



蔣泉龍
Jiang Quanlong

集團主席
Chairman

CHAIRMAN'S STATEMENT

總覽

本人謹此向各位股東提呈中國稀土控股有限公司截至二零零零年十二月三十一日止之全年業績報告。此乃本集團自一九九九年十月十五日在香港聯合交易所上市後之第二份全年業績報告。憑藉一眾管理層及員工的努力，本集團營業額、利潤、市場佔有率等都獲得快速增長，再次錄得令人滿意的業績。

二零零零年年度內，隨著本集團兩項大型生產設備的技改擴能工程相繼完工，配以完善的生產設備、精湛的工藝技術及一批優秀的科技研究、生產和管理人材的加盟，大大提升了本集團的盈利能力，為本集團今後的效益增長打下了堅實的基礎。

業務回顧

財務業績

截至二零零零年十二月三十一日，本集團錄得營業額558,000,000港元，較去年同期448,000,000港元增長25%。股東應佔溢利達141,000,000港元，比一九九九年同期之81,000,000港元大幅提升74%。每股基本盈利為23.2港仙而每股攤薄盈利為22.7港仙。

OVERVIEW

I am pleased to present the annual report of China Rare Earth Holdings Limited for the year ended 31 December 2000. This is the Group's second annual report after its listing on The Stock Exchange of Hong Kong Limited on 15 October 1999. Through the committed efforts of all staff and management, the Group has once again achieved highly positive results with rapid growth in turnover, profit and market share.

During the year, the Group completed two expansion projects for its production facilities. With the installation of advanced equipment, adoption of the latest production techniques and employment of talented professionals in different areas, including research and development as well as operations and management, the profitability of the Group has been strengthened and it contributes to a solid foundation for the Group's development in the future.

BUSINESS REVIEW

Results

For the year ended 31 December 2000, the Group recorded a turnover of HK\$558,000,000, representing a 25% growth compared to HK\$448,000,000 in the previous year. The Group's profit attributable to shareholders was HK\$141,000,000, representing a substantial increase of 74% from HK\$81,000,000 in 1999. Basic earnings per share were HK23.2 cents for the year and diluted earnings per share were HK22.7 cents.

年內由於新生產設施之完工投產，導致產量及銷售量增加，市場對本集團產品的強大需求，令產品市場佔有率和售價上升，為總營業額帶來增長。另一方面，原材料供應的緊張使材料成本上漲，減低了毛利的增幅。本集團於年內開始進入減稅期而豁免了中國企業所得稅。使淨利潤大幅上升，業績再創新高。

派息

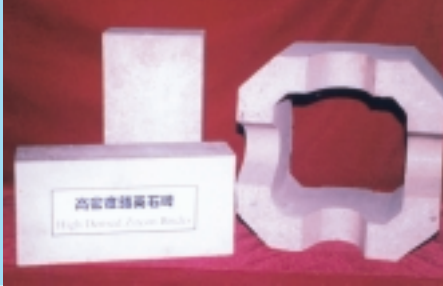
董事會建議派發本年度之末期股息每股3港仙（一九九九年為每股2港仙）。連同二零零零年九月派發之中期股息每股1港仙，累計全年股息共4港仙。倘股東於二零零一年五月十八日舉行的股東週年大會中通過有關動議，末期股息將於二零零一年五月二十八日或以前派發予登記股東。

As the construction of the new production facilities were completed during the year, production volume and sales volume increased. In addition, a huge demand for the Group's products have driven up the prices that also led to an increase in total turnover of the year. On the other hand, tight supply of raw materials drove up the material costs and thinned the growth in gross profit. The Group commenced enjoying its Tax Holiday this year and the PRC enterprise income tax was fully exempted. This contributed to a substantial increase in net profit.

Dividends

The Board has recommended the payment of a final dividend of HK3 cents (1999: HK2 cents) per share. Together with the interim dividend of HK1 cent per share paid in September 2000, total dividends for the year will amount to HK4 cents per share. Subject to the approval of shareholders at the forthcoming Annual General Meeting to be held on 18 May 2001, the final dividend will be paid on or before 28 May 2001 to registered shareholders.





