

董事會謹此提呈截至二零零一年十二月三十一日止年度之年報及經審核之財務報表。

The Board of Directors would like to submit their annual report together with the audited financial statements for the year ended 31 December 2001.

主要業務

本公司之主要業務為投資控股。各附屬公司之主要業務及其他摘要載於財務報表附註13。

Principal activities

The principal activity of the Company is investment holding. The principal activities and other particulars of the subsidiaries are set out in Note 13 to the financial statements.

主要客戶及供應商

主要客戶及供應商於本財政年度佔本集團銷售額及採購額之資料如下：

Major customers and suppliers

The information in respect of the Group's sales and purchases attributable to the major customers and suppliers during the financial year is as follows:

		佔本集團總額之百分比			
		Percentage of the Group's total			
		銷售額		採購額	
		Sales		Purchases	
		二零零一年	二零零零年	二零零一年	二零零零年
		2001	2000	2001	2000
最大客戶	The largest customer	14%	19%		
首五大客戶	Five largest customers				
所佔總額	in aggregate	43%	37%		
最大供應商	The largest supplier			6%	37%
首五大供應商	Five largest suppliers				
所佔總額	in aggregate			12%	94%

於本年度任何時間，各董事或其聯繫人士(定義見香港聯合交易所有限公司證券上市規則(「上市規則」))或就董事所知任何擁有本公司股本5%以上之本公司股東，均無擁有上述客戶及供應商之任何權益。

At no time during the year, have the Directors, their associates (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules")) or any shareholders of the Company (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had any interests in the above customers and suppliers.

財務報表

本集團截至二零零一年十二月三十一日止年度之虧損，以及本公司與本集團於該日之財政狀況均載於本財務報表第37頁至109頁。

董事會不建議派發截至二零零一年十二月三十一日止年度之股息(二零零零年：無)。

Financial statements

The loss of the Group for the year ended 31 December 2001 and the state of the Company's and the Group's affairs as at that date are set out in the financial statements on pages 37 to 109.

The Directors do not recommend the payment of dividend for the year ended 31 December 2001 (2000: Nil).

慈善捐款

本集團於本年度作出之慈善捐款為29,000港元(二零零零年：28,000港元)。

物業、廠房及設備

物業、廠房及設備於本年度之變動情況載於財務報表附註12。

股本

本公司之股本情況載於財務報表附註25。

儲備

本年度之儲備變動情況載於財務報表附註26。

董事

本年度及截至本報告書日期止之在職董事如下：

高德柱

王幸東(於二零零一年三月三十日獲委任)

李世銘

何小麗(於二零零二年二月二十七日獲委任)

譚惠珠(非執行)

林 濬(非執行)

崔貴生(於二零零一年三月三十日辭任)

根據本公司之細則第102條，何小麗小姐任滿告退，惟具資格並願意膺選連任。

根據本公司之細則第111(A)條，譚惠珠小姐任滿告退，惟具資格並願意膺選連任。

Charitable donations

During the year, the Group made charitable donations amounting to HK\$29,000 (2000: HK\$28,000).

Property, plant and equipment

Movements in property, plant and equipment during the year are set out in Note 12 to the financial statements.

Share capital

Details of the Company's share capital are set out in Note 25 to the financial statements.

Reserves

Movements in reserves during the year are set out in Note 26 to the financial statements.

Directors

The Directors who held office during the year and up to the date of this report were:

Gao Dezhu

Wang Xingdong (*appointed on 30 March 2001*)

Li Shiming

He Xiaoli (*appointed on 27 February 2002*)

Tam Wai Chu, Maria (*Non-executive*)

Lam Chun, Daniel (*Non-executive*)

Cui Guisheng (***resigned on 30 March 2001***)

Ms. He Xiaoli retires from office in accordance with Article 102 of the Company's Bye-Laws, being eligible, offers herself for re-election.

Ms. Tam Wai Chu, Maria retires from office in accordance with Article 111(A) of the Company's Bye-Laws, being eligible, offers herself for re-election.

