  
 蔣才南先生

## 獨立非執行董事

劉余九先生  
 黃春華先生  
 金重先生

## 審計委員會

劉余九先生  
 黃春華先生  
 金重先生

## 薪酬委員會

蔣泉龍先生  
 劉余九先生  
 黃春華先生  
 金重先生

## 公司秘書

羅納德先生

## 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  
 中環雪廠街16號  
 西洋會所大廈15樓

## DIRECTORS

## Executive Directors

Mr Jiang Quanlong (*Chairman*)  
 Ms Qian Yuanying (*Deputy Chairman*)  
 Ms Xu Panfeng  
 Mr Jiang Cainan

## Independent Non-executive Directors

Mr Liu Yujiu  
 Mr Huang Chunhua  
 Mr Jin Zhong

## Audit Committee

Mr Liu Yujiu  
 Mr Huang Chunhua  
 Mr Jin Zhong

## Remuneration Committee

Mr Jiang Quanlong  
 Mr Liu Yujiu  
 Mr Huang Chunhua  
 Mr Jin Zhong

## COMPANY SECRETARY

Mr Law Lap Tak

## 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

15/F, Club Lusitano  
 16 Ice House Street, Central  
 Hong Kong

## 集團資料 CORPORATE INFORMATION

### 香港法律顧問

趙不渝 馬國強律師事務所

### 核數師

信永中和（香港）會計師事務所有限公司

### 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  
南洋商業銀行

### 主要股份過戶登記處

Butterfield Fund Services (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

### 互聯網址

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

### 香港聯合交易所有限公司股份代號

769

### 公關顧問

縱橫財經公關顧問有限公司

### HONG KONG LEGAL ADVISERS

Chiu & Partners

### AUDITORS

ShineWing (HK) CPA Limited

### PRINCIPAL BANKERS

#### PRC

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

#### Hong Kong

Standard Chartered Bank  
Bank of China  
Nanyang Commercial Bank, Limited

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Fund Services (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  
17th Floor, Hopewell Centre  
183 Queen's Road East  
Hong Kong

### INTERNET WEBSITE

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

### STOCK CODE ON THE STOCK EXCHANGE OF HONG KONG LIMITED

769

### PUBLIC RELATIONS CONSULTANT

Strategic Financial Relations Limited

## 財 務 摘 要 FINANCIAL HIGHLIGHTS

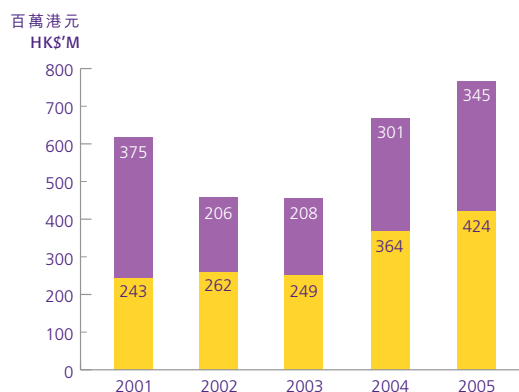
## 營業額 TURNOVER

截至十二月三十一日止年度 for the year ended 31 December	百萬港元 HK\$'M	變動 Change
2001	618	11% ↑
2002	468	24% ↓
2003	457	2% ↓
2004	665	46% ↑
2005	769	16% ↑

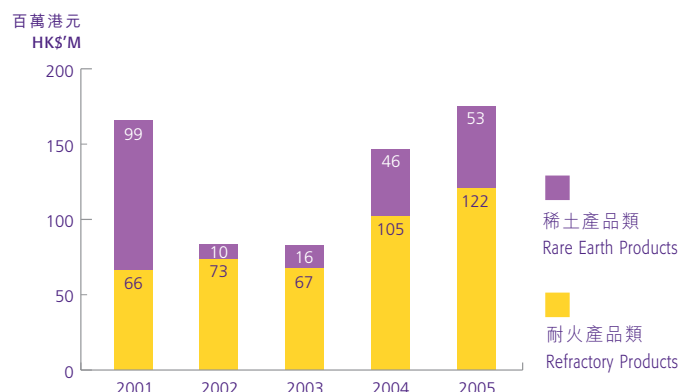
## 股東應佔溢利 PROFIT ATTRIBUTABLE TO SHAREHOLDERS

截至十二月三十一日止年度 for the year ended 31 December	百萬港元 HK\$'M	變動 Change
2001	142	1% ↑
2002	41	71% ↓
2003	67	62% ↑
2004	119	79% ↑
2005	130	9% ↑

## Turnover 營業額



## Segment results 分類業績



	2005		2004		2003		2002		2001	
	百萬港元 HK\$'M	%	百萬港元 HK\$'M	%	百萬港元 HK\$'M	%	百萬港元 HK\$'M	%	百萬港元 HK\$'M	%
營業額 Turnover										
稀土產品類 Rare Earth Products	345	45%	301	45%	208	46%	206	44%	375	61%
耐火產品類 Refractory Products	424	55%	364	55%	249	54%	262	56%	243	39%
總額 Total	769	100%	665	100%	457	100%	468	100%	618	100%

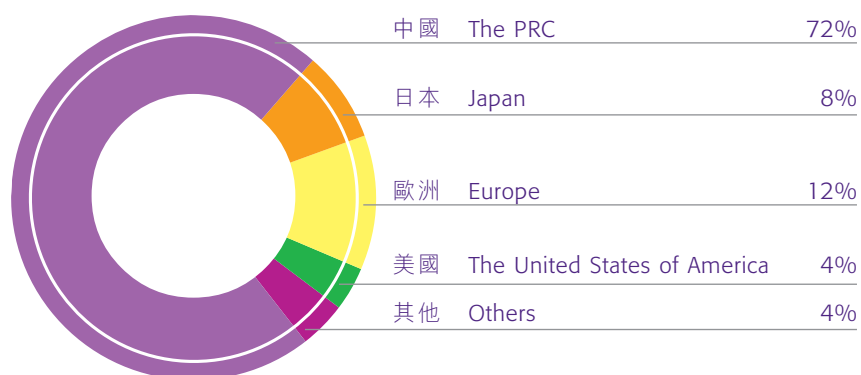
## 分類業績 Segment results

	2005		2004		2003		2002		2001	
	百萬港元 HK\$'M	%	百萬港元 HK\$'M	%	百萬港元 HK\$'M	%	百萬港元 HK\$'M	%	百萬港元 HK\$'M	%
稀土產品類 Rare Earth Products	53	30%	46	31%	16	20%	10	12%	99	60%
耐火產品類 Refractory Products	122	70%	105	69%	67	80%	73	88%	66	40%
總額 Total	175	100%	151	100%	83	100%	83	100%	165	100%

## 財 務 摘 要 FINANCIAL HIGHLIGHTS

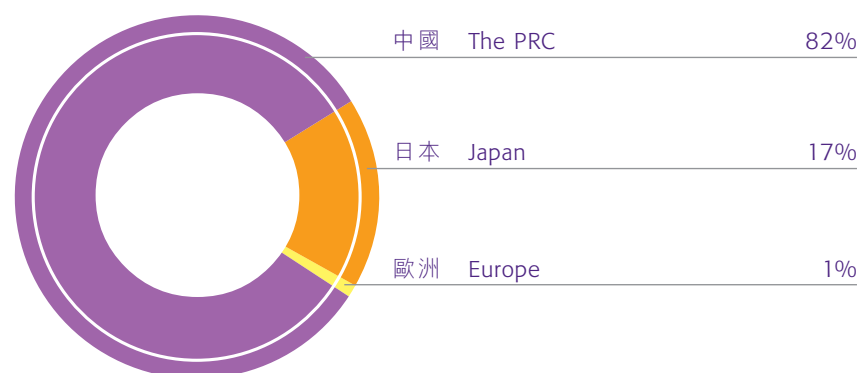
稀土產品類  
Rare Earth Products

2005



耐火產品類  
Refractory Products

2005



		稀土產品類 Rare Earth Products		耐火產品類 Refractory Products	
		2005 %	2004 %	2005 %	2004 %
營業額	Turnover				
中國	The PRC	72%	66%	82%	73%
日本	Japan	8%	9%	17%	24%
歐洲	Europe	12%	20%	1%	3%
美國	The United States of America	4%	3%	—	—
其他	Others	4%	2%	—	—
總額	Total	100%	100%	100%	100%



## 主席報告書 CHAIRMAN'S STATEMENT

致各位股東：

本人謹代表董事會向各位股東提呈  
中國稀土控股有限公司截至二零零五年  
十二月三十一日止之全年業績報告。

To Shareholders,

On behalf of the Board of Directors,  
I would like to present the annual results of  
China Rare Earth Holdings Limited for the year ended  
31 December 2005.



蔣泉龍 - 主席 JIANG QUANLONG - Chairman

二零零五年，稀土行業繼續呈現復甦，產品的需求及價格均有所提升，有助本集團的業務發展，營業額再創新高。雖然年內原輔材料價格持續高企及稅務優惠期的屆滿，影響了本集團的盈利增幅，但隨著整體經濟的改善及本集團各部門的努力，使業績能有所進展。

另一方面，本集團一向關注礦產資源的有限供應。於二零零五年度末，本集團終於成功收購了位於中國遼寧的海城市蘇海鎂礦有限公司（「蘇海鎂礦」），使本集團的耐火材料業務上一方面得到原材料供應的保障，另一方面，亦使盈利基礎上得到新增長點。

#### 財務業績

截至二零零五年十二月三十一日止財政年度，本集團營業額創出新高，錄得769,370,000港元，較二零零四年之665,320,000港元，增長16%。當中稀土產品（包括熒光材料）之銷售額佔45%，達345,243,000港元，較去年之300,984,000港元增長約15%。耐火材料產品（包括高溫陶瓷）的年度銷售額為424,127,000港元，佔營業額55%，較去年之364,336,000港元上升約16%。

本年度的除稅前溢利達到171,646,000港元，與去年之139,283,000港元比較上升

In 2005, benefited from the rebounding rare earth industry, which saw increase in demand and prices, the Group reported growth with turnover reaching a new height. Although persistently high material cost and expiry of tax holiday affected its profit growth, the overall improving economy plus the relentless efforts of every department had seen the Group advanced in its results.

Aware of the limited supply of mineral resources, the Group acquired Haicheng City Suhai Magnesium Ore Co., Ltd. ("Suhai Magnesium") in Liaoning, the PRC at the end of 2005. The acquisition has assured the Group of raw material supply for refractory products, as well as provided the Group with a new source of profit.

#### FINANCIAL RESULTS

For the year ended 31 December 2005, the Group's turnover surged to the record high of HK\$769,370,000, 16% more than the HK\$665,320,000 in 2004. Sales of rare earth products (including fluorescent materials) was HK\$345,243,000, an increase of 15% from HK\$300,984,000 in the previous year, accounting for 45% of the Group's total turnover. Sales of refractory materials (including high temperature ceramics) accounted for 55% of the Group's total turnover, an increase of approximately 16% from HK\$364,336,000 last year to HK\$424,127,000.

Profit before taxation of the Group reached HK\$171,646,000, representing an increase of 23% as compared to



## 主席報告書 CHAIRMAN'S STATEMENT

了23%。然而由於本集團旗下附屬公司宜興新威利成稀土有限公司及宜興新威利成耐火材料有限公司的「兩免三減半」稅務優惠期已屆滿，而於本年度開始需要繳交全額之中國企業所得稅，以致使本年度的稅項上升至40,021,000港元，與去年之17,973,000港元比較上升接近123%。因此，本年度的溢利較去年僅上升約9%至131,625,000港元。每股盈利由去年之12.3港仙上升至13.2港仙。毛利率及淨利率分別為27%及17%。

**股息**

董事會建議派發二零零五年度之股息每股4港仙。倘若股東於二零零六年六月十五日舉行的股東週年大會中通過有關動議，末期股息將於二零零六年六月二十三日或以前派發給於二零零六年六月十五日登記冊上的股東。

本公司將於二零零六年六月十二日至二零零六年六月十五日，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二零零六年六月九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**

二零零五年度，隨著磁性材料及螢光材料行業的迅猛發展以及國家加大對礦山和環保的監管力度，雖然從二零零五年五月一日起已經取消了稀土產品的出口退稅，稀土行業的形勢仍呈現上漲的趨勢。二零

HK\$139,283,000 in 2004. However, the two-year exemption from Enterprise Income Tax ("EIT") and 50% reduction for the three years thereafter (兩免三減半) previously granted to its subsidiaries, Yixing Xinwei Leeshing Rare Earth Company Limited and Yixing Xinwei Leeshing Refractory Materials Company Limited, had expired. Starting from the year under review, these subsidiaries have to pay the full EIT amount. As a result, taxation for this year increased to HK\$40,021,000, nearly 123% higher than last year's HK\$17,973,000. Profit for the year slightly increased by 9% to HK\$131,625,000 as compared with 2004. Earnings per share increased to HK13.2 cents from last year's HK12.3 cents. Gross profit margin and net profit margin were 27% and 17% respectively.

**DIVIDEND**

The Board has recommended the payment of a final dividend of HK4 cents per share for 2005. Subject to the approval of shareholders at the forthcoming Annual General Meeting to be held on 15 June 2006, the final dividend will be paid on or before 23 June 2006 to registered shareholders as at 15 June 2006.

The Register of Members will be closed from 12 June to 15 June 2006, both days inclusive. During this period, no transfer of shares will be registered. To qualify for entitlement of the proposed final dividend and to attend the Annual General Meeting, all transfer documents accompanied by the relevant share certificate 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 9 June 2006.

**BUSINESS REVIEW****Rare Earth Business**

In 2005, the magnetic materials and fluorescent materials industries developed rapidly. Despite that the Government stepped up regulation of mining and environmental protection, and export tax rebate for rare earth products has been cancelled since 1 May 2005, the rare earth industry still continued to

## 主席報告書 CHAIRMAN'S STATEMENT

零五年度，本集團共售出了約4,400噸稀土及有關下游產品，比二零零四年增長了7%，使本集團稀土業務的營業額由去年的300,984,000港元上升至345,243,000港元，增幅達15%。但各元素間的市場表現依然不平衡，其中佔本集團稀土產品銷售中比重較大的氧化釹及氧化鐳，其二零零五年度的平均售價較二零零四年上漲了超過20%。而氧化銻及釷銷共沈則維持二零零四年水平。為針對個別產品的價格變動，本集團的銷售組合亦有所調整，如減少銷售價格跌幅較大的氧化釷而增加了銷售價格上漲較多的氧化鐳。

成本方面，大部份原輔材料的價格均較二零零四年上升。稀土礦材方面因國家對稀土資源的收緊政策而使其價格上升了超過15%。主要輔料如草酸的價格上升了10%，液碱的上升幅度更超過15%。然而亦有部份輔料價格出現下調，如鹽酸的價格下降了約10%。稀土產品取消了出口退稅的轉變亦增加了出口成本。故二零零五年度本集團稀土業務的毛利率只能維持在約15%，與去年相若。

熒光材料業務受惠於中國電力供應緊張及中國政府加快建設節約型社會的政策，業務保持穩定增長。拋光材料業務現時仍處於市場開發階段，客戶一般仍依賴外國進口產品，故暫時未能形成具規模的銷售。但本集團有信心當產品能打出品牌後，拋光材料對本集團的稀土業務將有重大貢獻。

develop. In 2005, the Group sold approximately 4,400 tonnes of rare earth products and downstream products, an increase of 7% from that in 2004. Turnover of its rare earth business increased by 15% to HK\$345,243,000, as compared to HK\$300,984,000 in the previous year. The performance of individual element markets however varied. In 2005, the average prices of neodymium oxide and dysprosium oxide, the major contributors of its rare earth business, increased more than 20% from that in 2004, while the prices of terbium oxide and mixture of yttrium and europium maintained at the 2004 level. The Group adjusted its sales mix taking into account the change in product prices, it sold less products such as yttrium oxide which prices had dropped markedly, while increasing the sales volume of products, such as dysprosium oxide, which prices had hiked.



As for the production cost, the prices of most raw and auxiliary materials rose as compared with 2004. The country tightened its control on rare earth resources and prices were pushed up more than 15%. The price of oxalic acid, its major auxiliary material, increased by 10%, and the price of liquid alkaline surged even higher by over 15%. The prices of certain auxiliary materials, however, decreased. The price of hydrochloric acid, for instance, dropped around 10%. The cancellation of export tax rebate for rare earth products also created negative impact on export costs. Therefore, the gross profit margin of its rare earth business remained at around 15% in 2005, similar to last year.

Benefited from the tense power supply in China and the Government encouraging energy conservation in the community, its fluorescent material business recorded steady growth. Currently, the polishing powder material market is still developing with most customers still relying on products imported from overseas, hence the Group's products has yet to report meaningful sales. However, the Group is confident that, after establishing a renowned brand, this segment will become one of the major revenue contributors of its rare earth business.

## 主席報告書 CHAIRMAN'S STATEMENT

市場分佈方面，中國經濟的急速增長帶動本土需求，加上中國的生產成本及資源優勢吸引大量外商於中國設立生產基地，令回顧年內中國市場佔本集團稀土產品銷售額的比例由去年的66%進一步上升至72%。海外市場所佔比例相對下調，日本地區佔銷售額的8%，歐洲則佔12%。

**耐火材料業務**

本集團的耐火材料業務繼續保持穩定發展。雖然近年中國政府對房地產、冶金、建材等行業的宏觀調控，使耐火材料的市場需求增長有所放緩。然而在高溫陶瓷業務開拓的配合下，二零零五年本集團耐火材料的總銷售量達到79,400噸，較去年上升12%。銷售額則上升16%至424,127,000港元。產品售價平

穩，主要產品如電熔鎂鉻磚和鋁碳磚的售價與二零零四年比較基本持平，而鎢英石磚、鎂鋁尖晶石磚及AZS磚等的價格升幅在3%至5%之間。於本年度末本集團更積極推銷毛利較高的不定形澆注料。而近期開發的賽隆系列產品亦於本年度售出約2,300噸。成本方面，原輔材料的價格依然呈上升趨勢，如主要材料如鎢英砂及電熔鎂鉻砂的價格比去年上升了超過30%，而剛玉砂及棕剛玉的價格則變化不多。電熔鎂砂的價格按不同等位亦有介乎3%至5%之間的升幅。燒結產品所需的重油的價格亦上升了超過10%。然而本集團透過加強內部管理及努力降低成本，使毛利率仍可保持在30%以上。



Regarding market distribution, rapid development of the PRC economy has pushed up domestic needs. That plus the growing number of foreign companies attracted to set up base in the country to benefit from the low cost yet resources rich environment, the proportion of sales of rare earth products from the PRC market increased from 66% in 2004 to 72% during the year. The percentage of sales from overseas markets dropped slightly. Currently, the Japan market and the European market accounted for 8% and 12% of the Group's total sales respectively.

**Refractory Materials Business**

The refractory materials business maintained stable growth. Although the Chinese Government's macroeconomic control measures on the property, metallurgy, construction materials sectors dragged down demand for refractory materials during the year, the Group managed to increase sales of the material by stepping up development of its high temperature ceramics business. In 2005, total sales volume of refractory materials reached 79,400 tonnes, 12% more than that in the previous year. Sales amount increased by 16% to HK\$424,127,000 and product prices were stable. The prices of major products, such as fused

magnesia-chrome bricks and alumina-graphite bricks, stayed at the 2004 level, but the prices of zircon bricks, magnesia-alumina spinel bricks and AZS bricks increased by 3% to 5%. The Group intends to actively promote its various high margin unshaped casting material at the end of this year. About 2,300 tonnes of products of the recently launched Sialon series were also sold. Regarding production costs, both raw and auxiliary materials costs continued to rise with the prices of major materials, including zircon sand and fused magnesia-chrome grains, 30% more expensive than last year. The prices of emery and brown corundum remained steady, while the prices of different grades of fused magnesia grains increased by 3% to 5%. The price of heavy crude oil, a necessary material for producing sintering products, also rose over 10%. However, at the Group's strengthened internal management and cost control, gross profit margin was kept at above 30%.

## 主席報告書 CHAIRMAN'S STATEMENT

本集團一直積極尋找與耐火材料原料供應基地的合作機會，務求組建縱向產業鏈，締造更佳成本效益。於二零零五年十二月，本集團收購了蘇海鎂礦全部股本權益。蘇海鎂礦為本集團生產耐火產品之主要原料電熔鎂砂之材料供應商，收購有助穩定本集團耐火產品原料之供應及降低耐火產品之銷售成本。由於此項收購於年底完成，故有關的財務貢獻將於二零零六年的合併財務業績內才開始反映。



The Group has been actively seeking opportunities to co-operate with raw material suppliers of refractory materials to create a vertical industrial chain, and in turn enhance production efficiency. In December 2005, the Group acquired entire equity interest in its supplier Suhai Magnesium, which has been providing it with fused magnesium grains, a major raw material of refractory products. Guaranteeing a stable supply of materials for producing refractory products, the acquisition helps to reduce the cost of sales of the Group's refractory products. As the acquisition was completed at the end of last year, the financial contribution of Suhai Magnesium will commence be reflected in the 2006 consolidated financial statements.

耐火材料的市場分佈仍以中國為主，出口約佔耐火材料銷售總額的18%。

The PRC is still its principal market for refractory materials. Export value accounted for approximately 18% of the total turnover from refractory materials.

## 展望

## 稀土業務

隨著全球經濟持續復甦，稀土市場亦出現增長。隨著稀土技術的不斷發展和應用，稀土氧化物延伸產品市場需求的增長將日益加快，價格亦將持續攀升。本集團將繼續致力發展稀土深加工產品，尤其在熒光材料業務方面，本集團對這市場的前景非常樂觀。目前中國在照明方面的用電率高，加上中國計劃在二零零八年舉辦奧運會前推廣使用節能燈，均為本集團的熒光材料業務帶來龐大商機。

從二零零六年開始，本集團的熒光材料已開始出口日本及韓國市場。於二零零六年三月，本集團與韓國一家大型的熒光體應用商簽署協定，建立長期合作關係。該韓國應用商將向本集團大量訂購熒光材料產品，亦協助於韓國推廣本集團之產品。該韓國應用商將成為本集團

## PROSPECTS

## Rare Earth Business

As the global economy revives, the rare earth market also shows signs of growth. The continuous development of rare earth technology and application has bred a growing demand for the downstream rare earth oxide products and in turn sent product prices on the up trend. The Group will continue to develop valued-added rare earth products, in particular fluorescent materials, in which it is seen brilliant prospects. Currently, the PRC consumes much power for lighting. With the Chinese Government planning to push the use of energy-saving lights in the advent of the 2008 Beijing Olympics, the Group's fluorescent material business is presented with immense opportunities.

The Group commenced export of fluorescent materials to Japan and Korea in 2006. In March 2006, the Group signed an agreement with a large fluorescent materials user in Korea, marking the beginning of a long-term cooperative relationship. The Korean user will order large quantities of fluorescent materials from the Group, and help to promote the Group's products in Korea. This customer will be the largest customer of the Group's fluorescent material



## 主席報告書 CHAIRMAN'S STATEMENT

熒光材料業務的最大客戶。此舉標誌本集團熒光材料出口海外市場正式啟動。有助提升本集團的熒光材料產品的國際知名度及市場佔有份額。

另外，於二零零六年二月，本集團與全球最大綜合企業集團之一的美國通用電器集團訂立策略聯盟協議。通用電器於過去數年一直是本集團的客戶，現通過該聯盟協議，通用電器將大量增加給予本集團的訂單，訂購更多不同種類的稀土產品，用於生產通用電器旗下各公司的產品，包括醫療設備、燈具及汽車等。此外，通用電器更會為本集團提供技術支援，有助本集團拓展產品的應用範疇及規模。本集團日後將尋求更多類似的合作及建立策略聯盟機會，務求提升技術水平及取得協同效益。

在技術領域方面，本集團自主開發的稀土氧化物納米粉體材料的工業化製備技術已於二零零六年二月成功通過江蘇省科學技術廳的成果鑒定，獲一眾專家的高度評價。這一成果標誌了本集團於稀土產品的技術上又跨出了一大步，不僅在稀土產品的純度上技術領先，現對其體積大小的控制亦有超卓表現，更能迎合稀土應用新產品中越趨嚴緊精確的規格。生產技術水平的提高，不但可降低生產成本，新產品能滿足對質素要求高的客戶更可為本集團提供更高的利潤空間。

另一方面，本集團預期稀土資源的供應將隨著中國政府對資源保護的政策而漸趨緊張。本集團將努力爭取得到原材料

segment. The partnership signified entry of the Group's fluorescent materials into overseas markets, and is expected to help enhance awareness of the Group's brand and the share of its fluorescent materials in the international market.