本公司將於二零零一年五月十五日至二零零一年五月十八日，包括首尾兩天，暫停辦理股份過戶登記手續。期間將不會進行任何股份之過戶登記。如欲獲得建議之末期股息及出席本公司的股東週年大會，所有股份之過戶文件連同有關之股票須於二零零一年五月十四日下午四時前送達本公司股份過戶處香港分處香港中央證券登記有限公司。

業務經營

在高新科技、資訊科技行業高速發展的帶動下，稀土作為其器件功能材料的應用及需求日趨增長。加上國外同類廠商因成本高企及欠缺資源而漸漸引退，稀土產品供不應求，導致價格回升；特別是氧化鐳、氧化釷、氧化鎳、氧化鎳等幾個主要產品，價格回升更高達25-75%。隨著LED、PDP等離子顯示器及特種熒光材料的飛速發展，為這些稀土產品帶來新的應用市場。資訊科技的發展，傳統產業資訊化進程的加快，促進了電子器件、新型材料、微特功能材料的大規模開發與應用，勢必為中國稀土工業產品帶來龐大的應用市場，亦為本集團帶來眾多的訂單和新的市場份額。據專家預測，稀土於未來五年間在傳統領域的應用仍將保持增長外，在高新技術領域的應用將維持以10-15%的速度增長，使得本集團未來業務的增長有了可靠的保證。

The Register of Members of the Company will be closed from 15 May 2001 to 18 May 2001, both days inclusive, during this period no transfer of shares will be registered. In order to qualify for entitlement of the proposed final dividend and for attending the Annual General Meeting of the Company, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Share Registrar in Hong Kong, Central Registration Hong Kong Limited, for registration not later than 4:00 p.m. on 14 May 2001.

Business

The high technology industry and information technology related businesses are developing intensively. Demand for rare earth products, being the functional materials for components in these businesses, is growing in line. Additionally, many rare earth separating plants in other countries were closed down due to cost inefficiencies and lack of rare earth resources. Therefore a shortage in supply resulted and products prices were driven up. Among these, lanthanum oxide, neodymium oxide, europium oxide, terbium oxide and dysprosium oxide are the key products with price increments ranging from 25-75%. The application of these products will be much broader with the rapid development of LED, PDP plasma displays and special fluorescent products. The rapid development and broad application of electronic components, new materials and materials for the production of mini-size products stem from the growth of information technology and the wider adoption of computerisation in various traditional industries. The market for rare earth products in the PRC should become larger. The Group in turn will receive more customer orders and its market share will be enlarged. Industry experts forecast that the application of rare earth products in traditional industries will grow continuously and in high technology areas, it will achieve at an average growth rate of 10-15%. This leads to tremendous potential for the Group's future business development.



BUSINESS REVIEW

隨著國家對稀土特殊資源開採的保護和限制，調節了市場供求，減少了市場上質素較差之產品，再配合稀土應用的日益增長，稀土產品市場持續緊俏，稀土原料供應亦日趨緊張。故此本集團對稀土原料作出投資及預付資金，增強與原材料供應商的密切聯繫，亦建立了穩定的原材料供應基地。自二零二零年第三季度開始還增加內部倉庫的原材料儲備，以確保生產暢順。本集團的稀土原材料主要採購自中國內蒙古、江西省及廣東省等地。

另一方面，隨著國家對稀土產品出口配額許可證的管理日益加強，配額分配轉向生產型企業，既限制了稀土產品的出口數量，亦保障了稀土初級產品不致於流到海外。由於本集團的稀土產品純度高、質量好，加上以往的生產和出口的業績良好，使得本集團的出口配額得以增加，刺激了本集團自營出口與外貿總額比例的上升。

於提升營業額的同時，本集團亦加強了對應收賬款回籠之監控及成功地維持於偏低水平。雖然有個別客戶的還款較慢，但本集團已採取保守的態度，對賬齡較長的賬款作計提準備，為將來的健康發展作好準備。

The PRC Government's controls and regulations towards rare earth exploitation have eliminated products of poor quality from the market, together with that a continuous development in the application of rare earth products have led to a tight supply and strong demand for rare earth ore. In order to secure a smooth production, the Group has been investing in rare earth resources, enhancing relationships with raw materials suppliers and seeking new and stable suppliers. The Group has also increased the inventory level of raw materials since the 3rd quarter of 2000. The Group's materials are sourced mainly from rare earth mines in Inner Mongolia, Jiangxi and Guangdong Provinces in the PRC.