董事之服務合約

所有擬膺選連任之董事概無與本公司或其任何附屬公司訂立任何於一年內由僱用公司予以終止而需作出賠償(一般法定賠償除外)之未屆滿服務合約。

董事之證券權益及購買證券之權利

於二零零一年十二月三十一日，本公司之董事或行政總裁概無在本公司或其任何相聯法團(按證券(披露權益)條例(「披露權益條例」)之定義)之任何股本或債務證券中擁有根據披露權益條例第28條規定須知會本公司及香港聯合交易所有限公司(「聯交所」)之權益(包括根據披露權益條例第31條或附表第一部份視作或當作擁有之權益)，或根據披露權益條例第29條須登記於該條例所述登記冊，或根據上市公司董事進行證券交易的標準守則須知會本公司及聯交所之權益。

本年度內，本公司之董事或行政總裁或彼等之配偶或未滿18歲之子女概無獲授或行使任何權利以認購本公司或其任何相聯法團之任何股本或債務證券。

附註：於二零零二年二月二十七日獲委任為本公司執行董事之何小麗小姐於截至本報告書日期持有本公司普通股20,000股。

可換股證券、購股權、認股權證或類似權利

本公司於二零零一年十二月三十一日並無任何尚未行使之購股權、可換股證券、認股權證或其他類似權利。

年內並無購回或行使任何購股權及可換股證券。

Directors' service contracts

No Director proposed for re-election at the forthcoming annual general meeting has an unexpired service contract which is not determinable by the Company and any of its subsidiaries within one year without payment of compensation, other than normal statutory obligations.

Directors' interests in securities and rights to acquire securities

As at 31 December 2001, none of the directors or the chief executive of the Company had any interests in any equity or debt securities of the Company or any of its associated corporations of the Company (within the meaning of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance")) which are required to be notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to section 28 of the SDI Ordinance (including interests which they are deemed or taken to have under section 31 of the SDI Ordinance or Part I of the Schedule to the SDI Ordinance) or which are required, pursuant to section 29 of the SDI Ordinance, to be entered in the register referred to therein or are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the Stock Exchange.

During the year, none of the directors or the chief executive of the Company nor their spouses or children under 18 years of age was granted or had exercised any rights to subscribe for any equity or debt securities of the Company or any of its associated corporations.

Notes: As at the date of this report, Ms. He Xiaoli, who was appointed as an executive director of the Company on 27 February 2002, holds 20,000 ordinary shares in the Company.

Convertible securities, options, warrants or similar rights

The Company had no outstanding options, convertible securities, warrants or other similar rights as at 31 December 2001.

There was no repurchase or exercise of options and convertible securities during the year.

持有本公司股本之主要權益

於二零零一年十二月三十一日，根據本公司按照披露權益條例第16(1)條規定而設置之登記冊所記錄，本公司獲知會下列股東持有10%或以上本公司之已發行股本權益：

Substantial interests in the share capital of the Company

As at 31 December 2001, according to the register required to be kept by the Company under section 16(1) of the SDI Ordinance, the Company was notified that the following shareholders were interested in 10% or more of the issued share capital of the Company:

股東名稱	Name of shareholder	附註 Notes	所持 股份數目 Number of shares held	佔已發行 股份總數 之百分比 Percentage of total issued shares
國家有色金屬工業局*	State Nonferrous Metals Industry Administration *	1	416,009,928	53.87%
China Nonferrous Metals Holdings (Cook Islands) Limited	China Nonferrous Metals Holdings (Cook Islands) Limited	1	416,009,928	53.87%
中國有色金屬(香港) 集團有限公司 (「中國有色(香港)」)*	China Nonferrous Metals Group (Hong Kong) Limited ("CNMG") *	2	416,009,928	53.87%
Haka International Limited (「Haka」)	Haka International Limited (「Haka」)		383,188,208	49.62%

附註：

- * 請參考第2頁之附註
- 根據披露權益條例，該等公司被視為擁有由Haka持有之383,188,208股股份及由中國有色(香港)所持有之32,821,720股股份之權益。
 - 除本身持有32,821,720股股份外，中國有色(香港)亦被視為擁有由Haka所持有之383,188,208股股份之權益。

Notes:

- * Please refer to the Note on page no. 2.
- By virtue of the SDI Ordinance, these companies are deemed to be interested in the 383,188,208 shares held by Haka and 32,821,720 shares held by CNMG.
 - In addition to 32,821,720 shares held by itself, CNMG is deemed to be interested in the 383,188,208 shares held by Haka.