In February 2006, the Group forged strategic alliance with General Electric Company, one of the largest integrated business corporations in the world. General Electric has been a customer of the Group for the past several years. Pursuant to the terms of the alliance, General Electric will increase order for various rare earth products from the Group to be used by its different subsidiaries in the manufacturing of products including medical equipment, lighting equipment and automobiles, etc. General Electric will also provide technical support to the Group to help it extend the applications and production scale of rare earth products. The Group will continue to seek similar cooperation and strategic alliance opportunities in its bid to enhance technological capability and reap synergistic benefits.



On the technology front, the rare earth industrialized technology for nano-grade rare earth oxide materials developed by the Group passed the appraisal of the Jiangsu Science and Technology Department in February 2006, earning high acclaims from experts. This achievement represents a great leap made by the Group in advancing rare earth product technology. The Group not only boasts top-notch technology in producing rare earth products of high purity, but also stands out in its ability to control the size of rare earth products. This enables the Group to match the increasingly stringent specifications of new products with rare earth materials as components. Apart from helping to reduce production cost, with enhanced technology, the Group will be able to provide products that meet the requirement of quality conscious customers and assure higher profit.

The Group expects the supply of rare earth resources to tighten as the Chinese Government pushes ahead with its resources protection policy. In that light, the Group will continue to look for

## 主席報告書 CHAIRMAN'S STATEMENT

供應的保障。一方面繼續尋找合適的礦山資源投資機會，另一方面亦繼續與一眾供應商保持緊密關係。另外，本集團將繼續致力研究生產更多高附加值深加工產品，從而擴寬市場領域及開拓產品種類，務求早日形成縱向產業鏈。

## 耐火材料業務

耐火材料業務一直保持穩定的增長及為本集團帶來穩定的盈利貢獻。本集團將繼續提升現有的生產設備水平，並借助國外先進技術，繼續增加中高檔耐火材料產品的生產比重及提高產品質量，以加強本集團的競爭能力和保持在行業中的領導地位。

本集團將繼續高溫陶瓷的業務發展，賽隆生產線的第二階段擴能改造工程已籌備展開，以配合未來業務增長所需。市場方面，本集團計劃將於二零零六年開始出口高溫陶瓷到俄羅斯，為業務打開海外市場。

而主要應用在玻璃纖維生產設備的緻密鉻磚、緻密鎢磚生產線的組裝已經初步完成，現即將完成整項生產設備配套及技術調試，準備投入生產。目前，銷售及市場推廣部門正進一步向

客戶推廣此產品，相信這將為本集團耐火材料的業務帶來新增長動力。

於二零零五年末收購蘇海鎂礦標誌著本集團建立縱向產業鏈的重要一步，此舉不但可保障部份原料的供應和降低成本，將蘇海鎂礦部份產品銷售給其他廠家亦為本集團提供額外的收入來源。現



opportunities to invest in rare earth mine resources with the aim of securing stable supply of raw materials. At the same time, it will also seek to maintain optimum relationship with its suppliers. Moreover, the Group will continue to develop and produce more high value-added products, which will allow it to expand market coverage, diversify product offerings and speed up creation of a vertical industrial chain.

## Refractory Materials Business

Refractory materials business has been growing steadily and contributing stable earnings to the Group. To boost the competitiveness and leadership of its refractory material products, the Group will continue to upgrade existing production facilities and increase the proportion and quality of the middle to high end refractory material products by bringing in advanced technology from overseas.

The Group will continue to develop its high temperature ceramics business. Second phase capacity expansion work of the Sialon production line is ready to commence to meet the requirement of the Group's growing operation. The Group also plans to begin exporting high temperature ceramics to Russia in 2006 to tap the overseas market.

The preliminary stage of installation of production lines for highly dense zircon and highly dense chrome bricks, which are used mainly in glass fibre production facilities, is completed. Fine-tuning of the entire set of production facilities and techniques is in the final stage and production will commence soon. The sales and marketing department is actively promoting this product to

customers. The Group believes the new product line will emerge as a new growth driver for its refractory materials business.

The acquisition of Suhai Magnesium in late 2005 was a major strategic move in the Group's bid to establish a vertical industrial chain. This move will enable the Group to secure supply of certain raw materials and reduce costs. The sales of certain products of Suhai Magnesium to other manufacturers will also present to the

## 主席報告書 CHAIRMAN'S STATEMENT

時本集團更有意利用蘇海鎂礦在遼寧當地的優勢，計劃擴充其生產設備，以增加其產品種類，提升經濟效益。另外，本集團將繼續留意與其他耐火材料原料供應基地的合作機遇，致力令原料供應更有保證及成本控制更具效益。



Group an additional income stream. The Group recognizes the local advantages Suhai Magnesium enjoys in Liaoning Province, hence it intends to expand its production facilities to broaden its product offerings and maximize economies of scale. It will also seek cooperation opportunities with other refractory material suppliers to guarantee stable raw material supply and better control cost.

**兼併收購**

本集團於二零零五年十二月二十三日訂立股權轉讓協議，收購了蘇海鎂礦的全部股本權益，總代價折合約為115,385,000港元，由本集團之內部資源撥付。經審核後，蘇海鎂礦的資產淨值約為52,210,000港元。合併後產生商譽值63,175,000港元。蘇海鎂礦於二零零五年的溢利淨額約為18,184,000港元。由於收購於年末完成，故該項收益並未於本集團二零零五年的合併帳上反映。

蘇海鎂礦為本集團生產耐火產品之主要原料電熔鎂砂之供應商。是項收購將能夠保證日後電熔鎂砂之穩定供應，並透過整合本集團所生產之下游及上游產品以降低耐火產品之銷售成本，為本集團的營運帶來顯著的協同效益。

**董事會**

隨著范亞軍先生於二零零五年八月十九日的退任，本公司提升了許盤鳳女士及蔣才南先生為執行董事，令董事會執行董事總人數增至四位。由於許、蔣兩人分別在稀土及耐火材料行業內擁有豐富經驗，他們的加入將能加強董事會的實力，使本集團業務有更良好的發展。

**MERGER AND ACQUISITION**

The Group signed an equity transfer agreement on 23 December 2005 to acquire entire equity interest in Suhai Magnesium at a total consideration of approximately HK\$115,385,000. The consideration was funded by internal resources of the Group. The audited net assets value of Suhai Magnesium amounted to approximately HK\$52,210,000. Goodwill resulted from the merger amounted to HK\$63,175,000. The net profit of Suhai Magnesium amounted to approximately HK\$18,184,000 in 2005. As the acquisition was completed at the end of the year, related revenue was not shown in the consolidated accounts of the Group in 2005.

Suhai Magnesium is the Group's materials provider, supplying fused magnesium grains, a major kind of raw material for the production of refractory products. This acquisition presents clear synergistic benefits to the Group's operations, promising a secure supply of fused magnesium grains and lower cost of sales for refractory products. It brings to the Group marked operational synergies.

**THE BOARD OF DIRECTORS**

After the resignation of Mr Fan Yajun on 19 August 2005, the Company promoted Ms Xu Panfeng and Mr Jiang Cainan as executive directors, increasing the total number of executive directors to four. Both Ms Xu and Mr Jiang have extensive experience in the rare earth and refractory materials industries. Their appointments will definitely improve the strength of the Board and facilitate business development of the Group.



## 主席報告書 CHAIRMAN'S STATEMENT

## 公共關係

為增加透明度，本集團重視與機構投資者及分析師作雙向溝通。本集團向股東、分析師及有興趣人士派發中期及年度報告均提供本集團業務之詳盡資料。本集團亦經常與傳媒保持聯絡，而本集團之新聞稿、公佈及公開資料亦即時發佈予傳媒，解釋最新之業務動向及市場發展計劃。本集團亦經常與基金經理及分析師會面，向他們發放有關本集團業務之財務及其他資料。這些活動讓大眾明瞭本集團之業務及促進有效溝通。

## 股份配售

本公司於二零零六年進行了一項資金籌集活動。於二零零六年三至四月，本公司以每股售價1.38港元配售了197,390,000股新增股份。交易完成後，本集團已發行股本增加至1,184,343,059股，公眾流通量由原來的39.59%增加至49.66%。扣除費用後本集團共籌集了約264,390,000港元，所得款項淨額將會撥作一般營運資金。

## 財務回顧

## 流動資金及財務資源

本集團以現金收購蘇海鎂礦後，於二零零五年十二月三十一日，本集團持有現金及銀行存款約值153,442,000港元而無銀行貸款。

本集團於年末的流動資產淨額約為666,933,000港元。總負債對總資產的比率約為9%。

## 匯率風險

本集團大部份之資產、負債及交易均以人民幣、美元及港元列值。鑑於美元及港元之匯率於年內相對穩定及人民幣的升值幅度有限，故本集團並無面臨重大的外匯風險。

## PUBLIC RELATIONS

The Group understands the importance in maintaining a highly transparent operation, hence values communications with institutional investors and analysts. It dispatches interim and annual reports to shareholders, analysts and interested parties, detailing information about the Group's operations. It maintains close contact with the media. Press releases, announcements and public information in relation to the Group's latest business development and marketing plans are released in a timely manner. The Group also meets with fund managers and analysts regularly to update them on the Group's financial and other information. These initiatives have helped to deepen public understanding of the Group and its business and facilitate communication.

## PLACING OF SHARES

The Company conducted a fund raising activity in 2006. In March to April 2006, the Company placed 197,390,000 new shares at HK\$1.38 per share. Upon the completion of the placing, the issued share capital of the Group increased to 1,184,343,059 shares and the public float increased from 39.59% to 49.66%. The net proceeds from the placing amounted to approximately HK\$264,390,000. The Company intends to use the fund raised as general working capital.

## FINANCIAL REVIEW

## Liquidity and Financial Resources

Subsequent to the settlement of consideration for the Suhai Magnesium acquisition by cash, the Group had cash and bank balances of approximately HK\$153,442,000 as at 31 December 2005. There was no bank borrowings.

The Group had net current assets of approximately HK\$666,933,000 as at the end of the year. Total liabilities to total assets ratio was 9%.

## Exchange Exposure

Most of the Group's assets, liabilities and transactions are denominated either in Renminbi, US dollars or Hong Kong dollars. As the exchange rate between US dollars and Hong Kong dollars remained stable during the year and the appreciation of Renminbi was moderate during the year, the Group was not exposed to material foreign exchange risk.

## 主席報告書 CHAIRMAN'S STATEMENT

**資產抵押**

於二零零五年十二月三十一日，本集團的資產中有約值327,000港元的銀行存款已作抵押擔保以獲得短期貿易融資。

**或然負債**

於二零零五年十二月三十一日，本集團並無重大或然負債。

**僱員及薪酬**

於二零零五年十二月三十一日，本集團僱用員工約1,650人，包括多名大學畢業生及經驗豐富的專業翹楚。本集團為員工提供完善的薪酬及福利制度。回顧年內，僱員成本包括董事酬金合計約為21,046,000港元。本集團實施購股權計劃，適時授與表現出眾的員工，以鼓勵其對本集團的貢獻。人才乃本集團業務最重要的資產。本集團將繼續招聘及訓練人才，並提供一系列在職訓練計劃，以提升員工的競爭力。

**致謝**

本集團能有今天的成績，實有賴全體員工多年來努力不懈，以及得到各股東、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持。在此，本人謹代表董事會及管理層向彼等致以最衷心的謝意。

主席  
**蔣泉龍**

香港，二零零六年四月二十日

**Pledge of Assets**

As at 31 December 2005, bank deposit valued at HK\$327,000 in the Group's assets was pledged as guarantee for the short term trading facilities.

**Contingent Liabilities**

As at 31 December 2005, the Group had no material contingent liability.

**STAFF AND REMUNERATION**

As at 31 December 2005, the Group had a workforce of approximately 1,650 staff including young graduates and experienced professionals. The Group has in place a comprehensive staff remuneration and welfare system. During the year, approximately HK\$21,046,000 was incurred in staff costs including directors' emoluments. The Group implements a share option scheme granting options as appropriate to outstanding staff to encourage contribution to the Group. Recognizing that its people is its most valuable asset, the Group will continue to seek and train high calibre staff and provide them with on-the-job trainings to enhance their competitiveness.

**APPRECIATION**

The Group owes its success to the hard work and dedication of its staff over the years and the continuous trust and support from shareholders, investors, customers, suppliers and business partners. On behalf of the Board and the management, I would like to extend my gratitude to all of them.

**Jiang Quanlong**  
Chairman

Hong Kong, 20 April 2006

## 董事及高級管理人員簡介 DIRECTORS AND SENIOR MANAGEMENT PROFILE

**執行董事**

蔣泉龍先生，53歲，本集團創辦人及主席。蔣先生負責制訂本集團整體業務發展政策。蔣先生獲江蘇省人事廳評定具高級經濟師資格。蔣先生在稀土及耐火材料行業擁有逾二十年經驗。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，46歲，本集團創辦人及副主席，兼為本集團行政總裁。錢女士負責本集團整體管理工作及專責本集團業務的市場推廣工作。錢女士獲江蘇省人事廳評定具高級經濟師資格，另外亦獲得中國職業經理人資格。錢女士在稀土及耐火材料行業方面擁有逾十五年經驗。於創辦本集團之前，錢女士曾任職高校教師。錢女士為本集團主席蔣泉龍先生之妻子。

**EXECUTIVE DIRECTORS**

**Mr Jiang Quanlong**, aged 53, is a founding member and the chairman of the Group. Mr Jiang is responsible for the formulation of the Group's overall business development policies. Mr Jiang is recognised as a senior economist by Jiangsu Provincial Personnel Department. Mr Jiang has over 20 years of experience in the rare earth and refractory materials industry. 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 46, is a founding member and the deputy chairman of the Group. Ms Qian is also the chief executive officer of the Group. Ms Qian is responsible for the overall management of the Group and has particular responsibility for the marketing aspect of the Group's business. Ms Qian is recognised as a senior economist by Jiangsu Provincial Personnel Department, and she is also qualified as a Chinese Career Manager. Ms Qian has over 15 years of experience in the rare earth and refractory materials industries. Prior to the founding of the Group, Ms Qian was a high school teacher. Ms Qian is the wife of Mr Jiang Quanlong, the chairman of the Group.

## 董事及高級管理人員簡介 DIRECTORS AND SENIOR MANAGEMENT PROFILE

許盤鳳女士，41歲，於一九八七年加入本集團，至二零零五年八月獲委任為執行董事，主管稀土業務之銷售。許女士在稀土產品的生產和營銷上擁有豐富的工作經驗。

蔣才南先生，47歲，於一九八六年加入本集團，至二零零五年八月獲委任為執行董事。蔣先生亦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。

## 獨立非執行董事

劉余九先生，72歲，自一九九九年加入本集團成為本公司獨立非執行董事。劉先生為國家計委稀土專家組應用開發組組長及中國稀土學會常務理事。劉先生亦為中國稀土學報副主編。劉先生於一九九二年十二月至一九九七年十二月期間擔任為中國稀土開發公司總工程師。

黃春華先生，41歲，自二零零一年起加入本集團成為本公司獨立非執行董事。黃先生是本港一家上市公司的副主席，於二零零零年至二零零四年亦曾是該公司的財務總監。黃先生擁有英國斯特克萊大學工商管理學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投資分析員。

金重先生，54歲，自二零零四年起加入本集團成為本公司獨立非執行董事。金先生在武漢鋼鐵學院材料工程學系耐火專業專科畢業，曾在貴陽市耐火材料廠總廠出任副總工程師。

**Ms Xu Panfeng**, aged 41, joined the Group in 1987 and was appointed as an executive director in August 2005. Ms Xu is responsible for the sales of rare earth business. Ms Xu has extensive experience in production and marketing of rare earth industry.

**Mr Jiang Cainan**, aged 47, joined the Group in 1986 and was appointed as an executive director in August 2005. Mr Jiang is also the general manager of Yixing Xinwei Refractory Materials Company Limited. Mr Jiang is responsible for the operation of the refractory materials business. Mr Jiang has over 20 years of experience in refractory materials industry.

## INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr Liu Yujiu**, aged 72, joined the Group in 1999 as an independent non-executive director of the Company. 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.

**Mr Huang Chunhua**, aged 41, joined the Group in 2001 as an independent non-executive director of the Company. Mr Huang is the deputy chairman of a listed company in Hong Kong and served as chief financial officer of that company from 2000 to 2004. Mr Huang is Ph.D of Marketing and MBA of University of Strathclyde. Mr Huang was previously China analyst of HSBC Securities Asia Ltd and a senior investment analyst of China Research of CLSA Emerging Markets.

**Mr Jin Zhong**, aged 54, joined the Group in 2004 as an independent non-executive director of the Company. Mr Jin graduated from the Faculty of Material Engineering of Wuhan Steel College, specializing in refractory studies. Mr Jin was previously the deputy chief engineer of the head factory of Guiyang City Refractory Materials Factory.

## 董事及高級管理人員簡介 DIRECTORS AND SENIOR MANAGEMENT PROFILE

## 公司秘書

羅納德先生，36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。羅先生於加入本集團之前曾任職於某大會計師行逾七年時間。

## 高級管理層

樓吉翔先生，54歲，於二零零零年加入本集團，現為本集團副總經理，主管稀土及熒光材料的新產品開發和新課題研究。樓先生原是一家著名稀土廠的副總經理，在稀土和金屬行業擁有逾二十年的經驗。

俞正明先生，70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，37歲，於一九八八年加入本集團，現任宜興新威利成稀土有限公司總經理，主管稀土業務之運作。徐先生在稀土行業擁有逾十年的生產管理經驗。

吳朝新先生，29歲，於一九九七年加入本集團，現任無錫新威熒光材料有限公司總經理，主管熒光材料業務之運作。吳先生在稀土及熒光材料的營銷及行政管理上擁有多年經驗。

## COMPANY SECRETARY

**Mr Law Lap Tak**, aged 36, 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 Institute of Certified Public 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 54, joined the Group in 2000. Mr Lou is the deputy general manager of the Group. Mr Lou is responsible for the research and development 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 Yu Zhengming**, aged 70, joined the Group in 1999. Mr Yu is the chief engineer and technical consultant of Yixing Xinwei Leeshing Rare Earth Company Limited. Prior to joining the Group, Mr Yu was the factory general manager and chief engineer of a renowned rare earth factory. Mr Yu is an expert in rare earth and non-ferrous metals industries.

**Mr Xu Jianwen**, aged 37, joined the Group in 1988. Mr Xu is the general manager of Yixing Xinwei Leeshing Rare Earth Company Limited and is responsible for the operation of rare earth business. Mr Xu has over 10 years of experience in production management of rare earth industry.

**Mr Wu Chaoxin**, aged 29, joined the Group in 1997. Mr Wu is the general manager of Wuxi Xinwei Fluorescent Materials Company Limited and is responsible for the operation of the fluorescent materials business. Mr Wu has years of experience in sales and administrative management of rare earth and fluorescent materials industries.

## 董 事 及 高 級 管 理 人 員 簡 介 DIRECTORS AND SENIOR MANAGEMENT PROFILE

王建平先生，44歲，於二零零四年加入本集團，現任無錫新威高溫陶瓷有限公司總經理，主管高溫陶瓷業務之運作。王先生在行政管理及營銷方面擁有逾十年的經驗。

**Mr Wang Jianping**, aged 44, joined the Group in 2004. Mr Wang is the general manager of Wuxi Xinwei High Temperature Ceramics Company Limited and is responsible for the operation of the high temperature ceramics business. Mr Wang has over 10 years of experience in administrative management and sales aspects.

蔣介平先生，49歲，於二零零五年加入本集團，現任海城市蘇海鎂礦有限公司總經理，主管鎂砂業務之運作。蔣先生擁有豐富的生產管理及財務管理的經驗。

**Mr Jiang Jieping**, aged 49, joined the Group in 2005. Mr Jiang is the general manager of Haicheng City Suhai Magnesium Ore Company Limited and is responsible for the operation of magnesium grains business. Mr Jiang has extensive experience in production management and financial management.

趙建文先生，39歲，於一九八七年加入本集團。現任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。

**Mr Zhao Jianwen**, aged 39, 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 rare earth industry.

陳良平先生，58歲，於一九九五年加入本集團。現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。

**Mr Chen Liangping**, aged 58, joined the Group in 1995. Mr Chen is the deputy general manager of Yixing Xinwei Leeshing Refractory Materials Company Limited. Mr Chen has years of experience in refractory materials industry.

桑原禮次郎先生，63歲，於二零零一年加入本集團，出任宜興新威利成耐火材料有限公司總工程師，桑原先生原是日本一家著名跨國公司海外事業部技術總監，擁有非常豐富的耐火材料生產與管理經驗。

**Mr Reijiro Kuwahara**, aged 63, 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 extensive experience in production and administration of refractory materials.



## 企 業 管 治 報 告 CORPORATE GOVERNANCE REPORT

## 企業管治常規

本公司致力於設立良好之企業管治常規及程序。於二零零五年八月，本公司根據香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載之企業管治常規守則（「企業管治常規守則」）所載列之原則及守則條文採納其本身之企業管治守則，並成立薪酬委員會。於截至二零零五年十二月三十一日止年度內，除有關內部控制之守則條文（根據企業管治常規守則，該等守則條文於二零零五年七月一日或之後開始之會計期間內實施）及下文所討論者外，本公司一直遵守上市規則附錄十四所載之守則條文。

## 董事進行證券交易

本公司已就董事進行證券交易採納一套條款嚴格程度不遜於上市規則附錄十所載規定準則之守則。本公司於作出特定查詢後確認所有董事於截至二零零五年十二月三十一日止年度內一直遵守守則所述之規定準則。

## 董事會組成

本公司由董事會規管，董事會負責指導及監察本公司之事務，並監督本集團之業務、決策及表現。董事會委派管理人員執行其決策及日常運作。於二零零五年八月范亞軍先生辭任及許盤鳳女士及蔣才南先生獲委任為本公司執行董事後，董事會現包括四位執行董事及三位獨立非執行董事如下：

執行董事：蔣泉龍先生（主席）、錢元英女士（副主席兼行政總裁）、許盤鳳女士及蔣才南先生。

獨立非執行董事：劉余九先生、黃春華先生及金重先生。

## CORPORATE GOVERNANCE PRACTICES

The Company is committed to the establishment of good corporate governance practices and procedures. In August 2005, the Company adopted its own code of corporate governance based on the principles and code provisions as set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and established a remuneration committee. During the year ended 31 December 2005, the Company has complied with the code provisions set out in Appendix 14 of the Listing Rules, save for the code provisions on internal controls, which are to be implemented for accounting periods commencing on or after 1 July 2005 pursuant to the CG Code and save as disclosed below.

## DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard set out in Appendix 10 of the Listing Rules. Having made specific enquiry, the Company confirms that all directors have complied with the required standards as stated in the code throughout the year ended 31 December 2005.

## BOARD COMPOSITION

The Company is governed by a Board of directors which is responsible for directing and supervising its affairs and oversight of the Group's businesses, strategic decision and performance. Execution of the Board's decisions and daily operations are delegated to the management. After the resignation of Mr Fan Yajun and appointment of Ms Xu Panfeng and Mr Jiang Cainan as executive directors of the Company in August 2005, the Board now comprises four executive directors and three independent non-executive directors as follows:

Executive directors: Mr Jiang Quanlong (Chairman), Ms Qian Yuanying (Deputy Chairman and Chief Executive Officer), Ms Xu Panfeng and Mr Jiang Cainan.

Independent non-executive directors: Mr Liu Yujiu, Mr Huang Chunhua and Mr Jin Zhong.