In addition, the PRC Government is making much effort in regulating the export quota for rare earth products. Quota allocation is shifting from the traders' hands to the manufacturers' hands. Total export quantity was reduced and the export of less purified rare earth products was tightened. In view of the highly purified rare earth products manufactured by the Group with excellent production and export track records, the Group is allocated a relatively higher number of quotas and it boosts growth of the Group's export and foreign trade rates.

In the meanwhile of increasing turnover, the Group has placed an increasing effort in monitoring the recovery of trade debts and it is successful in keeping them at a low level. Although there are individual customers repaying their debts slowly, the Group adopts a prudent attitude in making provision against long outstanding debts in order to prepare for a healthy development in the future.



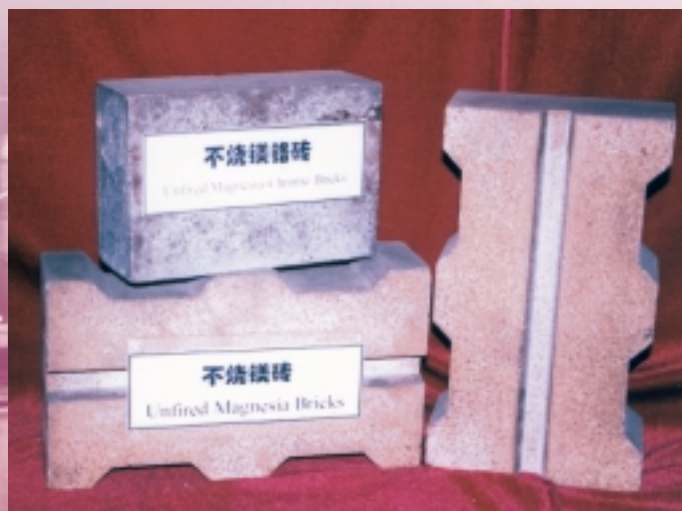


本集團於回顧期內利用初上市集資所得款項擴建了一條佔地9,500平方米的氯化稀土分離線，採用最先進的在線控制技術及分離工藝，進一步提升產品檔次，成功令稀土年生產能力由3,500噸(REO)增至4,900噸(REO)，大幅提升40%，由質至量均晉身全國第一流水平，使本集團在稀土業內整體生產能力及技術裝備處於領先水平。此新落成的生產線主要分離鐳、鈾、釷及釷等輕稀土產品，正好趕上了近期市場對稀土產品需求激增的好時機。

During the year under review, the Group used part of the proceeds from its initial public offer to construct a rare earth production line with a gross floor area of approximately 9,500 sq.m. By introducing the latest production line control systems and rare earth separation techniques, product quality has been enhanced with an annual production capacity surging 40% from 3,500 tonnes (REO) to 4,900 tonnes (REO). The Group has successfully established its leading position in the rare earth industry in terms of production capacity and equipment functionality. The new production line is mainly used for the separation of light rare earth materials including lanthanum, cerium, praseodymium and neodymium. It was completed in time to grasp the opportunities stemming from the increasing demand for rare earth products.

耐火材料是本集團的另一主要產品。本集團長期為黑色冶金業配套生產RH爐外脫氧真空電熔再結合鎂鉻磚系列製品；為鋼鐵企業提供大型高爐、熱風爐用低蠕變莫來石系列製品、莫來石—堇青石組合磚、硅線石磚、微孔燒成鋁碳磚等系列製品；為大型鋼廠提供 $A1_2O_3-SiC-C$ 系列製品；為大型石化行業配套生產高純低硅剛玉磚、各種不定型耐火材料；為有色冶煉行業配套直接結合鎂鉻、半再結合鎂鉻、

Refractory product is another major product line of the Group. The Group supplies fused rebonding magnesia-chrome bricks in deoxidation vacuum device outside RH furnace for black ferrous industry; low creep mullite bricks, cordierite mullite bricks, sillimanite bricks and micro-porous alumina-carbon bricks for the construction of hot blast stove and large blast furnace for the metal industry; $A1_2O_3-SiC-C$ products for the steel factories; high purity low silicate corundum bricks and various unshaped refractory materials for petrochemical industry; direct-bonding magnesia-



電熔再結合鎂鉻及各種鎂鉻質澆注料系列製品：為垃圾焚燒爐配套不定型耐火材料及碳化硅材料；為大型浮法玻璃生產線配套中、高檔鎂質、鎂鉻質、鉍質、AZS等系列製品。由於耐火材料產品的質素直接影響高溫工業最終產品的質素，隨著現代科技及現代工業對各類工業產品質素要求的提升，高品質的耐火材料極具市場價值及發展空間。