董事之合約權益

本公司、其任何控股公司、附屬公司或同系附屬公司於本年度終結日或年內任何時間，概無訂立對本公司業務有重大影響，而本公司董事於當中擁有重大利益之任何合約。

管理合約

除於本年報第31頁附註(b)及第107頁附註32所披露外，本年度內概無訂立或存在任何有關本公司全部或任何重大部份業務之管理及行政合約。

購買、出售或贖回本公司上市證券

本公司或其任何附屬公司於本年度內概無購買、出售或贖回本公司之上市證券。

銀行貸款、透支及其它借貸

本集團於二零零一年十二月三十一日之貸款及透支詳情載於財務報表附註22及23。

利息資本化

本集團於本年度資本化之利息款額載於財務報表附註5。

五年財務概要

本集團於過去五個財政年度之業績及資產與負債概要載於年報第112頁。

物業

本集團名下主要物業及物業權益之詳情載於年報第110及111頁。

Directors' interests in contracts

No contract of significance to which the Company, any of its holding companies, or any of their subsidiaries was a party, in which a director of the Company had a material interest, subsisted at the end of the year or at any time during the year.

Management contracts

Save as disclosed in Note (b) on page 31 and Note 32 on page 107 of the annual report, no contract for management and administration of the whole or any substantial part of any business of the Company were entered into or existed during the year.

Purchase, sale or redemption of the Company's listed securities

Neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities during the year.

Bank loans, overdrafts and other borrowings

Particulars of loans and overdrafts of the Group as at 31 December 2001 are set out in Notes 22 and 23 to the financial statements.

Interest capitalised

The amount of interest capitalised by the Group during the year is set out in Note 5 to the financial statements.

Five year financial summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 112 of the annual report.

Properties

Particulars of the major properties and property interests of the Group are shown on pages 110 to 111 of the annual report.

僱員

截至二零零一年十二月三十一日止，本集團共聘用657名僱員。年內之薪酬總額約為71,267,000港元。本集團之薪酬政策與市場慣例一致，並按照個別僱員之表現及經驗而釐定。

本公司之股東於一九九三年九月三十日通過一項行政人員購股權計劃（「該計劃」）。該計劃特別為任職於本集團之行政人員及高級職員而設，根據該計劃，本公司董事可酌情邀請本集團之行政人員及／或僱員，接納購股權及按該計劃之條款認購本公司之股份。

該計劃可推動行政人員及僱員長期致力於保持及提升本公司之股份價值。本集團更可藉此吸引經驗豐富及有才能之職員留任，並以該計劃作為職員良好表現之獎勵。

同時，本集團亦意識到，質素優良的管理和專業人才是企業成功的主要因素。因此，在加強經營管理之同時，本集團亦十分重視為不同階層的員工提供不同形式之專業培訓，鼓勵自學進修。透過有關培訓，不但讓員工技能有所提昇，個人潛力得到更好發揮，更增加了他們對公司的歸屬感和工作滿足感。

退休金計劃

本公司退休金計劃之詳情載於財務報表附註30。

優先購買權

本公司之公司細則或百慕達法例均無優先購買權之規定。

Employees

As at 31 December 2001, the Group employed 657 staff. The amount of the remunerations paid during the year was approximately HK\$71,267,000. The Company adopted a pay policy in line with market practice, and remuneration was determined with reference to the performance and experience of individual employees.

The shareholders of the Company approved a share option scheme for executives (the "Scheme") on 30 September 1993. The Scheme was tailor-made for the executives and senior staff of the Group. Under the Scheme, the Directors of the Company have the authority at their discretion to invite executives and senior staff of the Group to take up options to subscribe for shares in the Company according to the terms and conditions of the Scheme.

The Scheme is intended to encourage executives and staff of the Group to contribute to maintaining and where possible improving the share price of the Company in the long run. At the same time, the Scheme serves as a recognition to those staff with excellent performance and helps the Group to retain experienced and capable employees.