## 企 業 管 治 報 告 CORPORATE GOVERNANCE REPORT

**董事會組成 (續)**

董事會於年內舉行六次會議。出席會議之詳情如下：

董事	出席會議
蔣泉龍	6/6
錢元英	6/6
許盤鳳	3/6
蔣才南	4/6
范亞軍	2/6
劉余九	5/6
黃春華	5/6
金重	5/6

**董事培訓**

每名新獲委任董事於其任期開始時接受綜合、正規及特定之開導，以確保其適當瞭解本公司之業務及營運，並完全知悉根據上市規則及有關法規規定其須履行之責任及義務。

倘有需要，本公司亦有適當安排向董事提供持續指導及專業發展。

**會議常規及操守**

董事會定期會議之通告至少於會議舉行日期前14天送呈全體董事。就其他董事會及委員會會議而言，一般亦發出合理之通告。

董事會文件連同所有合適、完整及可靠之資料均至少於每次董事會會議或委員會會議舉行日期前3天送呈全體董事，以讓董事評估本公司最近之發展及財務狀況，並讓彼等能夠作出知情決定。董事會及各位董事亦於必要時可分別及獨立接觸高級管理人員。

公司秘書負責編撰及保管所有董事會會議及委員會會議記錄。草擬的記錄一般於每次會議後在合理時間內給董事傳閱以發表意見，而最後之版本公開供董事查閱。

根據現時之董事會常規，涉及主要股東或董事利益衝突之任何重大交易將由董事會於正式召開之董事會會議上考慮及處理。

**BOARD COMPOSITION (Continued)**

The Board held six meetings during the year. Details of the attendance are as follows:

Directors	Attendance
Jiang Quanlong	6/6
Qian Yuanying	6/6
Xu Panfeng	3/6
Jiang Cainan	4/6
Fan Yajun	2/6
Liu Yujia	5/6
Huang Chunhua	5/6
Jin Zhong	5/6

**TRAINING FOR DIRECTORS**

Each newly appointed director receives comprehensive, formal and tailored induction on the first occasion of his/her appointment, so as to ensure that he/she has appropriate understanding of the business and operations of the Company and that he/she is fully aware of his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

There are also arrangements in place for providing continuing briefing and professional development to directors whenever necessary.

**PRACTICES AND CONDUCT OF MEETINGS**

Notices of regular Board meetings are served to all directors at least 14 days before the meetings. For other Board and committee meetings, reasonable notice is generally given.

Board papers together with all appropriate, complete and reliable information are sent to all directors at least 3 days before each Board meeting or committee meeting to keep the directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. The Board and each director also have separate and independent access to the senior management whenever necessary.

The Company Secretary is responsible to take and keep minutes of all Board meetings and committee meetings. Draft minutes are normally circulated to directors for comment within a reasonable time after each meeting and the final version is open for directors' inspection.

According to current Board practice, any material transaction, which involves a conflict of interests for a substantial shareholder or a director, will be considered and dealt with by the Board at a duly convened Board meeting.

## 企 業 管 治 報 告 CORPORATE GOVERNANCE REPORT

## 主席及行政總裁

儘管董事會主席蔣泉龍先生乃行政總裁錢元英女士之丈夫，惟彼等之角色及職責乃分開。主席負責制定本集團之整體業務發展政策，而行政總裁負責本集團業務之整體管理。

## CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Although Mr Jiang Quanlong, the Chairman of the Board, is the husband of Ms Qian Yuanying, the Chief Executive Officer, their roles and responsibilities are separated. The Chairman is responsible for the formulation of the Group's overall business development policies while the Chief Executive Officer is responsible for the overall management of the Group's business.

## 獨立非執行董事

本公司之獨立非執行董事乃才能超群之專業人士，具有財務管理及本集團相關業務方面之專業技術及經驗。彼等就策略發展向本公司提供建議，並使董事會能夠於遵守財務及其他強制性申報規定方面維持高水準，並提供足夠之檢查及平衡，以保護股東及本公司之整體利益。於二零零五年八月，本公司已重新訂定各位獨立非執行董事之委任，為期兩年。本公司已接獲全體獨立非執行就其獨立性作出之書面確認。董事會認為彼等均獨立。

## INDEPENDENT NON-EXECUTIVE DIRECTORS

The independent non-executive directors of the Company are highly skilled professionals with expertise and experience in the field of financial management and businesses related to the Group. They advise the Company on strategy development and enable the Board to maintain high standards of compliance of financial and other mandatory reporting requirements and provide adequate checks and balances to safeguard the interests of shareholders and the Company as a whole. In August 2005, the Company has renewed the appointment with each of the independent non-executive directors for a term of two years. The Company has received written confirmations from all independent non-executive directors concerning their independence. The Board considers that all of them are independent.

## 審核委員會

審核委員會包括本公司之所有獨立非執行董事，即劉余九先生、黃春華先生及金重先生。劉余九先生為該委員會之主席。審核委員會於年內已舉行定期會議，並已審閱本公司所採納之會計政策及慣例及討論審核、內部控制及財務申報事宜，包括審閱本公司本年度之中期及全年業績。

## AUDIT COMMITTEE

The audit committee comprises all independent non-executive directors of the Company, namely, Mr Liu Yujiu, Mr Huang Chunhua and Mr Jin Zhong. The committee is chaired by Mr Liu Yujiu. The audit committee has held regular meetings during the year and it has reviewed the accounting principles and practices adopted by the Company and discussed auditing, internal control and financial reporting matters, including the review of the interim and annual results of the Company for the year.

本公司任何股東如有要求，可向公司秘書瞭解審核委員會職權範圍（均遵守企業管治常規守則）。

The terms of reference of the audit committee, which are in compliance with the CG Code are available from the Company Secretary upon request from any shareholders of the Company.

於本年度，審核委員會舉行兩次會議。董事出席會議之情況如下：

During the year, there were two audit committee meetings. Attendance of the directors were as follow:

董事	出席會議	Director	Attendance
劉余九	2/2	Liu Yujiu	2/2
黃春華	2/2	Huang Chunhua	2/2
金重	2/2	Jin Zhong	2/2

## 企 業 管 治 報 告 CORPORATE GOVERNANCE REPORT

**董事之薪酬**

薪酬委員會於二零零五年八月成立。該委員會之主席為蔣泉龍先生，而其他成員為獨立非執行董事，即劉余九先生、黃春華先生及金重先生。

薪酬委員會之主要職能為向董事會提供本公司董事及高級管理人員薪酬政策及結構方面之推薦意見，並檢討彼等之具體薪酬組合。

本公司任何股東如有要求，可向公司秘書瞭解薪酬委員會之職權範圍（均遵守企業管治常規守則）。

該委員會於二零零五年並無舉行任何會議以檢討董事之薪酬組合，由於本公司認為其薪酬組合乃按市場水平釐定，故並無需要於二零零五年檢討。薪酬委員會於二零零六年將舉行會議，以釐定酬金政策及長期獎勵計劃，以及釐定應付董事及高級管理人員酬金之基準。

**董事提名**

本公司現時並無提名委員會。根據本公司之組織章程細則，董事會有權委任任何人士為董事，以填補臨時空缺或作為董事會之新增成員。提名須考慮獲提名人士之資格、能力及對本公司有可能作出之貢獻。

**董事輪值退任**

根據企業管治常規守則之守則條文A.4.2，每位董事須至少每三年輪值退任一次。本公司之現有組織章程細則訂明，擔任主席或副主席之董事毋須輪值退任。因此，於本報告日期，本公司主席蔣泉龍先生及副主席錢元英女士均毋須輪值退任。為著避免違反企業管治常規守則之守則條文A.4.2，本公司建議於應屆股東週年大會上作出修訂，以訂明每位董事須至少每三年輪值退任一次。

**REMUNERATION OF DIRECTORS**

The remuneration committee was established in August 2005. The chairman of the committee is Mr Jiang Quanlong and other members are the independent non-executive directors, namely, Mr Liu Yujiu, Mr Huang Chunhua and Mr Jin Zhong.

The principal function of the remuneration committee is to make recommendations to the Board of directors on the Company's policy and structure for the remuneration of directors and senior management, and to review their specific remuneration package.

The terms of reference of the remuneration committee, which are in compliance with the CG Code are available from the Company Secretary upon request from any shareholders of the Company.

No meeting was held by the committee in 2005 to review the remuneration packages of directors, which are nominal by market standards, as the Company did not see a need to review them during 2005. The remuneration committee will meet in 2006 to determine the emolument policy and long-term incentive schemes as well as the basis of determining the emoluments payable to the directors and the senior management.

**NOMINATION OF DIRECTORS**

The Company does not have a nomination committee at present. According to the Articles of Association of the Company, the Board of directors has the power to appoint any person as a director either to fill a causal vacancy or as an addition to the Board. The nomination should be taken into consideration of the nominee's qualifications, ability and potential contributions to the Company.

**ROTATION OF DIRECTORS**

Under code provision A.4.2 of the CG Code, every director should be subject to retirement by rotation at least once every three years. The existing Articles of Association of the Company provide that no director holding office as Chairman or Deputy Chairman shall be subject to retirement by rotation. Accordingly, as at the date of this report, Mr Jiang Quanlong and Ms Qian Yuanying, being the Chairman and Deputy Chairman of the Company, respectively, are not subject to retirement by rotation. In order to avoid any non-compliance with code provision A.4.2 of the CG Code, amendment will be proposed at the forthcoming annual general meeting to specify that every director should be subject to retirement by rotation at least every three years.

## 企業管治報告 CORPORATE GOVERNANCE REPORT

### 核數師之酬金

年內，本公司就核數師提供之法定審核服務（包括中期審閱）支付之酬金為1,360,000港元。核數師並無提供任何其他非審核服務。

### 董事對財務報表所負之責任

編製真實及公平地反映本集團財務狀況及各個財政期間之業績及現金流量之財務報表乃董事之責任。於編製財務報表時，董事須確保採納適當會計政策。財務報表乃按持續經營基準編製。

### 內部控制

董事會全面負責維持本集團內部控制之適當系統並檢討其效率。董事會已委派管理人員實施及評估內部控制系統。管理層現時正在發展程序，以檢討本集團內部控制系統之效率。

### 委任核數師

於上屆股東週年大會上獲續聘為核數師之何錫麟會計師行於年內加入中國之信永中和會計師事務所，因此，信永中和（香港）會計師事務所有限公司成立。何錫麟會計師行辭任本公司核數師，而信永中和（香港）會計師事務所有限公司向董事會提交建議，以填補臨時空缺。董事會及審核委員會均認為委聘相同隊伍之核數師應該會使本公司整體受惠，因此，信永中和（香港）會計師事務所有限公司獲委任為本公司核數師。本公司將於應屆股東週年大會上建議提呈決議案，以重新委任信永中和（香港）會計師事務所有限公司為本公司之核數師。

### AUDITORS' REMUNERATION

During the year, the remuneration in respect of statutory audit services (including interim review) provided by the auditors of the Company was HK\$1,360,000. There was no other non-audit service provided by the auditors.

### DIRECTORS' RESPONSIBILITIES ON THE FINANCIAL STATEMENTS

It is the directors' responsibility for the preparation of financial statements which give a true and fair view of the state of affairs of the Group and the results and cash flows for each financial period. In preparing the financial statements, the directors have to ensure that appropriate accounting policies are adopted. The financial statements are prepared on a going concern basis.

### INTERNAL CONTROLS

The Board has overall responsibility for maintaining an adequate system of internal controls of the Group and for reviewing its effectiveness. The Board has delegated to the management the implementation and evaluation of the system of internal controls. The management is currently in the process of developing procedures for the review of the effectiveness of the Group's system of internal control.

### APPOINTMENT OF AUDITORS

Messrs. Ho and Ho & Company, the auditors re-appointed at the last annual general meeting, joined ShineWing Certified Public Accountants in China during the year. As a result, ShineWing (HK) CPA Limited was established. Messrs. Ho and Ho & Company resigned as the auditors of the Company and ShineWing (HK) CPA Limited tendered a proposal to the Board to fill the causal vacancy. Both the Board and the audit committee are of the view that it should benefit the Company as a whole to engage the same team of auditors and so ShineWing (HK) CPA Limited was appointed. A resolution to reappoint ShineWing (HK) CPA Limited as auditors of the Company will be proposed at the forthcoming annual general meeting.

## 企 業 管 治 報 告 CORPORATE GOVERNANCE REPORT

**股東權利及投資者關係**

股東之權利及要求於股東大會上以投票方式表決決議案之程序載於本公司之組織章程細則內。有關權利及程序之詳情已載於致股東以召開股東大會之所有通函內，並於會議進行期間內作出解釋。倘要求以投票方式表決，則會就進行投票之詳細程序作出解釋。

投票結果將於股東大會後之營業日刊登於報章上，並登載於本公司及聯交所網站上。

本公司股東大會為股東及董事會提供溝通之機會。董事會主席以及薪酬委員會及審核委員會之主席（或於其缺席之情況下，其正式委任之代表）將於股東大會上回答提問。

每項主要事項（包括選舉個別董事）將於股東大會上以單獨決議案提呈。

本公司繼續加強與其投資者之溝通及聯繫。獲指派之高級管理人員維持定期與機構投資者及分析師交談，以讓彼等瞭解本公司之最新發展情況。投資人之查詢以具資訊性及適時方式處理。

為促進有效溝通，本公司亦設有一個網站，於 [www.creh.com.hk](http://www.creh.com.hk)，廣泛登載本公司業務發展及營運之最新訊息、財務訊息及其他訊息。

**SHAREHOLDER RIGHTS AND INVESTOR RELATIONS**

The rights of shareholders and the procedures for demanding a poll on resolutions at shareholders' meetings are contained in the Company's Articles of Association. Details of such rights and procedures are included in all circulars to shareholders convening shareholders' meetings and will be explained during the proceedings of meetings. Whenever voting by way of a poll is required, the detailed procedures for conducting a poll will be explained.

Poll results will be published in newspapers on the business day following the shareholders' meeting and posted on the websites of the Company and of the Stock Exchange.

The general meetings of the Company provide an opportunity for communication between the shareholders and the Board. The Chairman of the Board as well as chairmen of the remuneration committee and audit committee, or in their absence, their duly appointed delegates are available to answer questions at the shareholders' meetings.

Separate resolutions are proposed at shareholders' meetings on each substantial issue, including the election of individual directors.

The Company continues to enhance communications and relationships with its investors. Designated senior management maintain regular dialogue with institutional investors and analysts to keep them abreast of the Company's developments. Enquiries from investors are dealt with in an informative and timely manner.

To promote effective communication, the Company also maintains a website at [www.creh.com.hk](http://www.creh.com.hk), where extensive information and updates on the Company's business developments and operations, financial information and other information are posted.



## 董事會報告 DIRECTORS' REPORT

董事會同寅欣然呈報中國稀土控股有限公司（「本公司」）及其附屬公司（「本集團」）截至二零零五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綜合財務報表附註30。

### 分類資料

本集團分類資料的詳情載於綜合財務報表附註7。

### 業績及分派

本集團於截至二零零五年十二月三十一日止年度的業績載於本年報第40頁的綜合損益表內。

年內未有宣佈及派發中期股息。董事會現建議派發截至二零零五年十二月三十一日止年度的末期股息每股4港仙予於二零零六年六月十五日名列股東名冊的股東。

### 本公司可供分派之儲備

本公司可供分派之儲備包括股份溢價賬及累計溢利。於二零零五年十二月三十一日，本公司可供分派給股東的儲備為755,170,000港元。

### 財務概要

本集團於截至二零零五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104頁。

### 物業、廠房及設備以及在建工程

本集團於年內的物業、廠房及設備以及在建工程的變動詳情載於綜合財務報表附註18。

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 2005.

### 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 30 to the consolidated financial statements.

### SEGMENTAL INFORMATION

Details of segmental information of the Group are set out in Note 7 to the consolidated financial statements.

### RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2005 are set out in the consolidated income statement on page 40 of the annual report.

No interim dividend was declared and paid to the shareholders during the year. The directors recommend the payment of a final dividend of HK4 cents per share for the year ended 31 December 2005 to the shareholders on the Register of Members on 15 June 2006.

### DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution comprise the share premium account and accumulated profits. As at 31 December 2005, the reserves of the Company available for distribution to shareholders amounted to HK\$755,170,000.

### FINANCIAL SUMMARY

A summary of the results of the Group for the past five financial years ended 31 December 2005 is set out on page 104 of the annual report.

### 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 during the year are set out in Note 18 to the consolidated financial statements.

## 董事會報告 DIRECTORS' REPORT

## 股本

本公司於二零零五年十二月三十一日的法定及已發行股本詳情載於綜合財務報表附註24。

## 借貸

年內本集團沒有銀行借貸。

## 退休金計劃

本集團的退休金計劃詳情載於綜合財務報表附註12。

## 董事

年內及直至本報告刊行日期止本公司的董事為：

## 執行董事

蔣泉龍先生（主席）  
錢元英女士（副主席）  
許盤鳳女士  
（於二零零五年八月十九日獲委任）  
蔣才南先生  
（於二零零五年八月十九日獲委任）  
范亞軍先生  
（於二零零五年八月十九日退任）

## 獨立非執行董事

劉余九先生  
黃春華先生  
金重先生

根據本公司的公司細則第108(A)及(B)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。

根據本公司的公司細則第112條，許盤鳳女士及蔣才南先生將於即將舉行的股東週年大會上退任，惟合資格並願意膺選連任。

於二零零五年十二月三十一日，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。

## SHARE CAPITAL

Details of the authorized and issued share capital of the Company as at 31 December 2005 are set out in Note 24 to the consolidated financial statements.

## BORROWINGS

There was no bank borrowings of the Group during the year.

## RETIREMENT SCHEMES

Details of the retirement schemes of the Group are set out in Note 12 to the consolidated 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*)  
Ms Xu Panfeng  
(appointed on 19 August 2005)  
Mr Jiang Cainan  
(appointed on 19 August 2005)  
Mr Fan Yajun  
(resigned on 19 August 2005)

## Independent non-executive directors

Mr Liu Yujiu  
Mr Huang Chunhua  
Mr Jin Zhong

In accordance with Articles 108(A) and (B) 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.

In accordance with Article 112 of the Company's Articles of Association, Ms Xu Panfeng and Mr Jiang Cainan will retire from the Board at the forthcoming annual general meeting and being eligible, offer themselves for re-election.

As at 31 December 2005, 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.



## 董事會報告 DIRECTORS' REPORT

## 董事權益及淡倉

於二零零五年十二月三十一日，本公司依據「證券及期貨條例」第352條而存置之登記冊內所載，或依據上市公司董事進行證券交易的標準守則而通知本公司及香港聯合交易所有限公司（「聯交所」）的本公司董事及行政總裁及其關聯人士於本公司及其相聯公司之股份、相關股份及債券的權益及淡倉如下：

## DIRECTORS' INTERESTS AND SHORT POSITIONS

As at 31 December 2005, the interests and short positions of the directors and chief executive of the Company and their associates in the shares, underlying shares and debentures of the Company and its associated corporations as recorded in the register kept by the Company pursuant to Section 352 of the Securities and Futures Ordinance ("SFO") or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers were as follows:

## 1. 於本公司股份權益

## 1. Interests in shares of the Company

董事	權益性質／身份	股份數目	佔本公司已發行股本的百分比 % to the issued share capital of the Company
Director	Nature of interest/Capacity	Number of shares	
蔣泉龍	配偶之權益／ 受控公司之權益	593,400,000 (附註)	60.12%
Jiang Quanlong	Interest of spouse/ Interest of controlled corporation	593,400,000 (note)	
錢元英	信託之成立人	593,400,000 (附註)	60.12%
Qian Yuanying	Founder of a trust	593,400,000 (note)	
黃春華	實益擁有人	2,868,000	0.29%
Huang Chunhua	Beneficial owner	2,868,000	

附註：

該等股份乃透過YY Holdings Limited持有，其全部已發行股本由YY Trust的受託人YYT Limited所持有，而受益人為蔣泉龍先生的配偶錢元英女士及其子女全資擁有的公司。按證券及期貨條例第XV部之定義錢元英女士為YY Trust的成立人。蔣泉龍先生為YY Holdings Limited的唯一董事。

Note:

These shares are held through YY Holdings Limited, the entire issued share capital of which is held by YYT Limited, the trustee of YY Trust, the discretionary object of which is a company wholly owned by Ms Qian Yuanying, the spouse of Mr Jiang Quanlong, and her children. Ms Qian Yuanying is a founder of YY Trust within the meaning under Part XV of the SFO. Mr Jiang Quanlong is the sole director of YY Holdings Limited.

## 董 事 會 報 告 DIRECTORS' REPORT

## 2. 於相聯公司股份、相關股份或股本權益

## (a) 新威稀土集團（香港）有限公司

董事 Director	權益性質／身份 Nature of interest/ Capacity	股份類別及數目 Number and class of issued shares	佔該公司已發行股本中 該股份類別的百分比 % in the class of shares in the issued share capital of the Company
蔣泉龍	實益擁有人	無投票權遞延股份 7,000,000股	70%
Jiang Quanlong	Beneficial owner	7,000,000 non-voting deferred shares	
錢元英	實益擁有人	無投票權遞延股份 3,000,000股	30%
Qian Yuanying	Beneficial owner	3,000,000 non-voting deferred shares	

## (b) 宜興新威利成稀土有限公司

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

董事 Director	權益性質／身份 Nature of interest/Capacity	股本權益百分比 % equity interest
蔣泉龍	受控公司之權益	5%
Jiang Quanlong	Interest of controlled corporation	

附註：

該等權益乃透過宜興新威集團有限公司持有。該中國企業由蔣泉龍先生擁有90%權益，餘下的10%權益由其子持有。蔣先生亦為該企業的法定代表人。

Note:

The equity interest is held by Yixing Xinwei Group Co., Ltd., a PRC domestic enterprise 90% owned by Mr Jiang Quanlong, with the remaining 10% owned by his son. Mr Jiang is also the legal representative of the enterprise.

## 董事會報告 DIRECTORS' REPORT

(c) YY Holdings Limited

(c) YY Holdings Limited

董事	權益性質／身份	已發行股份數目	佔該公司已發行股本中 該股份類別的百分比 % in the class of shares in the issued share capital of the Company
Director	Nature of interest/ Capacity	Number of issued shares	
錢元英	信託之成立人	普通股份1股	100%
Qian Yuanying	Founder of a trust	1 ordinary share	
錢元英	信託之成立人	優先股份25,000股	100%
Qian Yuanying	Founder of a trust	25,000 preference shares	
蔣泉龍	受控公司之權益	普通股份1股	100%
Jiang Quanlong	Interest of controlled corporation	1 ordinary share	
蔣泉龍	受控公司之權益	優先股份25,000股	100%
Jiang Quanlong	Interest of controlled corporation	25,000 preference shares	

附註：

Note:

該等股份乃透過YY Holdings Limited持有，其全部已發行股本由YY Trust的受託人YYT Limited所持有，而受益人為蔣泉龍先生的配偶錢元英女士及其子女全資擁有的公司。按證券及期貨條例第XV部之定義，錢元英女士為YY Trust的成立人。蔣泉龍先生為YYT Limited的唯一董事。

These shares are held through YY Holdings Limited, the entire issued share capital of which is held by YYT Limited, the trustee of YY Trust, the discretionary object of which is a company wholly owned by Ms Qian Yuanying, the spouse of Mr Jiang Quanlong, and her children. Ms Qian Yuanying is a founder of YY Trust within the meaning under Part XV of the SFO. Mr Jiang Quanlong is the sole director of YYT Limited.

除上述披露外，於二零零五年十二月三十一日，根據「證券及期貨條例」第352條所存置之登記冊內所載，概無本公司董事或行政總裁或其關聯人士於本公司及其相聯公司之股份、相關股份及債券持有或被視為持有任何權益或淡倉。

Save as disclosed above, as at 31 December 2005, none of the directors or chief executive of the Company and their associates had or was deemed to have any interest or short position in the shares, underlying shares and debentures of the Company and its associated corporations as recorded in the register kept under Section 352 of the SFO.