本集團於回顧期內亦利用初上市集資的款項擴充了一條新的高級功能耐火材料生產線，使本集團的耐火材料年產能力由30,000噸提升至50,000噸，增幅高達66%，可生產中高檔燒結耐火製品30,000噸、不燒結耐火製品10,000噸及不定形耐火材料10,000噸。現時本集團擁有不同等級的高溫、超高溫隧道窯及各種大噸位高壓成型設備等精良裝備。新的隧道窯爐長101.8米，最高使用溫度可達1,850°C，獲得日本窯爐專業的好評。新生產線的投產使耐火材料的產品檔次獲得進一步的提高，品質得以改善，令鋼鐵行業RH爐用耐火材料市場佔有率穩定提高。該生產線有望使本集團來年的耐火材料業務更上一個台階。

chrome bricks, semi-rebonding magnesia-chrome bricks, fused rebonding magnesia-chrome bricks and various castable magnesia-chrome bricks for the large non-ferrous metal field; unshaped refractory materials and silicon carbonate for the production of incinerators; and high-middle grade magnesia, magnesia-chrome, zirconia and AZS series of products for the production of large floating glass assembly lines. The quality of refractory products directly influences the quality of output in these industries which require high temperature treatments. As high technology and modern industries require high standard products, quality refractory products have tremendous market value and growth potential.

The remaining portion of the proceeds from initial public offer was used in the construction of a new production line for advanced refractory products during the year under review. It raised the Group's annual production capacity of refractory products from 30,000 tonnes to 50,000 tonnes, representing an increment of 66%. Operating at full capacity, it can handle 30,000 tonnes of high-middle sintered refractory products, 10,000 tonnes of non-sintered refractory products and 10,000 tonnes of unshaped refractory products. The Group's production facilities consist of various high temperature and extremely high temperature tunnel kilns and various high-pressure mold devices. The new 101.8m tunnel kiln can withstand extremely high temperature of up to 1,850°C. It has won an extremely good reputation from experts in tunnel kilns and furnaces in Japan. The new production facilities have further improved the quality of the Group's refractory products and increased the Group's market share in the production of refractory materials for RH furnaces used in steel industry. The business of refractory products is expected to advance even further in the years ahead with that new production facility.



科研開發

本集團的高品位產品向來以質優取勝。產品質量正是反映企業整體工作表現的核心因素，而技術、經濟水平和管理現代化則是機構成功的重要指標。在本集團的研究開發中心內，研究人員不斷改良產品質素，研製新產品，同時亦積極研究高附加值的產品，更與包括客戶在內的國內外研究機構及大學合作分析研究和開發新產品。本集團為加強科研開發及提升產品的分析檢測水平，實施了科研大樓的改建工程，添置了多項進口的精密檢測分析設備，令產品品質的分析和研究維持高水準。

Research and Development

The Group's products are well-known for their high quality. Quality is the core factor in reflecting the overall performance of a corporation whereas technology, economy, management and modernization levels are the important indexes in determining an organization's success. The Group is committed to enhance its product quality through the cooperation with worldwide customers and institutions in the research and development activities relating to new products and value-added products. The Group upgraded its research and development centre with the installation of the most advanced equipment and it maintains a high standard in product analysis and research.



客戶關係

一如既往，本集團的決策層及高級管理人員、技術及銷售部門人員經常走訪和接待現有及潛在的客戶，聽取意見，瞭解客戶對未來市場的各種需要，令本集團緊貼市場走勢，瞭解市場信息及最新動態，維持良好客戶關係，增強客戶信心及滿足市場需求。本集團六成以上的稀土產品直接或間接地出口至世界各地，出口市場分佈已明顯調整，擴大了對歐洲及韓國出口比例；而耐火材料產品的出口數量亦逐步調升，除向日本出口外，亦計劃向美國及加拿大市場發展。

Customer Relationships

Management and sales personnel of the Group pay frequent and regular visits to existing and potential customers, both domestic and overseas. They listen to customers' opinions and requirements in order to ensure the Group is sensitive to the market development and it can obtain the latest market information and maintain a good relationship with customers. Over 60% of the Group's rare earth products are currently exported overseas directly or indirectly, with a continuous increase in exports to the European and Korean markets. For refractory products, an increased portion will be exported overseas. Apart from Japan, the United States and Canada are potential markets.