Meanwhile, the Group is well aware of the importance of quality management and specialist expertise as key factors in achieving corporate success. While strengthening its operational management, the Group also encourages self-advancement and attracts great importance to the provision of various forms of professional training to employees at different levels. Through appropriate training, employees' skills can be enhanced and their personal potential can be developed. Provision of training also help to increase their job satisfaction and loyalty to the Company.

Pension scheme

Details of the Group pension scheme are set out in Note 30 to the financial statements.

Pre-emptive rights

There is no provision for pre-emptive rights under the Company's Bye-Laws or the law in Bermuda.

最佳應用守則

本公司於截至二零零一年十二月三十一日止年度內已遵守聯交所證券上市規則附錄14所載之最佳應用守則（「最佳應用守則」），惟本公司之非執行董事並無明確任期，但須根據本公司之公司細則於本公司之股東週年大會上輪席退任及重選連任。

審核委員會

於一九九九年三月，董事會根據最佳應用守則的規定成立了一個審核委員會，並以書面列出其職權範圍。該委員會的成員包括本公司之兩名獨立非執行董事林濬先生及譚惠珠小姐。年內，審核委員會召開五次會議並作出多項建議。

核數師

安達信公司為本公司之核數師，將於即將舉行的股東週年大會任滿告退，惟具資格並願意膺聘連任。

關連交易

年內及截至本報告書日期止，本集團訂立下列屬於上市規則定義範圍之關連交易：

- (a) 一九九九年八月十六日，本公司之全資附屬公司ONFEM Finance Limited（「OFL」，主要業務為進行集團內融資活動）與中國有色（香港）訂立貸款協議。據此，OFL向中國有色（香港）提供26,000,000港元墊款（「該貸款」），年息率為最優惠利率加2厘，並須於二零零零年二月二十九日償還。

二零零零年二月二十九日，中國有色（香港）於到期日向OFL償還該貸款之所有應計利息，而該貸款本金之還款限期根據OFL與中國有色（香港）於二零零零年二月二十九日訂立之補充協議延長六個月，年息率則為最優惠利率加2厘。因此，該貸款連同應計利息於二零零零年八月三十一日償還。

Code of best practice

The Company has complied with the Code of Best Practice (the “Code of Best Practice”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange throughout the year ended 31 December 2001 except that the Non-executive Directors of the Company are not appointed for a specific term as they are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company’s Bye-Laws.

Audit committee

In March 1999, the Board of Directors resolved to establish an audit committee with written terms of reference and appointed two Independent Non-executive Directors of the Company, Mr. Lam Chun, Daniel and Ms. Tam Wai Chu, Maria, as members of the committee pursuant to the Code of Best Practice. During the year, the audit committee convened five meetings and made various recommendations.

Auditors

Messrs. Arthur Andersen & Co, the auditors of the Company, will retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-appointment.

Connected transactions

During the year and up to the date of this report, the Group entered into the following connected transactions as defined under the Listing Rules:

- (a) On 16 August 1999, ONFEM Finance Limited (“OFL”), a wholly-owned subsidiary of the Company, principally engaged in financing activities within the Group, entered into a loan agreement with CNMG under which OFL made an advance of HK\$26,000,000 (the “Loan”) to CNMG at an interest rate of 2% over the prime rate per annum which was repayable on 29 February 2000.

On 29 February 2000, CNMG made on the maturity date a repayment of all the interest accrued to the Loan to OFL. The date of repayment of the principal of the Loan was extended for a further six months at an interest rate of 2% over the prime rate per annum pursuant to a supplemental agreement entered into between OFL and CNMG on 29 February 2000. The Loan and the accrued interest thereon were repayable on 31 August 2000.