## 董事會報告 DIRECTORS' REPORT

## 購股權計劃

因應香港聯合交易所有限公司證券上市規則（「上市規則」）第17章之修訂，於二零零四年六月四日，本公司股東批准終止於一九九九年十月十四日採納之購股權計劃（「舊計劃」）及採納新的購股權計劃（「新計劃」）。於舊計劃終止時，本公司將不會根據舊計劃進一步授出購股權，惟舊計劃於所有其他方面將仍然生效以使根據舊計劃已授出而於其終止前尚未行使之購股權仍可行使。根據舊計劃之條文，該等購股權將繼續有效，並可予以行使。

新計劃之主要條款如下：

1. 新計劃旨在使本集團能向曾對本集團作出貢獻的合資格參與者授出購股權作為獎勵或回報。
2. 合資格參與者包括本公司或其任何附屬公司或本集團任何成員公司持有任何股權之任何實體之任何僱員（不論全職或兼職，包括執行董事）、任何非執行董事、任何股東、任何供應商及任何客戶，以及對本集團的發展及成長作出貢獻的任何人士。
3. 按新計劃，可予發行的總股份數目為98,695,305股，約佔本報告刊發日期本公司已發行股本的10%。
4. 各參與者按新計劃在任何十二個月期間內可獲發行之股份數目不可超過本公司在當時已發行股本之1%。

## SHARE OPTION SCHEME

On 4 June 2004, the shareholders of the Company approved the termination of the share option scheme adopted on 14 October 1999 (the "Old Scheme") and the adoption of a new scheme (the "New Scheme") for the purpose of coping with the amendments introduced to Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). Upon the termination of the Old Scheme, no further options would be offered pursuant to the Old Scheme but the Old Scheme would in all other respects remain in force to the extent necessary to give effect to the exercise of the outstanding options granted under it prior to its termination, and such outstanding options will continue to be valid and exercisable in accordance with the provisions of the Old Scheme.

The major terms of the New Scheme are as follows:

1. The purpose of the New Scheme is to enable the Group to grant options to the eligible participants as incentives or rewards for their contribution to the Group.
2. The eligible participants included any employee (whether full-time or part-time, including any executive director), any non-executive director, any shareholder, any supplier and any customer of the Company or any of its subsidiaries or any entity in which any member of the Group holds any equity interest, and any party having contribution to the development and growth of the Group.
3. Under the New Scheme, the total number of shares available for issue is 98,695,305 which represents approximately 10% of the issued share capital of the Company as at the date of this report.
4. The maximum entitlement of each participant under the New Scheme in any 12-month period should not exceed 1% of the issued share capital of the Company for the time being.

## 董事會報告 DIRECTORS' REPORT

- |   |  |
|---|--|
| <p>5. 授出購股權之可行使日期可由董事會釐定，但不可於由要約日期十年後結束。</p> <p>6. 任何授出購股權之要約可由參與者於要約日起二十一日內以付出代價1港元接納。</p> <p>7. 行使價可由董事會釐定，但不可少於下列各項之最高者：</p> <p style="margin-left: 40px;">(i) 要約當日本公司股份於聯交所每日報價表所示之收市價；</p> <p style="margin-left: 40px;">(ii) 緊接要約當日前五個營業日本公司股份於聯交所每日報價表所示之平均收市價；及</p> <p style="margin-left: 40px;">(iii) 本公司股份面價。</p> <p>8. 新計劃自二零零四年六月十八日，即新計劃被採納日起十年內有效。</p> | <p>5. The exercisable period of an option granted may be determined by the directors and which should not end later than 10 years after the date of offer.</p> <p>6. Any offer for the grant of an option may be accepted by the participant within 21 days from the date of offer with a consideration of HK\$1 paid.</p> <p>7. The exercise price may be determined by the directors provided that it should not be less than the highest of:</p> <p style="margin-left: 40px;">(i) the closing price of the shares of the Company as stated in the Stock Exchange's daily quotation sheet on the date of offer;</p> <p style="margin-left: 40px;">(ii) the average closing price of the shares of the Company as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of offer; and</p> <p style="margin-left: 40px;">(iii) the nominal value of a share of the Company.</p> <p>8. The New Scheme is valid and effective for a period of 10 years from 18 June 2004, the date of the New Scheme adopted.</p> |
|---|--|

於本年內，並無購股權按舊計劃或新計劃被授出、行使或失效。

During the year, no option was granted, exercised or lapsed under the Old Scheme or the New Scheme.

## 董事會報告 DIRECTORS' REPORT

於二零零五年十二月三十一日，按舊計劃已授出而尚未行使之購股權詳情如下：

Details of options which have been granted under the Old Scheme and remain outstanding as at 31 December 2005 were as follows:

被授人	授出日期	行使價	於二零零五年 一月一日持有 Held at 1 January 2005	購股權數目 Number of options	
				於本年內取消 Cancelled during the year	於二零零五年 十二月三十一日持有 Held at 31 December 2005
Grantee	Date of grant	Exercise price	1 January 2005		
<b>董事</b>					
<i>Directors</i>					
范亞軍	二零零三年一月二十三日	1.10港元	5,000,000	5,000,000	—
Fan Yajun	23 January 2003	HK\$1.10			
<b>員工</b>					
<i>Employees</i>					
合計	二零零三年一月二十三日	1.10港元	1,500,000	—	1,500,000
In aggregate	23 January 2003	HK\$1.10			

授出之購股權之可行使期為二零零三年一月二十七日至二零一三年一月二十六日，唯授出之購股權之50%不可於二零零四年一月二十七日前行使。

The options granted are exercisable between 27 January 2003 to 26 January 2013, provided that 50% of the options granted shall not be exercised prior to 27 January 2004.

除上述披露外，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。

Save as disclosed above, 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 executive 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.

## 董事會報告 DIRECTORS' REPORT

## 主要股東權益及淡倉

據董事會所知，於二零零五年十二月三十一日，本公司依據「證券及期貨條例」第336條而存置之登記冊內所載，除本公司董事及行政總裁以外的股東持有本公司的股份及相關股份的權益及淡倉如下：

1. 全部已發行股本由YYT Limited所持有的公司YY Holdings Limited以實益擁有人身份持有本公司股份593,400,000股，約佔本公司已發行股份的60.12%。
2. YYT Limited被視為持有其所擁有全部已發行股本的YY Holdings Limited所持有的本公司股份593,400,000的權益。
3. Martin Currie China Hedge Fund Limited以投資經理身份持有本公司股份56,778,000股，約佔本公司已發行股份的5.75%。
4. Martin Currie Investment Management Limited以投資經理身份持有本公司股份57,151,000股，約佔本公司已發行股份的5.79%。

除上述披露外，於二零零五年十二月三十一日，根據「證券及期貨條例」第336條所存置之登記冊內所載，除本公司董事及行政總裁以外，概無其他人仕通知本公司於本公司之股份或相關股份持有任何權益或淡倉。

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS

So far as is known to the directors, as at 31 December 2005, the interests and short positions of shareholders, other than the directors or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register kept by the Company pursuant to Section 336 of the SFO were as follows:

1. YY Holdings Limited, the entire issued share capital of which is held by YYT Limited, was holding 593,400,000 shares of the Company, representing approximately 60.12% of the issued share capital of the Company as beneficial owner.
2. YYT Limited was deemed to be interested in 593,400,000 shares of the Company held by YY Holdings Limited the entire issued share capital of which is held by YYT Limited.
3. Martin Currie China Hedge Fund Limited was holding 56,778,000 shares of the Company, representing approximately 5.75% of the issued share capital of the Company as investment manager.
4. Martin Currie Investment Management Limited was holding 57,151,000 shares of the Company, representing approximately 5.79% of the issued share capital of the Company as investment manager.

Save as disclosed above, no other party, other than the directors or chief executive of the Company, had notified the Company that he had any interest or short position in the shares or underlying shares of the Company as recorded in the register kept under Section 336 of the SFO as at 31 December 2005.



## 董事會報告 DIRECTORS' REPORT

**董事於合約的權益**

年內，本集團毋須支付代價而使用蔣泉龍先生持有90%權益的中國企業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5,662,000港元。

年內，本集團向蔣泉龍先生租用兩個辦公室單位作為銷售及市場推廣辦公室。年內，就該等租約所支付的經營性租賃合約租金合共約206,000港元。

年內，本集團向一間由錢元英女士擁有權益的關連公司無錫泛亞環保科技有限公司支付約51,000港元，作為使用其辦公室的代價。

除上述及於綜合財務報表附註27披露外，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。

**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。

**DIRECTORS' INTERESTS IN CONTRACTS**

During the year, the Group arranged export sales of its products outside the PRC using the export quota of Yixing Xinwei Group Co. Ltd., a PRC domestic enterprise 90% owned by Mr Jiang Quanlong, at nil consideration. Export sales handled through this arrangement amounted to approximately HK\$5,662,000.

During the year, the Group leased two office premises from Mr Jiang Quanlong for use as its sales and marketing office. During the year, the total operating lease rentals paid in respect of these leases amounted to approximately HK\$206,000.

During the year, the Group paid approximately HK\$51,000 as a compensation to Wuxi Pan-Asia Environmental Protection Technologies Limited, a related company in which Ms Qian Yuanying has beneficial interests, for the use of an office premises.

Save as disclosed above and in Note 27 to the consolidated financial statements, no director had a beneficial interest, either direct or indirect, in any contract of significance to which the Company or any of its subsidiaries was a party at the balance sheet date or at any time during the year.

**MANAGEMENT CONTRACTS**

No contract concerning the management and administration of the whole or any substantial part of the business of the Group was 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.

## 董事會報告 DIRECTORS' REPORT

## 主要客戶及供應商

本集團主要客戶及供應商於年內所佔的銷售及採購百分比如下：

## 銷售

– 最大客戶	12%
– 最大五名客戶合計	39%

## 採購

– 最大供應商	17%
– 最大五名供應商合計	41%

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最大五名客戶或供應商的股本中擁有任何權益。

## 優先購股權

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

## 足夠公眾持股量

根據本公司從公開途徑所得的資料及據董事會所知，本公司於年內一直維持上市規則所規定的足夠公眾持股量。

## MAJOR CUSTOMERS AND SUPPLIERS

The percentages of sales and purchases for the year attributable to the Group's major customers and suppliers are as follows:

## Sales

– the largest customer	12%
– five largest customers combined	39%

## Purchases

– the largest supplier	17%
– five largest suppliers combined	41%

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

## PRE-EMPTIVE RIGHTS

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

## SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors, the Company has maintained sufficient public float as required under the Listing Rules during the year.

## 董 事 會 報 告 DIRECTORS' REPORT

### 核數師

由二零零三年始作為本公司核數師的何錫麟會計師行於二零零五年下旬與中國的信永中和會計師事務所合併。信永中和（香港）會計師事務所有限公司因此而成立了並於二零零五年十一月十七日起取代何錫麟會計師行出任為本公司核數師。

信永中和（香港）會計師事務所有限公司任滿告退，惟合資格並願意膺選連任。本公司於即將舉行的股東週年大會上將提呈續聘信永中和（香港）會計師事務所有限公司為本公司核數師的決議案。

承董事會命

蔣泉龍

主席

香港，二零零六年四月二十日

### AUDITORS

Messrs. Ho and Ho & Company, who acted as the auditors of the Company since 2003, joined ShineWing Certified Public Accountants in China in the second half of 2005. As a result, ShineWing (HK) CPA Limited was established and it replaces Messrs. Ho and Ho & Company as the auditors of the Company with effect from 17 November 2005.

ShineWing (HK) CPA Limited retires and, being eligible, offers itself for re-appointment. A resolution to reappoint ShineWing (HK) CPA Limited as auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Jiang Quanlong

Chairman

Hong Kong, 20 April 2006

## 核 數 師 報 告 AUDITORS' REPORT



信永中和(香港)  
會計師事務所有限公司  
香港德輔道6-8號  
瑞安中心20樓09-18室

SHINEWING (HK) CPA Limited  
Suites 09-18, 20/F.  
Shui On Centre  
6-8 Harbour Road  
Wanchai, Hong Kong

致 中國稀土控股有限公司各股東  
China Rare Earth Holdings Limited  
(於開曼群島註冊成立之有限公司)

To the shareholders of  
China Rare Earth Holdings Limited  
中國稀土控股有限公司  
(Incorporated in the Cayman Islands with limited liability)

本核數師已將刊於第40頁至第103頁內根據香港公認會計原則編制之中國稀土控股有限公司(「本公司」)及其附屬公司(「本集團」)之綜合財務報表審核完竣。

We have audited the consolidated financial statements of China Rare Earth Holdings Limited ("the Company") and its subsidiaries ("the Group") on pages 40 to 103 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制真實而公正之綜合財務報表。在編制該等綜合財務報表時，董事必須貫徹採用合適的會計政策。

#### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for the preparation of consolidated financial statements which give a true and fair view. In preparing consolidated 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，對該等綜合財務報表作出獨立意見，並僅向整體股東報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

It is our responsibility to form an independent opinion, based on our audit, on those consolidated financial statements and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the content of this report.

## 核 數 師 報 告 AUDITORS' REPORT

## 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綜合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制該等綜合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。

本核數師計劃及進行審核工作時，均以取得一切認為必須的資料及解釋為目標，使能為本核數師提供充份的憑證，就該等綜合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綜合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

本核數師認為上述的綜合財務報表均真實而公正地反映貴集團於二零零五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制。

信永中和（香港）會計師事務所有限公司

執業會計師

陳永傑

執業證書編號：P03224

香港，二零零六年四月二十日

## BASIS OF OPINION

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

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

## OPINION

In our opinion the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 December 2005 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.

ShineWing (HK) CPA Limited

Certified Public Accountants

Chan Wing Kit

Practising Certificate Number: P03224

Hong Kong, 20 April 2006

## 綜 合 損 益 表 CONSOLIDATED INCOME STATEMENT

截至二零零五年十二月三十一日止年度 Year ended 31 December 2005

			二零零五年	二零零四年
			2005	2004
附註			千港元	千港元
NOTES			HK\$'000	HK\$'000
				(重新表述) (restated)
營業額	Turnover	(8)	769,370	665,320
銷售成本	Cost of sales		(565,407)	(484,667)
毛利	Gross profit		203,963	180,653
利息收入	Interest income		1,804	2,049
銷售及分銷費用	Selling and distribution expenses		(21,698)	(19,329)
管理費用	Administrative expenses		(14,906)	(24,312)
其他收入淨額	Other income, net		2,504	2,339
財務成本	Finance costs	(9)	(21)	(2,117)
除稅前溢利	Profit before taxation	(10)	171,646	139,283
稅項	Taxation	(13)	(40,021)	(17,973)
本年度溢利	Profit for the year		131,625	121,310
應佔溢利：	Attributable to:			
本公司股東	Equity holders of the Company		130,207	119,658
少數股東權益	Minority interests		1,418	1,652
			131,625	121,310
股息	Dividends	(14)	47,374	19,739
每股盈利	Earnings per share	(15)		
— 基本	— Basic		13.2 cents仙	12.3 cents仙
— 攤薄	— Diluted		N/A不適用	12.3 cents仙



## 綜 合 資 產 負 債 表 CONSOLIDATED BALANCE SHEET

於二零零五年十二月三十一日 As at 31 December 2005

		附註 NOTES	二零零五年 2005 千港元 HK\$'000	二零零四年 2004 千港元 HK\$'000 (重新表述) (restated)
非流動資產	Non-current assets			
商譽	Goodwill	(16)	199,715	136,540
物業、廠房及設備以及 在建工程	Property, plant and equipment and construction-in-progress	(18)	570,046	549,766
預付租賃土地使用權 款項	Prepaid lease payments on land use rights	(19)	12,021	10,037
			781,782	696,343
流動資產	Current assets			
存貨	Inventories	(20)	228,391	225,237
應收賬款及其他應收款	Accounts and other receivables	(21)	338,801	203,556
預付款項、按金及 其他流動資產	Prepayments, deposits and other current assets		91,150	73,435
預付租賃土地使用權 款項	Prepaid lease payments on land use rights	(19)	398	347
已抵押存款	Pledged deposit	(22)	327	1,418
現金及銀行結存	Cash and bank balances		153,115	227,000
			812,182	730,993
流動負債	Current liabilities			
應付賬款	Accounts payable	(23)	56,249	55,882
預提費用及其他應付款	Accruals and other payables		44,115	25,937
應付董事款項	Amounts due to directors	(27c)	11,850	10,067
應付關聯公司款項	Amount due to a related company	(27a)	1,220	8,713
應付稅項	Tax payable	(13)	31,815	7,061
			145,249	107,660
流動資產淨額	Net current assets		666,933	623,333
			1,448,715	1,319,676

# 綜 合 資 產 負 債 表 CONSOLIDATED BALANCE SHEET

於二零零五年十二月三十一日 As at 31 December 2005

		二零零五年	二零零四年
		2005	2004
附註		千港元	千港元
NOTES		HK\$'000	HK\$'000
			(重新表述) (restated)
資本及儲備	Capital and reserves		
股本	Share capital (24)	98,695	98,695
儲備	Reserves	1,331,132	1,203,511
本公司股東應佔權益	Equity attributable to equity holders of the Company	1,429,827	1,302,206
少數股東權益	Minority interests	18,888	17,470
權益總額	Total equity	1,448,715	1,319,676

載於第40至103頁的綜合財務報表於二零零六年四月二十日獲董事會批准及授權公佈，並由下列董事代表簽署：

The consolidated financial statements on pages 40 to 103 were approved and authorised for issue by the Board of Directors on 20 April 2006 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 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

截至二零零五年十二月三十一日止年度 Year ended 31 December 2005

		本公司股東應佔權益 Attributable to equity holders of the Company							少數股東 權益		總額
		股本	股份溢價 (附註)	資本儲備	法定儲備	股息儲備	外匯兌換 儲備	累計溢利	總額	權益	總額
		Share capital	Share premium	Capital reserve	Statutory reserves	Dividend reserve	Exchange translation reserve	Accumulated profits	Total	Minority interests	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	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
於二零零四年一月一日	At 1 January 2004										
— 原先所列	— as originally stated	81,445	412,485	32,837	46,574	19,739	3,597	400,182	996,859	—	996,859
— 會計政策改變的影響 (附註2)	— effect of changes in accounting policy (note 2)	—	—	—	—	—	—	(259)	(259)	15,818	15,559
— 經重新表述	— as restated	81,445	412,485	32,837	46,574	19,739	3,597	399,923	996,600	15,818	1,012,418
本年度發行股份	Issue of shares during the year	17,250	189,750	—	—	—	—	—	207,000	—	207,000
股票發行費用	Share issue expenses	—	(1,313)	—	—	—	—	—	(1,313)	—	(1,313)
本年度溢利	Profit for the year	—	—	—	—	—	—	119,424	119,424	—	119,424
— 原先所列	— as originally stated	—	—	—	—	—	—	119,424	119,424	—	119,424
— 會計政策改變的影響 (附註2)	— effect of changes in accounting policy (note 2)	—	—	—	—	—	—	234	234	1,652	1,886
— 經重新表述	— as restated	—	—	—	—	—	—	119,658	119,658	1,652	121,310
轉往法定儲備	Appropriations to statutory reserves	—	—	—	10,400	—	—	(10,400)	—	—	—
股息轉撥(附註14)	Dividends set aside (note 14)	—	—	—	—	19,739	—	(19,739)	—	—	—
已付二零零三年 末期股息	Final dividends paid for 2003	—	—	—	—	(19,739)	—	—	(19,739)	—	(19,739)
於二零零四年 十二月三十一日	At 31 December 2004	98,695	600,922	32,837	56,974	19,739	3,597	489,442	1,302,206	17,470	1,319,676

## 綜合權益變動表 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

截至二零零五年十二月三十一日止年度 Year ended 31 December 2005

		本公司股東應佔權益									
		Attributable to equity holders of the Company									
		股本	股份溢價 (附註)	資本儲備	法定儲備	股息儲備	外匯兌換 儲備	累計溢利	總額	少數股東 權益	總額
		Share capital	Share premium (note)	Capital reserve	Statutory reserves	Dividend reserve	Exchange translation reserve	Accu- mulated profits	Total	Minority interests	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	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
於二零零四年 十二月三十一日	At 31 December 2004	98,695	600,922	32,837	56,974	19,739	3,597	489,442	1,302,206	17,470	1,319,676
會計政策改變的影響 (附註2)	Effect of changes in accounting policy (note 2)	-	-	(10,489)	-	-	-	10,489	-	-	-
於二零零五年一月一日 經重新表述	At 1 January 2005 as restated	98,695	600,922	22,348	56,974	19,739	3,597	499,931	1,302,206	17,470	1,319,676
直接確認權益之 匯兌差額	Exchange difference directly recognised in equity	-	-	-	-	-	17,153	-	17,153	-	17,153
本年度溢利	Profit for the year	-	-	-	-	-	-	130,207	130,207	1,418	131,625
本年已確認之收入總額	Total recognised income for the year	-	-	-	-	-	17,153	130,207	147,360	1,418	148,778
轉往法定儲備	Appropriations to statutory reserves	-	-	-	13,975	-	-	(13,975)	-	-	-
股息轉撥 (附註14)	Dividends set aside (note 14)	-	-	-	-	47,374	-	(47,374)	-	-	-
已付二零零四年 末期股息	Final dividends paid for 2004	-	-	-	-	(19,739)	-	-	(19,739)	-	(19,739)
於二零零五年 十二月三十一日	At 31 December 2005	98,695	600,922	22,348	70,949	47,374	20,750	568,789	1,429,827	18,888	1,448,715

附註：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。

Note: 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.

## 綜合現金流量表 CONSOLIDATED CASH FLOW STATEMENT

截至二零零五年十二月三十一日止年度 Year ended 31 December 2005

		二零零五年 2005 千港元 HK\$'000	二零零四年 2004 千港元 HK\$'000 (重新表述) (restated)
<b>經營活動</b>	<b>Operating activities</b>		
除稅前溢利	Profit before taxation	171,646	139,283
調整項目：	Adjustments for:		
財務成本	Finance costs	21	2,117
利息收入	Interest income	(1,804)	(2,049)
物業、廠房及設備 之折舊	Depreciation on property, plant and equipment	60,985	50,175
處置物業、廠房及設備 之虧損／(收益)	Loss/(gain) on disposal of property, plant and equipment	20	(96)
預付租賃土地使用 權款項攤銷	Amortisation of prepaid lease payments of land use rights	351	335
商譽攤銷	Amortisation of goodwill	—	6,558
存貨撥備	Allowance for inventories	—	184
撥回呆壞賬撥備	Written back of allowance for bad and doubtful debts	—	(477)
<b>營運資金變動前的 經營現金流量</b>	<b>Operating cash flows before movements in working capital</b>	<b>231,219</b>	<b>196,030</b>
存貨減少／(增加)	Decrease/(increase) in inventories	818	(19,139)
應收賬款及其他應收款 增加	Increase in accounts and other receivables	(108,609)	(35,439)
預付款項、按金及其他 流動資產(增加)／減少	(Increase)/decrease in prepayments, deposits and other current assets	(15,589)	418
應收關聯公司款項減少	Decrease in amount due from a related company	—	46
應付賬款(減少)／增加	(Decrease)/increase in accounts payable	(1,226)	11,403
預提費用及包括應付中國 增值稅的其他應付款增加	Increase in accruals and other payables, including PRC VAT payable	5,289	537
應付董事款項增加	Increase in amounts due to directors	1,783	1,631
應付關聯公司款項減少	Decrease in amount due to a related company	(7,493)	(2,673)
已付企業所得稅	Enterprise Income Tax paid	(26,542)	(16,364)
<b>經營活動所得的現金淨額</b>	<b>Net cash generated from operating activities</b>	<b>79,650</b>	<b>136,450</b>

## 綜 合 現 金 流 量 表 CONSOLIDATED CASH FLOW STATEMENT

截至二零零五年十二月三十一日止年度 Year ended 31 December 2005

		二零零五年 2005 千港元 HK\$'000	二零零四年 2004 千港元 HK\$'000 (重新表述) (restated)
<b>投資活動</b>	<b>Investing activities</b>		
購置物業、廠房及設備 以及在建工程支出	Purchase of property, plant and equipment and expenditure on construction-in-progress	(28,748)	(126,063)
購置物業、廠房及設備 以及在建工程的預付款 及按金(增加)/減少	(Increase)/decrease in prepayments and deposits paid for purchase of property, plant and equipment and construction-in-progress	(304)	28,484
處置物業、廠房及設備 以及在建工程所得款	Proceeds from disposal of property, plant and equipment and construction-in-progress	–	170
已抵押存款減少/(增加)	Decrease/(increase) in pledged deposit	1,091	(1,418)
已收利息	Interest received	1,804	2,049
收購附屬公司(支出)/所得 的現金淨額(附註28)	Net cash (outflow)/inflow from acquisition of subsidiaries (Note 28)	(114,957)	3,405
<b>投資活動使用的現金淨額</b>	<b>Net cash used in investing activities</b>	<b>(141,114)</b>	<b>(93,373)</b>
<b>融資活動</b>	<b>Financing activities</b>		
新增銀行借款	Newly raised bank loan	–	47,170
償還銀行借款	Repayment of bank loan	–	(94,340)
已付股息	Dividends paid	(19,739)	(19,739)
已付利息	Interest paid	(21)	(2,117)
發行股本支出	Share issue expenses	–	(1,313)
<b>融資活動使用的現金淨額</b>	<b>Net cash used in financing activities</b>	<b>(19,760)</b>	<b>(70,339)</b>
<b>現金及現金等值項目 減少淨額</b>	<b>Net decrease in cash and cash equivalents</b>	<b>(81,224)</b>	<b>(27,262)</b>
<b>年初現金及現金等值項目</b>	<b>Cash and cash equivalents at beginning of the year</b>	<b>227,000</b>	<b>254,262</b>
<b>外幣匯率變動之影響</b>	<b>Effect of changes in exchange rate</b>	<b>7,339</b>	<b>–</b>
<b>年末現金及現金等值項目 結存分析</b>	<b>Analysis of the balances of cash and cash equivalents at end of the year</b>		
現金及銀行結存	Cash and bank balances	153,115	227,000



## 綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至二零零五年十二月三十一日止年度 Year ended 31 December 2005

## 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（「聯交所」）上市。本公司註冊辦事處地址及主要營業地點於本年報公司資料一節中披露。

本綜合財務報表以港元列示，港元亦為本公司及其附屬公司（「本集團」）之計量貨幣。

本集團從事製造及銷售稀土產品（包括熒光產品）及耐火產品（包括高溫陶瓷產品和鎂砂）。

## 2. 採用香港財務報告準則／會計政策變動

於本年度，本集團首次採用多項由香港會計師公會頒佈之香港財務報告準則、香港會計準則及詮釋（在下文統稱為「新香港財務報告準則」），該等準則適用於二零零五年一月一日或以後開始之會計期間。採用新香港財務報告準則導致綜合損益表、綜合資產負債表、綜合現金流量表以及綜合權益變動表之呈列方法有所改變，尤其令有關少數股東權益之呈列方法有所改變，該等呈列方法之改變已追溯應用。以下列示在採用新香港財務報告準則對本會計年度及以往會計年度之業績編制及呈列的影響：

## 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 "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section to the annual report.

The consolidated financial statements are presented in Hong Kong dollars, being the measurement currency of the Company and its subsidiaries ("the Group").

The Group is engaged in the manufacture and sales of rare earth products (including fluorescent products) and refractory products (including high temperature ceramics products and magnesium grains).

## 2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS/CHANGES IN ACCOUNTING POLICIES

In the current year, the Group has applied, for the first time, a number of new Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations (hereinafter collectively referred to as "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are effective for accounting periods beginning on or after 1 January 2005. The application of the new HKFRSs has resulted in a change in the presentation of the consolidated income statement, consolidated balance sheet, consolidated cash flow statement and consolidated statement of changes in equity. In particular, the presentation of minority interests has been changed. The changes in presentation have been applied retrospectively. The adoption of the new HKFRSs has resulted in changes to the Group's accounting policies in the following areas that have an effect on how the Group's results for the current and/or prior accounting years are prepared and presented:

## 綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至二零零五年十二月三十一日止年度 Year ended 31 December 2005

## 2. 採用香港財務報告準則／會計政策變動(續)

## 業務合併

於本年度，本集團已應用香港財務報告準則第3號「業務合併」，該準則適用於協議訂立日期為二零零五年一月一日或其後之業務合併，應用香港財務報告準則第3號對本集團之主要影響概述如下：

## 商譽

於以往年間，收購附屬公司產生的商譽被資本化及按其估計可使用年期攤銷。本集團已應用香港財務報告準則第3號的有關過渡條文，自二零零五年一月一日起終止攤銷商譽，有關商譽將最少每年檢測有否出現減值。二零零五年一月一日後因收購所產生的商譽經初步確認後按成本減累計減值虧損(如有)計算。由於是項會計政策變動，本年度並無扣除任何商譽攤銷。於二零零四年的比較數字並無重列(對財務影響見附註3)。

本集團攤佔被收購公司的可識別資產、負債及或然負債公平淨額的權益超出成本的差額(前稱「負商譽」)

根據香港財務報告準則第3號，本集團攤佔被收購公司的可識別資產、負債及或然負債公平淨額的權益超出收購成本的差額(「收購折讓」)，於進行收購的年度即時於溢利或虧損中確認。於以往年度，於二零零一年一月一日以往收購所產生的負商譽作儲備入賬。本集團根據香港財務報告準則第3號的相關過渡條文，本集團於二零零五年一月一日不再確認以往作資本儲備入賬合共10,489,000港元之負商譽，令累計溢利相應增加(對財務影響見附註3)。

## 2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS/CHANGES IN ACCOUNTING POLICIES (Continued)

## Business combinations

In the current year, the Group has applied HKFRS 3 "Business Combinations" which is effective for business combinations for which the agreement date is on or after 1 January 2005. The principal effects of the application of HKFRS 3 to the Group are summarised below:

## Goodwill

In previous years, goodwill arising on acquisition of a subsidiary was capitalised and amortised over its estimated useful life. The Group has applied the relevant transitional provisions in HKFRS 3 from 1 January 2005, and has discontinued amortising such goodwill from 1 January 2005 onwards and goodwill will be tested for impairment at least annually. Goodwill arising on acquisitions after 1 January 2005 is measured at cost less accumulated impairment losses (if any) after initial recognition. As a result of this change in accounting policy, no amortisation of goodwill has been charged in the current year. Comparative figures for 2004 have not been restated (see note 3 for the financial impact).

*Excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost (previously known as "negative goodwill")*

In accordance with HKFRS 3, any excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the cost of acquisition ("discount on acquisition") is recognised immediately in the profit or loss in the year in which the acquisition takes place. In previous years, negative goodwill arising on acquisitions prior to 1 January 2001 was held in reserves. In accordance with the relevant transitional provisions in HKFRS 3, the Group has derecognised all negative goodwill on 1 January 2005 of HK\$10,489,000 which was previously recorded in reserves, with a corresponding increase to accumulated profits (see note 3 for the financial impact).

## 綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至二零零五年十二月三十一日止年度 Year ended 31 December 2005

## 2. 採用香港財務報告準則／會計政策變動(續)

## 業主自用租賃土地權益

於以往年度，業主自用租賃土地及樓宇計入物業、廠房及設備，並採用成本模式計量。於本年度，本集團已採用香港會計準則第17號「租賃」。根據香港會計準則第17號，就租賃分類而言，租賃土地及樓宇之土地與樓宇部份分開考慮。倘租賃款項能夠可靠地在土地與樓宇部份之間作出分配，則將土地租賃權益重新分類為預付租賃土地使用權款項，該租賃款項乃按成本列賬，並於租賃期內以直線法攤銷。此會計政策變動已被追溯應用。於二零零四年的比較數字經重新表述(對財務影響見附註3)。

## 金融工具

於本年度，本集團已應用香港會計準則第32號「金融工具：披露及呈列」及香港會計準則第39號「金融工具：確認及計量」。香港會計準則第32號規定作追溯應用。於二零零五年一月一日或以後開始之年度期間生效之香港會計準則第39號，一般不允許按追溯基準確認、取消確認或計量金融資產或負債。採納香港會計準則第32號及第39號所導致之主要影響概述如下：

## 金融資產及金融負債之分類及計量

本集團已就香港會計準則第39號所指範圍內之金融資產及金融負債範圍之分類及計量，採用香港會計準則第39號之有關過渡性條文。

## 2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS/CHANGES IN ACCOUNTING POLICIES (Continued)

## Owner-occupied leasehold interest in land

In previous years, owner-occupied leasehold land and buildings were included in property, plant and equipment and measured using the cost model. In the current year, the Group has applied HKAS 17 "Leases". Under HKAS 17, the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. To the extent that the allocation of the lease payments between the land and buildings elements can be made reliably, the leasehold interests in land are reclassified to prepaid lease payments under operating leases, which are carried at cost and amortised over the lease term on a straight-line basis. This change in accounting policy has been applied retrospectively. Comparative figures for 2004 have been restated (see note 3 for the financial impact).

## Financial instruments

In the current year, the Group has applied HKAS 32 "Financial Instruments: Disclosure and Presentation" and HKAS 39 "Financial Instruments: Recognition and Measurement". HKAS 32 requires retrospective application. HKAS 39, which is effective for annual periods beginning on or after 1 January 2005, generally does not permit the recognition, derecognition or measurement of financial assets and liabilities on a retrospective basis. The principal effects resulting from the implementation of HKAS 32 and HKAS 39 are summarised below:

## Classification and measurement of financial assets and financial liabilities

The Group has applied the relevant transitional provisions in HKAS 39 with respect to the classification and measurement of financial assets and financial liabilities that are within the scope of HKAS 39.

## 綜 合 財 務 報 表 附 註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至二零零五年十二月三十一日止年度 Year ended 31 December 2005

## 2. 採用香港財務報告準則／會計政策變動(續)

## 金融工具(續)

除債務及股本證券以外之金融資產及金融負債

由二零零五年一月一日起，本集團根據香港會計準則第39號之規定，對除債務及股本證券以外之金融資產及金融負債(以往不會在會計實務準則第24號之範圍內)進行分類及計量。如上文所述，在香港會計準則第39號下金融資產乃分類為「以溢利或虧損按公平價值處理的金融資產」、「可供出售金融資產」、「貸款及應收款項」或「持有至到期日金融資產」。金融負債一般分類為「以溢利或虧損按公平價值處理的金融負債」或「除以溢利或虧損按公平價值處理之金融負債以外之金融負債(其他金融負債)」。本集團之金融負債包括其他金融負債，其於首次確認後使用實際利息法按攤銷成本列賬。

## 取消確認

香港會計準則第39號有關取消確認金融資產的準則規定比以往更加嚴格。根據香港會計準則第39號，取消確認之金融資產只限於該資產之現金流量合約權利到期或該資產已轉讓而有關轉讓符合香港會計準則第39號之取消確認規定，而一項轉讓是否符合取消確認規定取決於風險及回報以及控制權的合併測試。本集團已就二零零五年一月一日或之後的金融資產轉讓應用相關過渡條文及應用經修定的會計政策。此項改動對於本年度的業績並無重大影響。

## 2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS/CHANGES IN ACCOUNTING POLICIES (Continued)

## Financial instruments (Continued)

*Financial assets and financial liabilities other than debt and equity securities*

From 1st January 2005 onwards, the Group classifies and measures its financial assets and financial liabilities other than debt and equity securities (which were previously outside the scope of the Statement of Standard Accounting Practice 24 ("SSAP 24")) in accordance with the requirements of HKAS 39. As mentioned above, financial assets under HKAS 39 are classified as "financial assets at fair value through profit or loss", "available-for-sale financial assets", "loans and receivables" or "held-to-maturity financial assets". Financial liabilities are generally classified as "financial liabilities at fair value through profit or loss" or "financial liabilities other than financial liabilities at fair value through profit or loss (other financial liabilities)". The Group's financial liabilities comprise other financial liabilities which are carried at amortised cost using the effective interest method after initial recognition.

*Derecognition*

HKAS 39 provides more rigorous criteria for the derecognition of financial assets than the criteria applied in previous years. Under HKAS 39, a financial asset is derecognised, when and only when, either the contractual rights to the asset's cash flows expire, or the asset is transferred and the transfer qualifies for derecognition in accordance with HKAS 39. The decision as to whether a transfer qualifies for derecognition is made by applying a combination of risks and rewards and control tests. The Group has applied the relevant transitional provisions and applied the revised accounting policy prospectively in relation to transfer of financial assets from 1 January 2005 onwards. This change has had no material effect on the results for the current year.

## 綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至二零零五年十二月三十一日止年度 Year ended 31 December 2005

## 2. 採用香港財務報告準則／會計政策變動(續)

## 以股份支付之支出

於本年度，本集團已採用香港財務報告準則第2號「以股份支付支出」，其規定本集團在以股份或權益（「股權結算交易」）或價值相當於特定數目股份或股份權益之其他資產（「現金結算交易」）作為購買貨品或獲得服務之交換條件時，必須確認一項支出。香港財務報告準則第2號對本集團之主要影響涉及按購股權授出日期所釐定之本集團董事及僱員購股權之公平值於歸屬期間列作支出。本集團已對於二零零五年一月一日或之後授出之購股權採用香港財務報告準則第2號。有關本集團於二零零二年十一月七日之後授出之購股權，所有購股權已於二零零五年一月一日前歸屬，因此並無重列比較數字。

## 2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS/CHANGES IN ACCOUNTING POLICIES (Continued)

## Share-based payments

In the current year, the Group has applied HKFRS 2 "Share-based payments" which requires an expense to be recognised where the Group buys goods or obtains services in exchange for shares or rights over shares ("equity-settled transactions"), or in exchange for other assets equivalent in value to a given number of shares or rights over shares ("cash-settled transactions"). The principal impact of HKFRS 2 on the Group is in relation to the expensing of the fair value of share options granted to directors and employees of the Group, determined at the date of grant of the share options, over the vesting period. The Group has applied HKFRS 2 to share options granted on or after 1 January 2005. In relation to share options granted by the Group after 7 November 2002, all of the options were vested before 1 January 2005 and therefore no comparative figures have been restated.

## 綜 合 財 務 報 表 附 註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 3. 會計政策改變的影響摘要

上文附註2所述會計政策改變對本期間及  
以往期間業績構成之影響如下：

## 3. SUMMARY OF THE EFFECT OF THE CHANGES IN ACCOUNTING POLICIES

The effect of the changes in the accounting policies described  
in note 2 above on the results for the current and prior years  
are as follows:

		二零零五年 2005 千港元 HK\$'000	二零零四年 2004 千港元 HK\$'000
物業、廠房及設備折舊之減少	Decrease in depreciation on property, plant and equipment	588	551
預付租賃土地使用權款項攤銷 之增加	Increase in amortisation of prepaid lease payments on land use rights	(351)	(335)
商譽攤銷之減少	Decrease in amortisation of goodwill	7,175	19
本年度溢利之增加	Increase in profit for the year	7,412	235

本年度溢利之增加，按項目功能的分類  
之分析如下：

Analysis of increase in profit for the year by line items  
presented according to their function:

		二零零五年 2005 千港元 HK\$'000	二零零四年 2004 千港元 HK\$'000
折舊及攤銷	Depreciation and amortisation	237	216
商譽	Goodwill	7,175	19
本年度溢利之增加	Increase in profit for the year	7,412	235



## 綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 3. 會計政策改變的影響摘要 (續)

於二零零四年十二月三十一日及二零零五年一月一日之資產負債表因應用新香港財務報告準則的累計影響概括如下：

## 3. SUMMARY OF THE EFFECT OF THE CHANGES IN ACCOUNTING POLICIES (Continued)

The cumulative effects of the application of the new HKFRSs on the balance sheet as at 31 December 2004 and 1 January 2005 are summarised as follows:

		於二零零四年 十二月 三十一日 (原先所列) As at 31 December 2004 (originally stated) 千港元 HK\$'000	調整 Adjustment 千港元 HK\$'000 香港會計 準則第1號 HKAS 1	調整 Adjustment 千港元 HK\$'000 香港會計 準則第17號 HKAS 17	於二零零四年 十二月 三十一日 (重新表述) As at 31 December 2004 (restated) 千港元 HK\$'000	調整 Adjustment 千港元 HK\$'000 香港財務報告 準則第3號 HKFRS 3	於二零零五年 一月一日 (重新表述) As at 1 January 2005 (restated) 千港元 HK\$'000
商譽	Goodwill	136,918	-	(378)	136,540	-	136,540
物業、廠房及設備 以及在建工程	Property, plant and equipment and construction-in-progress	559,798	-	(10,032)	549,766	-	549,766
預付租賃土地使權款項	Prepaid lease payments on land use rights	-	-	10,384	10,384	-	10,384
其他資產淨額	Other assets, net	622,986	-	-	622,986	-	622,986
資產淨額	Net assets	1,319,702	-	(26)	1,319,676	-	1,319,676
股本	Share capital	98,695	-	-	98,695	-	98,695
累計溢利	Accumulated profits	489,467	-	(25)	489,442	10,489	499,931
資本儲備	Capital reserve	32,837	-	-	32,837	(10,489)	22,348
其他儲備	Other reserves	681,232	-	-	681,232	-	681,232
少數股東權益	Minority interests	-	17,471	(1)	17,470	-	17,470
權益總額	Total equity	1,302,231	17,471	(26)	1,319,676	-	1,319,676
少數股東權益	Minority interests	17,471	(17,471)	-	-	-	-
		1,319,702	-	(26)	1,319,676	-	1,319,676

## 綜 合 財 務 報 表 附 註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 3. 會計政策改變的影響摘要(續)

於二零零四年一月一日本集團因應用新香港準則之財務影響如下：

## 3. SUMMARY OF THE EFFECT OF THE CHANGES IN ACCOUNTING POLICIES (Continued)

The financial effects of the application of the new HKFRSs to the Group's equity as at 1 January 2004 are summarised below:

		原先所列	香港會計	香港會計	重新表述
		As originally	準則第1號	準則第17號	As restated
		stated	HKAS 1	HKAS 17	
		千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
股本	Share capital	81,445	—	—	81,445
股份溢價	Share premium	412,485	—	—	412,485
其他儲備	Other reserves	102,747	—	—	102,747
少數股東權益	Minority interests	—	15,820	(2)	15,818
累計溢利	Accumulated profits	400,182	—	(259)	399,923
權益總額	Total equity	996,859	15,820	(261)	1,012,418

## 綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 3. 會計政策改變的影響摘要(續)

本集團並無提早採納以下已頒佈但於二零零五年十二月三十一日尚未生效之新準則、詮釋及修訂本。本公司董事預計，採用該等新準則或詮釋將不會對本集團之綜合財務報告構成重大影響。

香港會計準則第1號(修訂本)  
HKAS 1 (Amendment)  
香港會計準則第19號(修訂本)  
HKAS 19 (Amendment)  
香港會計準則第21號(修訂本)  
HKAS 21 (Amendment)  
香港會計準則第39號(修訂本)  
HKAS 39 (Amendment)  
香港會計準則第39號(修訂本)  
HKAS 39 (Amendment)  
香港會計準則第39號及  
香港財務報告準則第4號(修訂本)  
HKAS 39 & HKFRS 4 (Amendments)  
香港財務報告準則第6號  
HKFRS 6  
香港財務報告準則第7號  
HKFRS 7  
香港(IFRIC)－詮釋第4號  
HK(IFRIC)-Int 4  
香港(IFRIC)－詮釋第5號  
HK(IFRIC)-Int 5  
  
香港(IFRIC)－詮釋第6號  
HK(IFRIC)-Int 6  
  
香港(IFRIC)－詮釋第7號  
HK(IFRIC)-Int 7

## 3. SUMMARY OF THE EFFECT OF THE CHANGES IN ACCOUNTING POLICIES (Continued)

The Group has not early applied the following new standards, interpretations and amendments that have been issued but are not yet effective as at 31 December 2005. The directors of the Company anticipate that the application of these new standards or interpretations will have no material impact on the consolidated financial statements of the Group.

資本披露<sup>1</sup>  
Capital Disclosures<sup>1</sup>  
精算盈虧、集團計劃及披露<sup>2</sup>  
Actuarial Gains and Losses, Group Plans and Disclosures<sup>2</sup>  
境外業務投資淨額<sup>2</sup>  
Net Investment in a Foreign Operation<sup>2</sup>  
預測集團內部交易之現金流量對沖會計處理法<sup>3</sup>  
Cash Flow Hedge Accounting of Forecast Intragroup Transactions<sup>3</sup>  
期權之公平價值<sup>2</sup>  
The Fair Value Option<sup>2</sup>  
財務擔保合約<sup>2</sup>  
Financial Guarantee Contracts<sup>2</sup>  
礦物資源之勘探及評估<sup>2</sup>  
Exploration for and Evaluation of Mineral Resources<sup>2</sup>  
金融工具：披露<sup>1</sup>  
Financial Instruments: Disclosures<sup>1</sup>  
釐定安排是否包括租賃<sup>2</sup>  
Determining whether an Arrangement Contains a Lease<sup>2</sup>  
解除運作、復原及環境修復基金所產生權益之權利<sup>2</sup>  
Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds<sup>2</sup>  
參與特定市場所產生之負債－電力及電子設備之廢料<sup>3</sup>  
Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment<sup>3</sup>  
根據香港會計準則第29號「惡性通貨膨脹經濟中之財務報告」採用重述法<sup>4</sup>  
Applying the Restatement Approach under HKAS 29 "Financial Reporting in Hyperinflationary Economies"<sup>4</sup>

<sup>1</sup> 於二零零七年一月一日或其後開始之年度期間生效。  
<sup>2</sup> 於二零零六年一月一日或其後開始之年度期間生效。  
<sup>3</sup> 於二零零五年十二月一日或其後開始之年度期間生效。  
<sup>4</sup> 於二零零六年三月一日或其後開始之年度期間生效。

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2007.  
<sup>2</sup> Effective for annual periods beginning on or after 1 January 2006.  
<sup>3</sup> Effective for annual periods beginning on or after 1 December 2005.  
<sup>4</sup> Effective for annual periods beginning on or after 1 March 2006.

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## 4. 主要會計政策

誠如下列會計政策所述，綜合財務報表是按歷史成本基準編制，惟部份本集團的樓宇按重估金額計算者除外。

本綜合財務報表是根據香港會計師公會頒佈的香港財務報告準則而編制。此外，綜合財務報表載列聯交所證券上市規則及公司條例規定之適用披露。

## 綜合基準

本綜合財務報表包括本公司及其附屬公司的財務報表。

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。

如有需要，本集團會對附屬公司之財務報表作出調整，使其會計政策與本集團其他成員公司所採用者保持一致。

所有集團內交易、結餘、收入及開支均於綜合賬目時對銷。

綜合附屬公司資產淨額內之少數股東所佔之權益與本集團所佔之權益分開列賬。少數股東於資產淨額之權益包括該等權益於原業務合併日期之數額及少數股東應佔該合併日期以來之股本變動。適用於少數股東的虧損超出於附屬公司股權的少數股東權益的數額將與本集團的權益作出分配，惟少數股東具約束力責任及可以其他投資補足虧損者除外。

## 4. PRINCIPAL ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis, except for certain buildings of the Group, which are measured at revalued amounts, as explained in the accounting policies set out below.

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements included applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

## Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries.

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.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Minority interests in the net assets of consolidated subsidiaries are presented separately from the Group's equity therein. Minority interests in the net assets consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

## 綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 4. 主要會計政策(續)

## 商譽

收購一間附屬公司(協議日為於二零零五年一月一日之前)產生之商譽乃指收購成本超逾本集團於收購日應佔相關附屬公司可識別資產及負債公平值之權益之差額。

對於原先已資本化之商譽，本集團自二零零五年一月一日起不再繼續攤銷，而有關商譽每年及凡商譽有關之賺取現金單位有可能出現減值之跡象時進行減值測試。

收購一間附屬公司(協議日期為於二零零五年一月一日或之後)產生之商譽乃指收購成本超逾本集團於收購當日應佔相關附屬公司可識別資產、負債及或然負債公平值之權益之差額。有關商譽乃按成本減任何累計減值虧損列賬。

收購附屬公司產生之資本化商譽於資產負債表內分開列賬。

就減值測試而言，收購所產生之商譽乃被分配到各有關賺取現金單位，或賺取現金單位之組別，預期彼等從收購之協同效應中受益。已獲配商譽之賺取現金單位每年及凡單位有可能出現減值之跡象時進行減值測試。就於某個財政年度之收購所產生之商譽而言，已獲配商譽之現金賺取單位於該財政年度完結前進行減值測試。當賺取現金單位之可收回金額少於該單位之賬面值，則減值虧損被分配，首先削減分配到該單位的商譽之賬面值，然後再按該單位每一資產之賬面值為基準按比例分配至其他資產。商譽之任何減值虧損乃直接於收益表內確認。商譽之減值虧損於其後期間不予撥回。

其後出售附屬公司，則計入被資本化之商譽之應佔金額以釐定於出售時損益之金額。

## 4. PRINCIPAL ACCOUNTING POLICIES (Continued)

## Goodwill

Goodwill arising on an acquisition of a subsidiary for which the agreement date is before 1 January 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the relevant subsidiary at the date of acquisition.

For previously capitalised goodwill, the Group has discontinued amortisation from 1 January 2005 onwards, and such goodwill is tested for impairment annually, and whenever there is an indication that the cash generating unit to which the goodwill relates may be impaired.

Goodwill arising on an acquisition of a subsidiary for which the agreement date is on or after 1 January 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the relevant subsidiary at the date of acquisition. Such goodwill is carried at cost less any accumulated impairment losses.

Capitalised goodwill arising on an acquisition of a subsidiary is presented separately in the balance sheet.

For the purposes of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the income statement. Impairment loss for goodwill is not reversed in subsequent years.

On subsequent disposal of a subsidiary, the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

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## 4. 主要會計政策(續)

## 物業、廠房及設備

物業、廠房及設備乃按其成本值或估值減累計折舊及減值虧損列賬。

某些樓宇以評估值，即按照其於重估日期時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賬面淨額當作開支處理，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。於隨後出售或報廢已重估的資產時，相關的重估盈餘將撥至累計溢利。

物業、廠房及設備的折舊乃按其估計可供使用之年數，計及其估計餘值，以直線法攤銷其成本值或公平值。

物業、廠房及設備項目於出售時或當繼續使用該資產預期不會產生任何日後經濟利益時取消確認。資產取消確認產生之任何收益或虧損(按該項目之出售所得款項淨額及帳面值間之差額計算)於該項目取消確認之年度計入收益表。

## 4. PRINCIPAL ACCOUNTING POLICIES (Continued)

## Property, plant and equipment

Property, plant and equipment are stated at cost or fair value less accumulated depreciation 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 impairment losses. Revaluations are 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 is provided to write off the cost or fair value of items of property, plant and equipment, over their estimated useful lives and after taking into account of their estimated residual values, using the straight-line method.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year in which the item is derecognised.



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## 4. 主要會計政策(續)

## 土地使用權

土地使用權乃按其成本值減累計攤銷及減值虧損列賬。

## 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之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。

## 減值(商譽除外－詳見上文與商譽有關之會計政策)

本集團於年結日覆核其資產之賬面值，以確定該等資產是否存在減值虧損之任何顯示。倘估計一項資產之可收回值低於其賬面值，該資產之賬面值即被減至其可收回值。減值虧損即時確認為支出，除非相關資產根據另一會計準則以重估值列賬，則其減值虧損可當作以該準則重估減值入賬。

倘減值虧損隨後逆轉，該資產之賬面值增加至重新估計之可收回金額，惟倘該資產並無於過去年度確認減值虧損，已增加之賬面值不高於應已釐定之賬面值。減值虧損之逆轉即時確認為收入。假若有關資產因按其他準則以重估值列賬，其回撥額可當作重估值增加入賬。

## 4. PRINCIPAL ACCOUNTING POLICIES (Continued)

## Land use rights

Land use rights are stated at cost less accumulated amortisation and impairment losses.

## 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 is provided on construction-in-progress until the asset is completed and put into use.

## Impairment (other than goodwill – see the accounting policies in respect of goodwill above)

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, unless the relevant asset is carried at a revalued amount under another standard, in which case the impairment loss is treated as a revaluation decrease under that standard.

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, unless the relevant asset is carried at a revalued amount under another standard, in which case the reversal of the impairment loss is treated as a revaluation increase under that other standard.

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## 4. 主要會計政策(續)

## 存貨

存貨乃按成本值及可變現淨值之較低者列賬。成本按加權平均法釐定。

## 撥備

倘本集團因過往事件而承擔現有責任時，而本集團可能須履行該項責任時則會確認撥備。撥備指董事於結算日對履行有關責任所需開支之最佳估計，並於現值有重大影響時貼現至現值。

## 金融工具

金融資產及金融負債乃當某集團實體成為工具合同條文之訂約方時在資產負債表上確認。金融資產及金融負債按公平值初步確認。收購或發行金融資產及金融負債(以溢利或虧損按公平價值處理的金融資產及金融負債除外)之直接應佔交易成本乃於首次確認時加入金融資產或金融負債之公平值或自其公平值內扣除(如合適)。收購以溢利或虧損按公平價值處理的金融資產或金融負債之直接應佔交易成本即時於損益中確認。

## 4. PRINCIPAL ACCOUNTING POLICIES (Continued)

## Inventories

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

## Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

## Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when a group entity becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

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## 4. 主要會計政策(續)

## 金融資產

本集團之金融資產歸入下列四個類別之其中一個，包括以溢利或虧損按公平價值處理的金融資產、貸款及應收款項、持有至到期日之投資及可供銷售之金融資產。所有定期購買或出售金融資產乃按交易日基準確認及取消確認。定期購買或出售乃購買或銷售金融資產，並要求於市場上按規則或慣例設定之時間框內付評資產。所採納之與貸款及應收款項有關之會計政策乃載於下文。

## 貸款及應收款項

貸款及應收款項乃於現行市場並無報價之固定或可釐定付款之非衍生金融工具。於首次確認後各結算日，貸款及應收款項(包括應收賬款及其他應收款、預付款項、按金及其他流動資產)均按採用實際利率法計算之已攤銷成本減任何已識別減值虧損入賬。減值虧損乃當可實質證明資產減值時於損益中確認，並按該資產之賬面值與其估計未來現金流量按原先實際利率貼現之現值間的差額計量。當資產之可收回數額增加乃確實與於確認減值後所引致之事件有關時，則減值虧損會於隨後會計期間予以回撥，惟該資產於減值被回撥之日之賬面值不得超過未確認減值時之已攤銷成本。

## 4. PRINCIPAL ACCOUNTING POLICIES (Continued)

## Financial assets

The Group's financial assets are classified into one of the four categories, including financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. The accounting policies adopted in respect of loans and receivables are set out below.

## Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables (including accounts and other receivables, prepayments, deposits and other current assets) are carried at amortised cost using the effective interest method, less any identified impairment losses. Impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

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## 4. 主要會計政策(續)

## 金融負債及股本

集團實體發行之金融負債及股本工具乃根據合同安排之性質與金融負債及股本工具之定義分類。股本工具乃證明集團於扣減所有負債後之資產中擁有剩餘權益之任何合同。本集團之金融負債乃分類為以溢利或虧損按公平價值處理的金融負債及其他金融負債。就金融負債及股本工具所採納之會計政策載於下文。

以溢利或虧損按公平價值處理的金融負債  
以溢利或虧損按公平價值處理的金融負債有兩類，包括持有作買賣之金融負債及於首次確認時被指定以溢利或虧損按公平價值處理的金融負債。於首次確認後之各結算日，以溢利或虧損按公平價值處理的金融負債乃按公平值計量，而公平值之變動在彼等產生之期間內即時直接在損益中確認。

## 其他金融負債

其他金融負債包括應付賬款、預提費用及其他應付款及應付關聯公司款項乃隨後採用實際利率法按已攤銷成本計量。

## 股本工具

本公司發行之股本工具乃按已收所得款項(扣除直接發行成本)記賬。

## 4. PRINCIPAL ACCOUNTING POLICIES (Continued)

## Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The Group's financial liabilities are generally classified into financial liabilities at fair value through profit or loss and other financial liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

*Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss has two subcategories, including financial liabilities held for trading and those designated at fair value through profit or loss on initial recognition. At each balance sheet date subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise.

*Other financial liabilities*

Other financial liabilities including accounts payable, accruals and other payables and amount due to a related company are subsequently measured at amortised cost, using the effective interest rate method.

*Equity instruments*

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

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## 4. 主要會計政策(續)

## 取消確認

若從資產收取現金流量之權利已到期，或金融資產已轉讓及本集團已將其於金融資產擁有權之絕大部份風險及回報轉移，則金融資產將被取消確認。於取消確認金融資產時，資產賬面值與已收代價及已直接於股本權益確認之累計損益之總和之差額，將於損益中確認。

就金融負債而言，則於本集團之綜合資產負債表中移除(即倘於有關合約之特定責任獲解除、取消或到期)。取消確認之金融負債賬面值與已收或應收代價之差額乃於損益中確認。

## 經營租約

根據經營租約之應付租金乃按相關租約年期以直線法於損益中扣除。因訂立一項經營租約作為誘因之已收及應收利益乃以直線法按租約年期確認作租金支出減少。

## 收入確認

## 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。

## 利息收入

金融資產產生之利息收入乃按時間基準，並參照尚未償還本金額及按所適用之實際利率孳生，而實際利率為透過金融資產之預期可用年期將估計日後現金收據實際貼現至該資產之賬面淨值之比率。

## 4. PRINCIPAL ACCOUNTING POLICIES (Continued)

## Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised directly in equity is recognised in profit or loss.

For financial liabilities, they are removed from the Group's consolidated balance sheet (i.e. when the obligation specified in the relevant contract is discharged, cancelled or expires). The difference between the carrying amount of the financial liability derecognised and the consideration received or receivable is recognised in profit or loss.

## Operating leases

Rental payables under operating leases are charged to the profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

## Revenue recognition

## Sales of goods

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

## Interest income

Interest income from a financial asset is accrued on a time basis by reference to the principal outstanding and at the interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

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## 4. 主要會計政策(續)

## 稅項

入息稅開支指現時應付稅項及遞延稅項總額。

現時應付稅項乃按年度應課稅溢利計算。應課稅溢利不包括已撥往其他年度的應課稅或應扣減之收入及開支項目，亦不包括從未課稅或可扣稅之損益表項目，故與損益表所呈報的純利不同。

遞延稅項指預期從財務報表內資產及負債賬面值與計算應課稅溢利所採用相應稅基之差額所確認，以資產負債表負債法處理。遞延稅項負債一般就所有應課稅暫時差額確認，遞延稅項資產則於可能出現可利用暫時差額作對銷應課稅溢利時予以確認。如暫時差額由商譽(或負商譽)或由初次確認一項不影響稅項溢利或會計溢利之交易之其他資產及負債(業務合併除外)所產生，有關資產及負債則不會確認。

遞延稅項負債於附屬公司之投資所產生應課稅暫時差額予以確認，除非本集團有能力控制暫時差額還原，而暫時差額很可能不會於可預見將來還原。

## 4. PRINCIPAL ACCOUNTING POLICIES (Continued)

## Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes income statement items that are never taxable or deductible.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.



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## 4. 主要會計政策(續)

## 稅項(續)

遞延稅項資產之賬面值乃於各個結算日進行檢討，並予以相應扣減，直至並無足夠應課稅溢利可供全部或部分遞延稅項資產可予應用為止。

遞延稅項按預期適用於負債清償或資產變現年度之稅率計算。遞延稅項從損益表扣除或計入損益表，除非遞延稅項關乎直接從股本扣除或直接計入股本之項目。在該情況下遞延稅項亦於股本中處理。

根據中華人民共和國(「中國」)頒佈的有關稅法，本集團屬下所有在中國成立的公司必須繳納增值稅，此項主要間接稅在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」)。

## 研究及開發支出

研究活動之支出已於產生之年度確認為開支。

開發支出產生之內部產生無形資產僅於預期可在清楚界定項目發生之開發成本可透過未來商業活動中收回時確認。因而產生之資產按其可使用年期以直線法攤銷，並按其成本減隨後之累計攤銷及減值虧損列賬。

## 4. PRINCIPAL ACCOUNTING POLICIES (Continued)

## Taxation (Continued)

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset is realised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

In accordance with the relevant tax laws enacted in the People's Republic of China (the "PRC"), all the companies of the Group established in the PRC are subject to 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").

## Research and development expenditure

Expenditure on research activities is recognised as expense in the year in which it is incurred.

An internally-generated intangible asset arising from development expenditure is recognised only if it is anticipated that the development costs incurred on a clearly-defined project will be recovered through future commercial activity. The resultant asset is amortised on a straight-line basis over its useful life, and carried at cost less subsequent accumulated amortisation and impairment losses.

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## 4. 主要會計政策 (續)

## 研究及開發支出 (續)

倘並無內部產生無形資產可確認時，開發支出於其發生之年度確認為開支。

倘有跡象顯示資產可能出現減值時，具有限可使用年期之無形資產會作減值測試(見上文有關商譽除外之減值虧損會計政策)。

取消確認一項無形資產所產生之盈虧，乃按出售所得款項淨額與資產之賬面值之差額計算，並於取消確認該項資產時在收益表內確認。

## 退休福利成本

支付國營退休計劃及強制性公積金計劃(「強積金」)之款項會於到期支付時作為費用扣除。

## 外幣

於編制各個別集團實體之財務報表時，以該實體功能貨幣以外之貨幣(外幣)進行之交易均按交易日期之適用匯率換算為功能貨幣(如該實體經營所在主要經濟地區之貨幣)記賬。於各結算日，以外幣為定值之貨幣項目均按結算日之適用匯率重新換算。按公平值以外幣定值之非貨幣項目乃按於公平值釐定當日之適用匯率重新換算。按貨幣過往成本計量之非貨幣項目毋須重新換算。

## 4. PRINCIPAL ACCOUNTING POLICIES (Continued)

## Research and development expenditure (Continued)

Where no internally-generated intangible asset can be recognised, development expenditure is recognised as expense in the year in which it is incurred.

Intangible assets with finite useful lives are tested for impairment when there is an indication that an asset may be impaired (see the above accounting policy in respect of impairment losses other than goodwill).

Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

## Retirement benefit costs

Payments to the state-sponsored retirement benefit plan and the Mandatory Provident Fund Scheme ("MPF") are charged as expenses when they fall due.

## Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in its functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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## 4. 主要會計政策(續)

## 外幣(續)

於結算及換算貨幣項目時產生之匯兌差額均於彼等產生期間內於損益中確認，惟組成本集團海外業務之投資淨額部份之貨幣項目所產生之匯兌差額外，在此情況下，有關匯兌差額乃於綜合財務表中確認為股本權益。以公平值定值之非貨幣項目經重新換算後產生之匯兌差額於該其間列作損益，惟換算直接於股本內確認盈虧之非貨幣項目產生之差額除外，在此情況下，匯兌差額亦直接於股本權益內確認。

就呈列綜合財務報表而言，本集團海外經營業務之資產及負債乃按於結算日之適用匯率換算為本公司之列賬貨幣(如港元)，而其他收入及支出乃按年度之平均匯率進行換算，除非匯率於該其間內出現重大波幅變動，於此情況下，則採用於換算當日之適用匯率。所產生之外匯兌換差額(如有)乃確認作股本之獨立部份(外匯兌換儲備)。該等匯兌差額乃於海外物業被出售之期間內於損益中內確認。

於二零零五年一月一日或以後，於收購海外業務時產生之有關所收購可識別資產之商譽及公平值調整乃處理為該海外經營業務之資產及負債，並按於結算日之適用匯率進行換算。產生之匯率差額乃於外匯兌換儲備內確認。

## 4. PRINCIPAL ACCOUNTING POLICIES (Continued)

## Foreign currencies (Continued)

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the year in which they arise, except for exchange differences arising on a monetary item that forms part of the Group's net investment in a foreign operation, in which case, such exchange differences are recognised in equity in the consolidated financial statements. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which cases, the exchange differences are also recognised directly in equity.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Company (i.e. Hong Kong dollars) at the rate of exchange prevailing at the balance sheet date, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised as a separate component of equity (the exchange translation reserve). Such exchange differences are recognised in profit or loss in the year in which the foreign operation is disposed of.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the balance sheet date. Exchange differences arising are recognised in the exchange translation reserve.

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## 5. 關鍵會計判斷及估計不確定性之主要來源

於應用本集團之會計政策(如附註4所述)時,管理層作出下列對於綜合財務報表中已確認之數額產生重大影響之判斷。涉及日後之主要假設及於結算日估計不明朗因素之其他主要來源(彼等均擁有導致下個財政年度之資產及負債之賬面值出現大幅調整之重大風險)亦討論如下。

## 物業、機器及設備折舊

本集團於二零零五年十二月三十一日物業、機器及設備之賬面淨值為544,168,000港元。本集團以直線法對其物業、機器及設備於其估計可使用年期5–20年內,經計及其估計剩餘價值,採用直線法以每年5%至20%,由物業、機器及設備可投入使用之日開始計提折舊。本集團將物業、機器及設備投入生產之估計可使用年期乃反映董事估計於該期間內,本集團計劃將來從物業、機器及設備之使用中可獲取之經濟利益。

## 壞賬及呆賬撥備

本集團呆壞賬撥備政策以可收回性評估、賬齡分析及管理層判斷為基礎。評估該等應收賬款之最終變現能力需要進行大量判斷,包括客戶之現時信譽及過往收款歷史記錄。倘本集團客戶財務狀況惡化,削弱其付款能力,則須提撥額外準備。

## 5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Group's accounting policies which are described in note 4 above, management has made the following judgments that have significant effect on the amounts recognised in the consolidated financial statements. The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are also discussed below.

## Depreciation of property, plant and equipment

The Group's net book value of property, plant and equipment as at 31 December 2005 was approximately HK\$544,168,000. The Group depreciates the property, plant and equipment on a straight-line basis over the estimated useful lives of five to twenty years, and after taking into account of their estimated residual value, using the straight-line method, at the rate of 5% – 20% per annum, commencing from the date the property, plant and equipment when they are available for use. The estimated useful lives that the Group places the property, plant and equipment into productive use reflects the directors' estimate of the periods that the Group intend to derive future economic benefits from the use of the Group's property, plant and equipment.

## Allowances for bad and doubtful debts

The policy for allowance of bad and doubtful debts of the Group is based on the evaluation of collectability and aging analysis of accounts and on management's judgment. A considerable amount of judgment is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in impairment of their ability to make payments, additional allowances may be required.

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## 5. 關鍵會計判斷及估計不確定性之主要來源(續)

## 存貨撥備

本集團管理層於結算日審核賬齡分析並對確認為不再適合用於生產之過時及滯銷庫存品進行撥備。管理層估計此等製成品及半製品之可變現淨值主要根據最近期之發票價格及目前市況而釐定。本集團於結算日對每種產品進行覆核，並對過時品種作出撥備。

## 物業、廠房及設備減值虧損

根據本集團的會計政策，倘物業、廠房及設備的賬面值超過其可收回金額，於損益表確認減值虧損。可收回金額乃根據最可靠資料，於每個結算日由買賣雙方在知情自願情況下以公平交易原則出售資產所得扣除出售成本之基準的公平值減銷售成本釐定。

## 商譽之預計減值

釐定商譽是否減值須對獲分派商譽之賺取現金單位之使用價值作出估計。使用價值計算要求本集團估計預期產生自賺取現金單位之日後現金流量及合適之折現率以計算現值。

## 5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

## Allowances for inventories

The management of the Group reviews an aging analysis at each balance sheet date, and makes allowance for obsolete and slow-moving inventory items identified that are no longer suitable for use in production. The management estimates the net realisable value for such finished goods based primarily on the latest invoice prices and current market conditions. The Group carries out an inventory review on a product-by-product basis at each balance sheet date and makes allowance for obsolete items.

## Impairment of property, plant and equipment

The impairment loss for property, plant and equipment are recognised for the amounts by which the carrying amounts exceeds its recoverable amount, in accordance with the Group's accounting policy. The recoverable amounts have been determined based on fair value less costs to sell, which is based on the best information available to reflect the amount that obtainable at each of the balance sheet date, from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs to disposal.

## Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value.

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## 6. 財務風險管理目標及政策

本集團之主要財務工具包括應收賬款及其他應收款、預付款項、按金及其他流動資產、應付賬款、預提費用及其他應付款及應付關聯公司款項。該等金融工具詳情於各附註披露。下文載列與該等金融工具有關之風險及如何降低該等風險之政策。管理層管理及監控該等風險，以確保及時和有效地採取適當之措施。

## 貨幣風險

本集團主要於中國經營業務，其絕大部份交易以人民幣結算。本集團於中國不會面臨重大的外匯風險。然而，對人民幣轉換為外幣受中國政府頒佈的外匯管制條例監管。

## 利率風險

本集團之計息銀行存款承受利率變動風險。

## 6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include accounts and other receivables prepayments, deposits and other current assets, accounts payable, accruals and other payables and amount due to a related company. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

## Currency risk

The Group mainly operates in PRC with most of the transactions settled in Renminbi ("RMB"). It did not have significant exposure to foreign exchange risk. Nevertheless, the exchange rate of RMB to foreign currencies is subject to the rules and regulations of foreign exchange control promulgation by the PRC government.

## Interest rate risk

The Group is exposed to interest rate risk through the impact of the rate changes on bank balances.

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## 6. 財務風險管理目標及政策 (續)

## 信貸風險

倘對方於二零零五年十二月三十一日未能履行彼等之承擔，則本集團就每類已確認財務資產而須承受之最大信貸風險為已於綜合資產負債表列值之資產之賬面金額反映。為最大限度地降低信貸風險，本集團管理層已委派一組人員負責制訂信貸限額、信貸審批及其他監控措施，以確保採取跟進措施收回逾期未付之債項。此外，於各結算日，本集團定期評估每項個別貿易應收款之可收回金額，以確保就不可收回金額所作出之減值虧損已足夠。就此而言，本公司董事認為本集團之信貸風險已大幅降低。

本集團並無集中之信貸風險，有關風險乃分散至多個其他地方及客戶。

## 7. 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彙報較為有關聯，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（包括高溫陶瓷產品及鎂砂）

## 6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

## Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations as at 31 December 2005 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews regularly the recoverable amount of each individual trade receivables at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

## 7. 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 sales of rare earth products (including fluorescent products)

Refractory：The manufacture and sales of refractory products (including high temperature ceramics products and magnesium grains)



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## 7. 分類資料 (續)

## (a) 業務分類 (續)

## 7. SEGMENT INFORMATION (Continued)

## (a) Business segments (Continued)

		稀土 Rare Earth		耐火 Refractory		總額 Total	
		二零零五年 2005 千港元 HK\$'000	二零零四年 2004 千港元 HK\$'000 (重新表述) (restated)	二零零五年 2005 千港元 HK\$'000 (重新表述) (restated)	二零零四年 2004 千港元 HK\$'000 (重新表述) (restated)	二零零五年 2005 千港元 HK\$'000 (重新表述) (restated)	二零零四年 2004 千港元 HK\$'000 (重新表述) (restated)
截至十二月三十一日 營業額	For the year ended 31 December Turnover	345,243	300,984	424,127	364,336	769,370	665,320
業績 分類業績	RESULTS Segment results	53,095	46,551	121,903	104,985	174,998	151,536
未分類企業費用	Unallocated corporate expenses					(7,639)	(14,524)
利息收入	Interest income					1,804	2,049
其他收入淨額	Other income, net					2,504	2,339
財務成本	Finance costs					(21)	(2,117)
除稅前溢利	Profit before taxation					171,646	139,283
稅項	Taxation					(40,021)	(17,973)
本年度溢利	Profit for the year					131,625	121,310
其他資料	OTHER INFORMATION						
年內產生的資本性 支出	Capital expenditure incurred during the year	3,210	71,183	25,538	54,737		
物業、廠房及設備之 折舊	Depreciation on property, plant and equipment	34,185	25,314	26,717	24,770		
預付租賃土地 使用權款項攤銷	Amortisation of prepaid lease payments on land use rights	35	35	316	300		
存貨撥備	Allowance for inventories	-	-	-	184		
處置物業、廠房及 設備虧損/(收益)	Loss/(gain) on disposal of property, plant and equipment	20	(99)	-	-		
撥回呆壞賬撥備	Written back of allowance for bad and doubtful debts	-	(477)	-	-		

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## 7. 分類資料 (續)

## (a) 業務分類 (續)

		稀土 Rare Earth		耐火 Refractory		總額 Total	
		二零零五年 2005 千港元 HK\$'000	二零零四年 2004 千港元 HK\$'000 (重新表述) (restated)	二零零五年 2005 千港元 HK\$'000	二零零四年 2004 千港元 HK\$'000 (重新表述) (restated)	二零零五年 2005 千港元 HK\$'000	二零零四年 2004 千港元 HK\$'000 (重新表述) (restated)
於十二月三十一日	As at 31 December						
分類資產	Segment assets	699,511	651,285	756,463	638,982	1,455,974	1,290,267
未分類企業資產	Unallocated corporate assets					137,990	137,069
資產總額	Total assets					1,593,964	1,427,336
分類負債	Segment liabilities	45,774	54,622	91,639	48,788	137,413	103,410
未分類企業負債	Unallocated corporate liabilities					7,836	4,250
負債總額	Total liabilities					145,249	107,660

## (b) 地區分類

本集團的業務主要在中國、日本、歐洲及美國進行。按地區分類的營業額分析如下：

## (b) Geographical segments

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

		二零零五年 2005 千港元 HK\$'000	二零零四年 2004 千港元 HK\$'000
中國	The PRC	593,733	501,470
日本	Japan	102,567	90,091
歐洲	Europe	49,601	60,456
美國	The United States of America	13,161	8,901
其他	Others	10,308	4,402
		769,370	665,320

本集團超過百分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.

## 綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 8. 營業額

## 8. TURNOVER

		二零零五年 2005 千港元 HK\$'000	二零零四年 2004 千港元 HK\$'000
稀土產品(包括熒光產品)銷售	Sales of rare earth products (including fluorescent products)	345,243	300,984
耐火產品(包括高溫陶瓷產品)銷售	Sales of refractory products (including high temperature ceramics products)	424,127	364,336
		769,370	665,320

## 9. 財務成本

## 9. FINANCE COSTS

		二零零五年 2005 千港元 HK\$'000	二零零四年 2004 千港元 HK\$'000
利息支出：	Interest expenses on:		
— 承兌匯票	— discounted bills	21	267
— 銀行借款	— bank loan	—	1,850
		21	2,117

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## 10. 除稅前溢利

除稅前溢利已扣除／（計入）下列各項：

## 10. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging/  
(crediting):

		二零零五年 2005 千港元 HK\$'000	二零零四年 2004 千港元 HK\$'000 (重新表述) (restated)
核數師酬金	Auditors' remuneration	1,360	1,200
存貨成本(不包括員工成本、 物業、廠房及設備之折舊、 預付租賃土地使用權款項攤銷、 存貨撥備以及存貨撇銷)	Cost of inventories (excluding staff costs, depreciation on property, plant and equipment, amortisation of prepaid lease payments on land use rights, allowance for inventories and written off of inventories)	490,588	421,238
物業、廠房及設備之折舊	Depreciation on property, plant and equipment	60,985	50,175
預付租賃土地使用權款項銷	Amortisation of prepaid lease payments on land use rights	351	335
商譽攤銷	Amortisation of goodwill	—	6,558
員工成本(不包括董事酬金 (附註11))	Staff costs (excluding directors' emoluments (Note 11))		
— 薪金及工資	— Salaries and wages	17,677	16,226
— 僱員退休福利供款 (附註12)	— Contribution to employment retirement benefits (Note 12)	1,016	1,072
匯兌(收益)／虧損淨額	Exchange (gain)/loss, net	(6,563)	66
存貨撥備	Allowance for inventories	—	184
已租物業之經營租賃支出	Operating lease charges on rented premises	1,615	2,344
處置物業、廠房及設備 虧損／(收益)	Loss/(gain) on disposal of property, plant and equipment	20	(96)
撥回呆壞賬撥備	Written back of allowance for bad and doubtful debts	—	(477)
研究及開發支出	Research and development expenditure	361	415

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## 11. 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：

## 11. DIRECTORS' AND EMPLOYEES' 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:

		二零零五年 2005 千港元 HK\$'000	二零零四年 2004 千港元 HK\$'000
非執行董事	Non-executive directors		
– 袍金	– fees	123	101
執行董事	Executive directors		
– 薪金及津貼	– salaries and allowance	2,230	2,240
		2,353	2,341

- (b) 已付或應付予八位(二零零四年：六位)董事之酬金如下：

- (b) The emoluments paid or payable to each of the eight (2004: six) directors were as follows:

		董事袍金 Directors' fees 千港元 HK\$'000	基本薪金、津貼 及實物福利 Basic salaries, allowance and benefits-in kind 千港元 HK\$'000	酬金總額 Total emoluments 千港元 HK\$'000
蔣泉龍	Jiang Quanlong	–	1,200	1,200
錢元英	Qian Yuanying	–	780	780
范亞軍	Fan Yajun	–	174	174
許盤鳳	Xu Panfeng	–	38	38
蔣才南	Jiang Cainan	–	38	38
劉余九	Liu Yujiu	34	–	34
黃春華	Huang Chunhua	60	–	60
金重	Jin Zhong	29	–	29
二零零五年總額	Total for 2005	123	2,230	2,353

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## 11. 董事酬金 (續)

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS  
(Continued)

		董事袍金	基本薪金、津貼 及實物福利	酬金總額
		Directors' fees	Basic salaries, allowance and benefits-in kind	Total emoluments
		千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000
蔣泉龍	Jiang Quanlong	—	1,200	1,200
錢元英	Qian Yuanying	—	780	780
范亞軍	Fan Yajun	—	260	260
劉余九	Liu Yujiu	34	—	34
黃春華	Huang Chunhua	60	—	60
金重	Jin Zhong	7	—	7
二零零四年總額	Total for 2004	101	2,240	2,341

截至二零零五年及二零零四年十二月三十一日止年度，概無董事放棄任何酬金。

No director waived any emoluments in the years ended 31 December 2005 and 2004.

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## 11. 董事酬金 (續)

- (c) 五位最高薪人士包括三位(二零零四年：三位)董事，彼等的酬金詳情已載於上文。彼等的酬金總額連同其餘兩位(二零零四年：兩位)人士的酬金如下：

		二零零五年 2005 千港元 HK\$'000	二零零四年 2004 千港元 HK\$'000
薪金及其他酬金	Salaries and other emoluments	3,061	3,098

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：

		二零零五年 2005	二零零四年 2004
零 – 1,000,000港元	Nil – HK\$1,000,000	4	4
1,000,001港元 – 1,500,000港元	HK\$1,000,001 – HK\$1,500,000	1	1

於兩個年度內，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. DIRECTORS' AND EMPLOYEES' EMOLUMENTS  
(Continued)

- (c) During the year, five highest paid individuals in the Group, three (2004: three) are directors of the Company whose emoluments are set out above. Their total emoluments together with the remaining two (2004: two) highest paid individuals are as follows:

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

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 in both years.



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## 12. 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17%－20%（二零零四年：17%－20%）。僱員退休後的生活津貼由國營退休計劃負責支付。中國附屬公司除每年供款外，毋須支付實際退休金，亦毋須負責僱員的退休後福利。截至二零零五年十二月三十一日止年度，退休計劃供款額約為971,000港元（二零零四年：1,029,000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積金。該計劃為定額供款退休金計畫。該公司每月按僱員底薪5%向該計劃供款。截至二零零五年十二月三十一日止年度，本集團向強積金供款約45,000港元（二零零四年：43,000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。

## 12. 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 17% to 20% (2004: 17% to 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 2005, the retirement plan contributions amounted to approximately HK\$971,000 (2004: HK\$1,029,000).

A company in the Group operating in Hong Kong has participated in 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 2005, the Group's contributions to the MPF were approximately HK\$45,000 (2004: HK\$43,000). The assets of the fund are held separately from those of the Group and are managed by independent professional fund managers.

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## 13. 稅項

## 13. TAXATION

		二零零五年 2005 千港元 HK\$'000	二零零四年 2004 千港元 HK\$'000
企業所得稅	Enterprise Income Tax ("EIT")		
— 中國附屬公司	— The PRC subsidiaries	40,021	17,973

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 consolidated 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如下：

Tax payable and recoverable comprised PRC VAT and PRC EIT as follows:

		二零零五年 2005 千港元 HK\$'000	二零零四年 2004 千港元 HK\$'000
中國增值稅	PRC VAT	9,399	3,024
中國企業所得稅	PRC EIT	22,416	4,037
		31,815	7,061

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（二零零四年：四家）中國附屬公司獲減免企業所得稅50%及兩家（二零零四年：無）中國附屬公司繳付所得稅全額。

During the year, two (2004: four) PRC subsidiaries are entitled to a 50% reduction of EIT and two (2004: Nil) PRC subsidiaries are subject to full provision of EIT.

## 綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 13. 稅項 (續)

本年度內稅項與綜合損益表之溢利調節如下：

## 13. TAXATION (Continued)

The taxation for the years can be reconciled to the profit per the consolidated income statement as follows:

		二零零五年 2005 千港元 HK\$'000	二零零四年 2004 千港元 HK\$'000 (重新表述) (restated)
除稅前溢利	Profit before taxation	171,646	139,283
按國內所得稅率24%計算稅項 (二零零四年：24%)	Tax at domestic income tax rate of 24% (2004: 24%)	45,899	35,946
稅務寬減的影響	Effect of tax exemption	(5,878)	(17,973)
本年度稅項	Taxation for the year	40,021	17,973

由於沒有重大的暫時差額，在綜合財務報表中並未確認遞延稅項撥備。

No provision for deferred taxation has been recognised in the consolidated financial statements as there are no significant temporary differences.

## 14. 股息

## 14. DIVIDENDS

		二零零五年 2005 千港元 HK\$'000	二零零四年 2004 千港元 HK\$'000
建議派發的末期股息：	Proposed final dividend:		
每股0.04港元	HK\$0.04 (2004: HK\$0.02)		
(二零零四年：0.02港元)	per share	47,374	19,739

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## 15. 每股盈利

每股基本盈利及攤薄盈利乃根據本集團在本年度本公司股東應佔溢利約130,207,000港元(二零零四年經重新表述: 119,658,000港元)及下列數據計算:

## 15. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the profit attributable to equity holders of the Company of approximately HK\$130,207,000 (2004 as restated: HK\$119,658,000) and the following data:

		二零零五年 2005	二零零四年 2004
用以計算每股基本盈利的 普通股加權平均數	Weighted average number of ordinary shares for the calculation of basic earnings per share	986,953,059	973,756,338
被視為無須代價而發行的普通股	Deemed issue of ordinary shares at no consideration	—	152,488
用以計算每股攤薄盈利的 普通股加權平均數	Weighted average number of ordinary shares for the calculation of diluted earnings per share	986,953,059	973,908,826

由於截至二零零五年十二月三十一日止年度並無潛在攤薄的普通股，故並無就該年度呈報每股攤薄盈利。

No diluted earnings per share was shown for 2005 as there was no dilutive potential ordinary share for the year.

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## 16. 商譽

## 16. GOODWILL

		HK\$'000 千港元
<b>成本</b>	<b>COST</b>	
於二零零四年一月一日	At 1 January 2004	—
於收購附屬公司所產生	Arising on acquisition of a subsidiary	143,495
於二零零四年十二月三十一日及 二零零五年一月一日如原先呈列	At 31 December 2004 and 1 January 2005 as originally stated	143,495
應用香港會計準則第17號時 抵銷商譽(見附註3)	Elimination of goodwill upon the application of HKAS17 (see note 3)	(397)
於二零零四年十二月三十一日及 二零零五年一月一日經重新表述	At 31 December 2004 and 1 January 2005 as restated	143,098
應用香港財務報告準則第3號時 抵銷累計攤銷(見附註3)	Elimination of accumulated amortisation upon the application of HKFRS 3 (see note 3)	(6,558)
於收購附屬公司時產生	Arising on acquisition of a subsidiary	63,175
於二零零五年十二月三十一日	At 31 December 2005	199,715
<b>累計攤銷</b>	<b>ACCUMULATED AMORTISATION</b>	
於二零零四年一月一日	At 1 January 2004	—
本年度攤銷	Charge for the year	6,577
於二零零四年十二月三十一日及 二零零五年一月一日如原先呈列	At 31 December 2004 and 1 January 2005 as originally stated	6,577
應用香港會計準則第17號時 抵銷商譽(見附註3)	Elimination of accumulated amortisation of goodwill upon the application of HKAS17 (see note 3)	(19)
於二零零四年十二月三十一日及 二零零五年一月一日經重新表述	At 31 December 2004 and 1 January 2005 as restated	6,558
應用香港財務報告準則第3號時 抵銷累計攤銷(見附註3)	Elimination of accumulated amortisation upon the application of HKFRS 3 (see note 3)	(6,558)
於二零零五年十二月三十一日	At 31 December 2005	—
<b>賬面淨額</b>	<b>CARRYING VALUES</b>	
於二零零五年十二月三十一日	At 31 December 2005	199,715
於二零零四年十二月三十一日 經重新表述	At 31 December 2004 as restated	136,540

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## 16. 商譽(續)

商譽約為199,715,000港元(二零零四年:136,540,000港元)乃於收購附屬公司時產生。約6,577,000的攤銷已在二零零四年綜合損益表中扣除。根據香港財務報告準則第3號,本集團自二零零五年一月一日起不再繼續攤銷商譽,而有關商譽至少每年進行一次減值測試。

有關商譽減值測試之詳情於附註17披露。

## 17. 商譽減值測試

於二零零五年十二月三十一日,商譽之賬面值已被劃撥至下列附屬公司:

## 16. GOODWILL (Continued)

Goodwill of HK\$199,715,000 (2004: HK\$136,540,000) was arising on acquisition of subsidiaries. The amortisation of approximately HK\$6,577,000 was charged to the consolidated income statement in 2004. Upon the application of HKFRS 3, the Group has discontinued amortising the goodwill from 1 January 2005 onwards and goodwill will be tested for impairment at least annually.

Particulars regarding impairment testing on goodwill are disclosed in note 17.

## 17. IMPAIRMENT TESTING ON GOODWILL

The carrying amount of goodwill as at 31 December 2005 related to the following subsidiaries:

		二零零五年 2005 千港元 HK\$'000	二零零四年 2004 千港元 HK\$'000 (重新表述) (restated)
無錫新威高溫陶瓷有限公司	Wuxi Xinwei High Temperature Ceramics Co., Ltd.	136,540	136,540
海城蘇海鎂礦有限公司	Haicheng City Suhai Magnesium Ore Co., Ltd.	63,175	—
		199,715	136,540

於二零零五年十二月三十一日止年度,本集團之管理層根據一家與本集團並無關連的獨立專業合資格評估師所作的評估,認為以上兩間含有商譽之附屬公司並無出現減值。

During the year ended 31 December 2005, management of the Group determines that there are no impairment for the above two subsidiaries containing goodwill on the basis of a valuation carried out on that date by an independent qualified professional valuer not connected with the Group.

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## 18. 物業、廠房及設備以及在建工程

## 18. PROPERTY, PLANT AND EQUIPMENT AND CONSTRUCTION-IN-PROGRESS

		樓宇 Buildings 千港元 HK\$'000	機器及設備 Machinery and equipment 千港元 HK\$'000	辦公室設備 及裝置 Office equipment and fixtures 千港元 HK\$'000	汽車 Motor vehicles 千港元 HK\$'000	在建工程 Construction- in-progress 千港元 HK\$'000	總額 Total 千港元 HK\$'000
成本或估值	COST OR VALUATION						
於二零零四年一月一日	At 1 January 2004						
— 原先所列	— as originally stated	139,131	274,572	5,022	4,762	65,563	489,050
— 採納香港會計準則第17號的影響	— effect of adoption of HKAS 17	(3,917)	—	—	—	—	(3,917)
— 經重新表述	— as restated	135,214	274,572	5,022	4,762	65,563	485,133
收購附屬公司	Acquisition of a subsidiary						
— 原先所列	— as originally stated	37,842	73,028	76	—	—	110,946
— 採納香港會計準則第17號的影響	— effect of adoption of HKAS 17	(7,742)	—	—	—	—	(7,742)
— 經重新表述	— as restated	30,100	73,028	76	—	—	103,204
添置	Additions	—	23,570	203	692	101,598	126,063
由在建工程轉入	Transfer from construction-in-progress	7,631	122,783	—	—	(130,414)	—
處置	Disposals	—	—	(157)	(175)	—	(332)
於二零零四年十二月三十一日 及二零零五年一月一日	At 31 December 2004 and 1 January 2005	172,945	493,953	5,144	5,279	36,747	714,068
收購附屬公司	Acquisition of a subsidiary	17,850	40,089	125	1,308	—	59,372
添置	Additions	—	3,022	180	764	24,782	28,748
由在建工程轉入	Transfer from construction-in-progress	—	36,247	—	—	(36,247)	—
處置	Disposals	(20)	—	—	(1,000)	—	(1,020)
匯兌損益	Exchange difference	3,326	9,877	94	99	596	13,992
於二零零五年十二月三十一日	At 31 December 2005	194,101	583,188	5,543	6,450	25,878	815,160
包括：	Comprising:						
按成本	At cost	176,894	583,188	5,543	6,450	25,878	797,953
按估值	At valuation	17,207	—	—	—	—	17,207
		194,101	583,188	5,543	6,450	25,878	815,160



## 綜 合 財 務 報 表 附 註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至二零零五年十二月三十一日止年度 Year ended 31 December 2005

## 18. 物業、廠房及設備以及在建工程(續)

## 18. PROPERTY, PLANT AND EQUIPMENT AND CONSTRUCTION-IN-PROGRESS (Continued)

		樓宇 Buildings 千港元 HK\$'000	機器及設備 Machinery and equipment 千港元 HK\$'000	辦公室設備 及裝置 Office equipment and fixtures 千港元 HK\$'000	汽車 Motor vehicles 千港元 HK\$'000	在建工程 Construction- in-progress 千港元 HK\$'000	總額 Total 千港元 HK\$'000
累計攤銷及折舊	ACCUMULATED AMORTISATION AND DEPRECIATION						
於二零零四年一月一日	At 1 January 2004						
– 原先所列	– as originally stated	27,105	65,570	1,731	2,746	–	97,152
– 採納香港會計準則第17號 的影響	– effect of adoption of HKAS17	(399)	–	–	–	–	(399)
– 經重新表述	– as restated	26,706	65,570	1,731	2,746	–	96,753
收購附屬公司	Acquisition of a subsidiary						
– 原先所列	– as originally stated	4,299	14,002	8	–	–	18,309
– 採納香港會計準則第17號 的影響	– effect of adoption of HKAS17	(677)	–	–	–	–	(677)
– 經重新表述	– as restated	3,622	14,002	8	–	–	17,632
本年度計提	Charge for the year						
– 原先所列	– as originally stated	9,019	39,842	1,039	826	–	50,726
– 採納香港會計準則第17號 的影響	– effect of adoption of HKAS17	(551)	–	–	–	–	(551)
– 經重新表述	– as restated	8,468	39,842	1,039	826	–	50,175
處置撥回	Written back on disposals	–	–	(154)	(104)	–	(258)
於二零零四年十二月三十一日 及二零零五年一月一日	At 31 December 2004 and 1 January 2005	38,796	119,414	2,624	3,468	–	164,302
收購附屬公司	Acquisition of a subsidiary	2,975	13,360	76	683	–	17,094
本年度計提	Charge for the year	8,729	50,319	1,023	914	–	60,985
處置撥回	Written back on disposals	–	–	–	(1,000)	–	(1,000)
匯兌損益	Exchange difference	830	2,780	57	66	–	3,733
於二零零五年十二月三十一日	At 31 December 2005	51,330	185,873	3,780	4,131	–	245,114
賬面淨額	NET BOOK VALUES						
於二零零五年十二月三十一日	At 31 December 2005	142,771	397,315	1,763	2,319	25,878	570,046
於二零零四年十二月三十一日 經重新表述	At 31 December 2004 as restated	134,149	374,539	2,520	1,811	36,747	549,766

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## 18. 物業、廠房及設備以及在建工程 (續)

於以前年度，土地使用權以直線法分二十年攤銷。根據新香港會計準則第17號，從二零零五年一月一日起，預付租賃土地使用權款項應按照其租賃年期作攤銷。此會計政策變動已被追溯應用。於二零零四年一月一日之樓宇成本值及累計折舊值已經重新表述。

所有樓宇均位於中國。

若干本集團樓宇經已由一家獨立專業合資格評估師於二零零二年十二月三十一日按公開市值基準重估。自二零零二年，並無進一步重估本集團之樓宇。於資產負債表日，假約以成本值減除累計折舊值列賬，評估值為13,706,000港元（二零零四年：14,701,000港元）之樓宇之賬面值應為15,303,000港元（二零零四年：16,360,000港元）。

物業、機器及設備以直線法按下列年率計提折舊：

樓宇	5%
機器及設備	10%
辦公室設備及裝置	20%
汽車	20%

## 18. PROPERTY, PLANT AND EQUIPMENT AND CONSTRUCTION-IN-PROGRESS (Continued)

In prior year, land use rights are amortised on a straight line basis over 20 years. With effect from 1 January 2005, prepaid lease payments on land use rights are amortised on a straight line basis over the lease term with the adopted of the new HKAS 17. This change in accounting estimate has been applied retrospectively. Accordingly, the cost and accumulated depreciation of buildings as at 1 January 2004 have been restated.

All buildings are located in PRC.

Certain of the Group's buildings were revalued at 31 December 2002 by an independent professionally qualified valuer on an open market basis. Since 2002, no further revaluations of the Group's buildings have been carried out. At the balance sheet date, the carrying amount of certain buildings with revalued amount of HK\$13,706,000 (2004: HK\$14,701,000) would have been HK\$15,303,000 (2004: HK\$16,360,000) have they been stated at cost less accumulated depreciation.

Property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

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

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## 19. 預付租賃土地使用權款項

## 19. PREPAID LEASE PAYMENTS ON LAND USE RIGHTS

		二零零五年 2005 千港元 HK\$'000	二零零四年 2004 千港元 HK\$'000
本集團預付租賃款項包括：	The Group's prepaid lease payments comprise:		
於中國之長期租賃土地	Long-term leasehold land in PRC	12,419	10,384
就報告而作出之分析如下：	Analysed for reporting purposes as:		
流動資產	Current asset	398	347
非流動資產	Non-current asset	12,021	10,037
		12,419	10,384

## 20. 存貨

## 20. INVENTORIES

		二零零五年 2005 千港元 HK\$'000	二零零四年 2004 千港元 HK\$'000
原材料	Raw materials	37,096	54,341
在製品	Work in progress	68,892	66,330
產成品	Finished goods	136,687	118,581
		242,675	239,252
減：存貨撥備	Less: Allowance for inventories	(14,284)	(14,015)
		228,391	225,237

於資產負債表日，存貨中包括可變現淨額列賬的存貨約為5,725,000港元（二零零四年：25,599,000港元）。

At the balance sheet date, approximately HK\$5,725,000 (2004: HK\$25,599,000) of the inventories of the Group were carried at net realisable value.

## 綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 21. 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。

於資產負債表日，應收賬款及其他應收款已包括：

## 21. 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 monitors overdue accounts receivable and follow up collections.

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

		二零零五年 2005 千港元 HK\$'000	二零零四年 2004 千港元 HK\$'000
應收賬款	Accounts receivable	326,865	201,124
其他應收款	Other receivables	20,313	10,644
		347,178	211,768
減：呆壞賬撥備	Less: Allowance for bad and doubtful debts	(8,377)	(8,212)
		338,801	203,556

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截至二零零五年十二月三十一日止年度 Year ended 31 December 2005

## 21. 應收賬款及其他應收款 (續)

應收賬款之賬齡分析如下：

## 21. ACCOUNTS AND OTHER RECEIVABLES (Continued)

An ageing analysis of accounts receivable is as follows:

		二零零五年 2005 千港元 HK\$'000	二零零四年 2004 千港元 HK\$'000
本期至六個月內	Current to less than 6 months	286,780	180,549
六個月至一年內	6 months to less than 1 year	26,519	6,785
一至兩年內	1 to less than 2 years	5,773	7,581
兩年以上	Over 2 years	7,793	6,209
		326,865	201,124

於二零零五年十二月三十一日，本集團之應收賬款及其他應收款之公平值與其賬面值相若。

The fair values of the Group's accounts and other receivables at 31 December 2005 approximate to the corresponding carrying amounts.

## 22. 已抵押存款

於二零零五年及二零零四年十二月三十一日，該存款已抵押予銀行作為向一附屬公司的一個客戶作業務擔保。

## 22. PLEDGED DEPOSIT

At 31 December 2005 and 2004, the deposit was pledged to a bank as business guarantee given to a customer of a subsidiary.

## 23. 應付賬款

應付賬款之賬齡分析如下：

## 23. ACCOUNTS PAYABLE

An ageing analysis of accounts payable is as follows:

		二零零五年 2005 千港元 HK\$'000	二零零四年 2004 千港元 HK\$'000
本期至六個月內	Current to less than 6 months	48,715	50,768
六個月至一年內	6 months to less than 1 year	4,581	4,549
一至兩年內	1 to less than 2 years	1,456	491
兩年以上	Over 2 years	1,497	74
		56,249	55,882

於二零零五年十二月三十一日，本集團之應付賬款之公平值與其賬面值相若。

The fair values of the Group's accounts payable at 31 December 2005 approximate to the corresponding carrying amounts.

## 綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至二零零五年十二月三十一日止年度 Year ended 31 December 2005

## 24. 本公司股本

## 24. SHARE CAPITAL OF THE COMPANY

		股本數目 Number of shares	千港元 HK\$'000
每股面值0.10港元之普通股	Ordinary shares of HK\$0.10 each		
法定：	Authorised:		
於二零零四年一月一日	At 1 January 2004	1,000,000,000	100,000
本年度新增(附註a)	Increase during the year (Note a)	1,000,000,000	100,000
於二零零四年十二月三十一日 及二零零五年十二月三十一日	At 31 December 2004 and 31 December 2005	2,000,000,000	200,000
已發行及繳足：	Issued and fully paid:		
於二零零四年一月一日	At 1 January 2004	814,453,059	81,445
本年度發行股份(附註b)	Issue of shares during the year (Note b)	172,500,000	17,250
於二零零四年十二月三十一日 及二零零五年十二月三十一日	At 31 December 2004 and 31 December 2005	986,953,059	98,695

附註：

Notes:

(a) 於二零零四年一月二十九日，本公司之法定股本以新增每股面值0.10港元的普通股1,000,000,000股已由100,000,000港元增加至200,000,000港元。

(a) On 29 January 2004, the authorised share capital of the Company was increased from HK\$100,000,000 to HK\$200,000,000 by the creation of an additional 1,000,000,000 ordinary shares of HK\$0.10 each in the capital of the Company.

(b) 於二零零四年一月二十九日，本公司已發行172,500,000股每股面值0.10港元的普通股。新增股份在各方面與現有股份享有同等權利。

(b) On 29 January 2004, 172,500,000 ordinary shares of HK\$0.10 each were issued. The new shares rank pari passu with the existing shares in all respects.

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## 25. 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) 購買機器及設備以及建造樓宇之資本承擔：

## 25. 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 machinery and equipment and construction of buildings:

		二零零五年 2005 千港元 HK\$'000	二零零四年 2004 千港元 HK\$'000
已授權及已訂約	Authorised and contracted for	67,461	45,434

- (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：

- (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:

		二零零五年 2005 千港元 HK\$'000	二零零四年 2004 千港元 HK\$'000
一年內	Within one year	1,307	1,264
第二至第五年(包括首尾兩年)	In the second to fifth year inclusive	3,036	3,063
五年後	Over five years	10,543	10,898
		14,886	15,225



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## 26. 購股權計劃

於二零零四年六月四日舉行之股東周年大會上，本公司股東批准終止於一九九九年十月十四日採納之購股權計劃（「舊計劃」）及採納新購股權計劃（「新計劃」）。

根據新計劃，董事可酌情邀請對本集團有所貢獻或將有貢獻之本集團全職僱員（包括本公司及其附屬公司之董事）、任何股東、供應商、客戶、專家顧問、顧問及合作夥伴或業務聯盟在新計劃條款及條件之規限下接受購股權認購本公司股份。合資格參與者將就每次授出之購股權支付象徵式代價。購股權可於董事在提出要約時所釐定及指定予各承授人之期間內任何時間行使，惟不得超過各購股權授出日起計十年之期間，惟可遵照新計劃予以提早終止。於二零零五及二零零四年十二月三十一日止年度，本公司並無根據舊計劃及新計劃授出購股權。

## 26. SHARE OPTION SCHEME

At the annual general meeting of the Company held on 4 June 2004, the shareholders of the Company approved the termination of the Company's share option scheme adopted on 14 October 1999 (the "Old Scheme") and the adoption of a new share option scheme (the "New Scheme").

Under the New Scheme, the directors may, at their discretion, invite full-time employees of the Group, including directors of the Company and its subsidiaries, any of its shareholders, suppliers, customers, consultants, advisers and joint venture partners or business alliance who have contributed or will contribute to the Group to take up options to subscribe for shares in the Company subject to the terms and conditions stipulated therein. A nominal consideration will be paid by the eligible participants for each lot of share options granted. An option may be exercised at any time during a period to be determined and identified by the directors to each grantee at the time of making the offer, but in any event, shall not exceed the period of ten years from the date of grant of the particular option, subject to the early termination of the New Scheme. No option has been granted by the Company under the Old Scheme and the New Scheme during the two years ended 31 December 2005 and 2004.

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## 26. 購股權計劃(續)

(a) 年內購股權之變動如下：

舊計劃  
Old Scheme

授出日期

行使期

Date of grant

Exercisable period

Exercise  
price  
港元  
HK\$

二零零三年一月二十三日

23 January 2003

二零零三年一月二十七日至  
二零零三年一月二十六日  
(唯授出之股權之50%，不可於  
二零零四年一月二十七日前行使)

27 January 2003 –  
26 January 2004  
(Provided that 50% the option  
granted shall not be exercised  
prior to 27 January 2004)

行使價

Exercise

price

港元

HK\$

1.10

於二零零四年

一月一日、

二零零四年

十二月三十一日及

二零零五年

一月一日

尚未行使

Outstanding

at 1 January

2004,

31 December 2004

and 1 January

2005

尚未行使

尚未行使

尚未行使

6,500,000

6,500,000

購股權數目

Number of share options

於二零零五年

十二月三十一日

於年內取銷

尚未行使

Cancelled

during

the year

Outstanding

at 31 December

2005

(5,000,000)

(5,000,000)

1,500,000

1,500,000

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## 26. 購股權計劃(續)

- (b) 年內按類別分類之購股權變動情況概要如下：

## 26. SHARE OPTION SCHEME (Continued)

- (b) Summary of the movements of the share options during the year by category are as follows:

類別	行使價	購股權數目 Number of share options		
		於二零零四年 一月一日， 二零零四年 十二月三十一日及 二零零五年 一月一日	於二零零五年 十二月三十一日	
Category	Exercise price 港元 HK\$	Outstanding at 1 January 2004, 31 December 2004 and 1 January 2005	Cancelled during the year	Outstanding at 31 December 2005
董事 Directors	1.10	5,000,000	(5,000,000)	—
本集團僱員 Employees of the Group	1.10	1,500,000	—	1,500,000
		6,500,000	(5,000,000)	1,500,000

於二零零五年十二月三十一日，根據本公司舊計劃授出而尚未行使之購股權涉及之本公司股份數目為1,500,000股(二零零四年：6,500,000股)，佔於該日本公司已發行股份之0.15%(二零零四：0.66%)。按舊計劃，於任何時日未經本公司股東允許，可授出之購股權並不可以超過本公司已發行股份之10%。

At 31 December 2005, the number of shares in respect of which options had been granted and remained outstanding under the Old Scheme was 1,500,000 (2004: 6,500,000), representing 0.15% (2004: 0.66%) of the shares of the Company in issue at that date. The total number of shares in respect of which options may be granted under the Old Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders.

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## 27. 關聯人士交易

(a) 應付關聯公司款項詳情如下：

## 27. RELATED PARTY TRANSACTIONS

(a) Particulars of amount due to a related company is as follows:

		二零零五年 2005 千港元 HK\$'000	二零零四年 2004 千港元 HK\$'000
關聯公司名稱	Name of related company		
無錫泛亞環保科技有限公司	Wuxi Pan-Asia Environmental Protection Technologies Limited	1,220	8,713

應付關聯公司款項是無抵押、不計利息及須應要求償還的。

The amount due to a related company is unsecured, non-interest bearing and repayable on demand.

蔣泉龍或錢元英或其近親在此等公司擁有實際權益。

Jiang Quanlong or Qian Yuanying or their close relatives have beneficial interests in this company.

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## 27. 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。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5,662,000港元(二零零四年：12,695,000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206,000港元(二零零四年：204,000港元)的租金予蔣泉龍。
- (iii) 本集團已支付約51,000港元(二零零四年：46,000港元)的租金予無錫泛亞環保科技有限公司。

董事認為上述交易是一般的普通業務往來及基於普通的商業交易條件或有關交易的協定進行的。以上均得到非執行董事確認。

## 27. 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 Yixing Xinwei Group Co., Ltd. at nil consideration. Yixing Xinwei Group Co., Ltd. is a PRC domestic enterprise 90% owned by Jiang Quanlong and 10% owned by a son of Jiang Quanlong. Jiang Quanlong is also the legal representative of the enterprise. Export sales handled through this arrangement amounted to approximately HK\$5,662,000 (2004: HK\$12,695,000). Yixing Xinwei Group Co., Ltd. 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\$206,000 (2004: HK\$204,000) to Jiang Quanlong.
- (iii) The Group paid rent of approximately HK\$51,000 (2004: HK\$46,000) to Wuxi Pan-Asia Environmental Protection Technologies Limited.

The directors are of the opinion that the above transactions were entered into under the normal course of business and on normal commercial terms or in accordance with the agreements governing such transactions, and this has been confirmed by the non-executive directors.

## 綜 合 財 務 報 表 附 註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至二零零五年十二月三十一日止年度 Year ended 31 December 2005

## 27. 關聯人士交易 (續)

(c) 應付董事款項詳情如下：

## 27. RELATED PARTY TRANSACTIONS (Continued)

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

		二零零五年 2005 千港元 HK\$'000	二零零四年 2004 千港元 HK\$'000
蔣泉龍	Jiang Quanlong	8,742	7,445
錢元英	Qian Yuanying	2,847	2,165
許盤鳳 <sup>1</sup>	Xu Panfeng <sup>1</sup>	39	—
蔣才南 <sup>1</sup>	Jiang Cainan <sup>1</sup>	222	—
范亞軍 <sup>2</sup>	Fan Yajun <sup>2</sup>	—	457
		11,850	10,067

應付董事款項是無抵押、不計利息  
及須應要求償還的。

The amounts due to directors are unsecured, non-interest  
bearing and repayable on demand.

主要管理人員之補償詳情載於附註  
11。

Details of key management personnel compensations  
are set out in note 11.

<sup>1</sup> 於二零零五年八月十九日委任

<sup>1</sup> Appointed on 19 August 2005

<sup>2</sup> 於二零零五年八月十九日辭任

<sup>2</sup> Resigned on 19 August 2005

## 綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至二零零五年十二月三十一日止年度 Year ended 31 December 2005

## 28. 收購附屬公司

- (a) 於二零零五年十二月二十三日，本集團收購海城市蘇海鎂礦有限公司之全部註冊資本，總代價為人民幣120,000,000 (折合約115,385,000港元)。此交易已採用收購會計法入賬。

交易所得的資產淨額及所產生的商譽如下：

## 28. ACQUISITION OF SUBSIDIARIES

- (a) On 23 December 2005, the Group acquired the entire registered capital of Haicheng City Suhai Magnesium Ore Co., Ltd., at a total consideration of RMB120,000,000 (equivalent to approximately HK\$115,385,000). The transaction has been accounted for using the purchase method of accounting.

The net assets acquired in the transaction, and the goodwill arising, are as follows:

		Fair value and acquiree's carrying amount before combination 公平值及合併前 被收購方之賬面值 千港元 HK\$'000
所得的資產淨額：	Net assets acquired:	
物業、廠房及設備以及 在建工程	Property, plant and equipment and construction-in-progress	42,278
預付租賃土地使用權款項	Prepaid lease payments on land use rights	2,190
存貨	Inventories	4,241
應收賬款及其他應收款	Accounts and other receivables	26,801
預付款項、按金及其他流動資產	Prepayments, deposits and other current assets	1,822
現金及銀行結存	Cash and bank balances	428
應付賬款	Accounts payable	(1,593)
預提費用及其他應付款	Accruals and other payables	(22,088)
應付稅項	Tax payable	(1,869)
		52,210
收購所產生的商譽	Goodwill arising on acquisition	63,175
現金代價	Cash consideration	115,385
收購所產生的現金流淨額：	Net cash flow arising on acquisition:	
現金代價支出	Cash consideration paid	(115,385)
所得的現金及銀行結存	Cash and bank balances acquired	428
		(114,957)

於收購日至結算日期間，海城市蘇海鎂礦有限公司對本集團的收入及除稅前溢利並無重大貢獻。

Haicheng City Suhai Magnesium Ore Co., Ltd. did not make significant contribution to the Group's revenue and profit before taxation for the period between the date of acquisition and the balance sheet date.



## 綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至二零零五年十二月三十一日止年度 Year ended 31 December 2005

## 28. 收購附屬公司(續)

- (b) 於二零零四年一月二十九日，本集團以每股1.20港元之價格發行172,500,000股合共207,000,000港元之股份，作為收購持有無錫新威高溫陶瓷全部權益的Dynamic Goal Worldwide Inc.的全部已發行股份之非現金代價。此交易已採用收購會計法入賬。

交易所得的資產淨額及所產生的商譽如下：

## 28. ACQUISITION OF SUBSIDIARIES (Continued)

- (b) On 29 January 2004, the Group acquired the entire issued share capital of Dynamic Goal Worldwide Inc. which in turn owns the entire equity interest in Wuxi Xinwei High Temperature Ceramics Co., Ltd. for a non-cash consideration of HK\$207,000,000 by means of issuing 172,500,000 shares at HK\$1.20 per share. The transaction had been accounted for using the purchase method of accounting.

The net assets acquired in the transaction and the goodwill arising, as follows:

		二零零四年 2004 千港元 HK\$'000 (重新表述) (restated)
收購所得的資產淨額：	Net assets acquired:	
物業、廠房及設備以及 在建工程	Property, plant and equipment and construction-in-progress	85,540
預付租賃土地使用權款項	Prepaid lease payments on land use rights	7,495
存貨	Inventories	1,983
應收賬款及其他應收款	Accounts and other receivables	29,360
現金及銀行結存	Cash and bank balances	3,405
應收集團公司款項	Amount due from a group company	46
應付賬款	Accounts payable	(1,224)
預提費用及其他應付款	Accruals and other payables	(4,030)
應付關聯公司款項	Amount due to a related company	(11,340)
銀行借款	Bank loan	(47,170)
應付稅項	Tax payable	(163)
		63,902
收購所產生的商譽	Goodwill arising on acquisition	143,098
發行股份之非現金代價總額	Non-cash consideration in form of shares issued	207,000
收購所產生的現金流淨額：	Net cash flow arising on acquisition:	
所得的現金及銀行結存	Cash and bank balances acquired	3,405

## 綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至二零零五年十二月三十一日止年度 Year ended 31 December 2005

## 29. 結算日後事項

按於二零零六年三月二十八日訂立之配售及認購協議，本公司於二零零六年四月十日以現金每股1.38港元發行面值每股0.1港元共197,390,000普通股。

此項交易完成後，本公司發行股本由98,695,000港元增加至118,434,000港元。

## 29. POST BALANCE SHEET EVENT

Pursuant to the placing and subscription agreement dated on 28 March 2006, the Company issued 197,390,000 ordinary shares of HK\$0.10 each at a price of HK\$1.38 per share for cash on 10 April 2006.

Subsequent to the transaction, the issued share capital of the Company was increased from HK\$98,695,000 to HK\$118,434,000.

## 30. 附屬公司

於二零零五年十二月三十一日本公司的附屬公司詳情如下：

## 30. SUBSIDIARIES

Details of the Company's subsidiaries as at 31 December 2005 are as follows:

附屬公司名稱 Name of subsidiary	註冊成立／營運 之地點及日期 Place and date of incorporation/ operations	持有股份 類別 Class of shares held	註冊及 已繳足資本 Registered and fully paid capital	已發行及 繳足資本 Issued and fully paid capital	本公司應佔權益／ 有投票權股本 百分比 Effective percentage of equity interests/voting rights held by the Company		主營業務 Principal activities
					直接 Directly	間接 Indirectly	
					%	%	
利成控股有限公司	英屬處女群島 一九九八年 十二月三日	普通股	—	20美元	100	—	投資控股
Lee Shing Holdings Limited	British Virgin Islands 3 December 1998	Ordinary	—	US\$20	100	—	Investment holding
龍科國際貿易(上海) 有限公司	中國 二零零零年 二月二十四日	繳入資本	200,000美元	—	100	—	貿易
Wellfire (Shanghai) Company Limited	The PRC 24 February 2000	Contributed capital	US\$200,000	—	100	—	Trading
Dynamic Goal Worldwide Inc.	英屬處女群島 二零零零年 五月三十一日	普通股	—	2美元	—	100	投資控股
Dynamic Goal Worldwide Inc.	British Virgin Islands 31 May 2000	Ordinary	—	US\$2	—	100	Investment holding

## 綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至二零零五年十二月三十一日止年度 Year ended 31 December 2005

## 30. 附屬公司 (續)

## 30. SUBSIDIARIES (Continued)

附屬公司名稱	註冊成立／營運之地點及日期	持有股份類別	註冊及已繳足資本	已發行及繳足資本	本公司應佔權益／有投票權股本百分比		主營業務
Name of subsidiary	Place and date of incorporation/operations	Class of shares held	Registered and fully paid capital	Issued and fully paid capital	Effective percentage of equity interests/voting rights held by the Company		Principal activities
					直接 Directly %	間接 Indirectly %	
宜興新威利成稀土有限公司	中國 一九九三年 七月十七日	繳入資本	15,660,000美元	—	—	95	製造及銷售稀土產品
Yixing Xinwei Leeshing Rare Earth Company Limited	The PRC 17 July 1993	Contributed capital	US\$15,660,000	—	—	95	Manufacture and sales of rare earth products
宜興新威利成耐火材料有限公司	中國 一九九九年 七月三十日	繳入資本	17,000,000美元	—	—	100	製造及銷售耐火產品
Yixing Xinwei Leeshing Refractory Materials Company Limited	The PRC 30 July 1999	Contributed capital	US\$17,000,000	—	—	100	Manufacture and sales of refractory products
無錫新威熒光材料有限公司	中國 二零零一年 十二月二十日	繳入資本	8,520,000美元	—	—	100	製造及銷售熒光產品
Wuxi Xinwei Fluorescent Materials Company Limited	The PRC 20 December 2001	Contributed capital	US\$8,520,000	—	—	100	Manufacture and sales of fluorescent products
新威稀土集團(香港)有限公司	香港 一九九八年 十月二十三日	普通股	—	2港元	—	100	暫無業務
Xinwei Rare Earth (Hong Kong) Limited	Hong Kong 23 October 1998	Ordinary	—	HK\$2	—	100	Dormant

## 綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至二零零五年十二月三十一日止年度 Year ended 31 December 2005

## 30. 附屬公司 (續)

## 30. SUBSIDIARIES (Continued)

附屬公司名稱 Name of subsidiary	註冊成立／營運 之地點及日期 Place and date of incorporation/ operations	持有股份 類別 Class of shares held	註冊及 已繳足資本 Registered and fully paid capital	已發行及 繳足資本 Issued and fully paid capital	本公司應佔權益／ 有投票權股本 百分比 Effective percentage of equity interests/voting rights held by the Company		主營業務 Principal activities
					直接 Directly	間接 Indirectly	
					%	%	
中國稀土貿易有限公司	香港 二零零一年 二月十六日	普通股	—	2港元	—	100	貿易
China Rare Earth Trading Limited	Hong Kong 16 February 2001	Ordinary	—	HK\$2	—	100	Trading
無錫新威高溫陶瓷有限公司	中國 二零零二年 四月一日	繳入資本	30,000,000港元	—	—	100	製造及銷售高溫 陶瓷產品
Wuxi Xinwei High Temperature Ceramics Co., Ltd	The PRC 1 April 2002	Contributed capital	HK\$30,000,000	—	—	100	Manufacture and sales of high temperature ceramics products
海城市蘇海鎂礦有限公司	中國 二零零二年 四月二十七日	繳入資本	人民幣25,000,000	—	—	100	製造及銷售鎂鈔 產品
Haicheng City Suhai Magnesium Ore Co., Ltd.	The PRC 27 April 2002	Contributed capital	RMB25,000,000	—	—	100	Manufacture and sales of magnesium products

概無附屬公司擁有任何於年結日或年內  
任何時間繼續有效之債務證券。

None of the subsidiaries had any debt securities subsisting  
at the end of the year or within any time during the year.

## 財 務 資 料 概 要 FINANCIAL SUMMARY

		截至十二月三十一日止年度 For the year ended 31 December				
		二零零五年 2005 千港元 HK\$'000	二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000	二零零二年 2002 千港元 HK\$'000	二零零一年 2001 千港元 HK\$'000
營業額	Turnover	769,370	665,320	457,077	467,663	617,808
銷售成本	Cost of sales	(565,407)	(484,667)	(345,034)	(363,602)	(434,937)
毛利	Gross profit	203,963	180,653	112,043	104,061	182,871
除稅前溢利	Profit before taxation	171,646	139,283	76,293	48,923	146,527
稅項	Taxation	(40,021)	(17,973)	(9,246)	(8,593)	—
本年度溢利	Profit for the year	131,625	121,310	67,047	40,330	146,527
應佔溢利：	Attributable to:					
本公司股東	Equity holders of the Company	130,207	119,658	66,585	41,039	142,036
少數股東權益	Minority interests	1,418	1,652	462	(709)	4,491
		131,625	121,310	67,047	40,330	146,527
		於十二月三十一日 As at 31 December				
		二零零五年 2005 千港元 HK\$'000	二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000	二零零二年 2002 千港元 HK\$'000	二零零一年 2001 千港元 HK\$'000
流動資產	Current assets	812,182	730,993	699,366	676,022	591,824
非流動資產	Non-current assets	781,782	696,343	391,450	352,760	424,778
資產總額	Total assets	1,593,964	1,427,336	1,090,816	1,028,782	1,016,602
流動負債	Current liabilities	145,249	107,660	78,397	75,266	79,081
非流動負債	Non-current liabilities	—	—	—	—	—
負債總額	Total liabilities	145,249	107,660	78,397	75,266	79,081
資產淨額	Net assets	1,448,715	1,319,676	1,012,419	953,516	937,521
股本	Share capital	98,695	98,695	81,445	81,445	81,445
儲備	Reserves	1,331,132	1,203,511	915,155	856,713	840,011
本公司股東應佔權益	Equity attributable to equity holders of the Company	1,429,827	1,302,206	996,600	938,158	921,456
少數股東權益	Minority interests	18,888	17,470	15,819	15,358	16,065
權益總額	Total equity	1,448,715	1,319,676	1,012,419	953,516	937,521

附註：  
過往年度之數字已重新表述以反映綜合財務報表  
附註2所述會計政策之改變。

Note:  
Prior years figures have been restated to reflect the change in  
accounting policy as described in Note 2 to the consolidated financial  
statements.

# CHINA RARE EARTH



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



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