關連交易 (續)

二零零零年八月三十一日，中國有色(香港)於到期日向OFL償還該貸款之所有應計利息，而該貸款本金之還款限期則根據OFL與中國有色(香港)於二零零零年八月三十一日訂立之補充協議再延長三個月，年息率為最優惠利率加2厘。因此，該貸款連同應計利息於二零零零年十一月三十日償還。

二零零零年十一月三十日，中國有色(香港)於到期日向OFL償還該貸款之所有應計利息，而該貸款本金之還款限期則根據OFL與中國有色(香港)於二零零零年十一月三十日訂立之補充協議再度延長六個月，年息率為最優惠利率加2.5厘。因此，該貸款連同應計利息於二零零一年五月三十一日償還。

二零零一年五月三十一日，中國有色(香港)於到期日向OFL償還該貸款之所有應計利息，而該貸款本金之還款限期則根據OFL與中國有色(香港)於二零零一年五月三十一日訂立之補充協議再度延長六個月，年息率為最優惠利率加2.5厘。因此，該貸款連同應計利息於二零零一年十一月三十日償還。

二零零一年十一月三十日，中國有色(香港)於到期日向OFL償還該貸款之所有應計利息及該貸款之部份本金(為數2,750,000港元)，而為數23,250,000港元之本金餘款(「本金餘款」)之還款限期則根據OFL與中國有色(香港)於二零零一年十一月三十日訂立之補充協議再度延長六個月，年息率為最優惠利率加2.5厘。因此，本金餘款連同應計利息於二零零二年五月三十一日償還。

年內，OFL自該貸款及本金餘款賺取之利息收入合共2,451,000港元(二零零零年：約2,936,000港元)。截至二零零一年十二月三十一日，尚未償還之本金餘款及應付利息為約23,803,000港元(二零零零年：約27,101,000港元(其為該貸款及應付利息之總數))。

Connected Transactions (cont'd)

On 31 August 2000, CNMG made on the maturity date a repayment of all the interest accrued to the Loan to OFL. The date of repayment of the principal of the Loan was extended for a further three months at an interest rate of 2% over the prime rate per annum pursuant to a supplemental agreement entered into between OFL and CNMG on 31 August 2000. The Loan and the accrued interest thereon were repayable on 30 November 2000.

On 30 November 2000, CNMG made on the maturity date a repayment of all the interest accrued to the Loan to OFL. The date of repayment of the principal of the Loan was extended for a further six months at an interest rate of 2.5% over the prime rate per annum pursuant to a supplemental agreement entered into between OFL and CNMG on 30 November 2000. The Loan and the accrued interest thereon were repayable on 31 May 2001.

On 31 May 2001, CNMG made on the maturity date a repayment of all the interest accrued to the Loan to OFL. The date of repayment of the principal of the Loan was extended for a further six months at an interest rate of 2.5% over the prime rate per annum pursuant to a supplemental agreement entered into between OFL and CNMG on 31 May 2001. The Loan and the accrued interest thereon were repayable on 30 November 2001.

On 30 November 2001, CNMG made on the maturity date a repayment of all the interest accrued to the Loan and part of the principal of the Loan amounting to HK\$2,750,000 to OFL. The date of repayment of the remaining balance of the Loan amounting to HK\$23,250,000 (the "Remaining Balance") was extended for a further six months at an interest rate of 2.5% over the prime rate per annum pursuant to a supplemental agreement entered into between OFL and CNMG on 30 November 2000. The Remaining Balance and the accrued interest thereon are repayable on 31 May 2002.

During the year, OFL earned interest income of approximately HK\$2,451,000 (2000: approximately HK\$2,936,000) from the Loan and the Remaining Balance. The outstanding balance of the Remaining Balance and the interest accrued thereon as at 31 December 2001 amounted to approximately HK\$23,803,000 (2000: approximately HK\$27,101,000 being the aggregate of the Loan and the interest accrued thereon). As at 31 December 2001, a full provision was made for the outstanding loan.

關連交易 (續)

- (b) 本公司與中國有色(香港)於二零零零年五月十二日就分擔中國有色(香港)於二零零零年一月一日至二零零二年十二月三十一日期間提供行政服務(「持續關連交易」)所產生之行政開支訂立協議(「日後服務協議」)。根據中國有色(香港)二零零零年度現金流量預測之估計數字，本公司於二零零零年、二零零一年及二零零二年各年須繳付之最高金額分別將不超過5,697,500港元、6,288,750港元及6,933,750港元。本公司於二零零一年所分擔之金額為2,863,000港元(二零零零年：3,830,000港元)。
- (c) 於二零零一年十一月三十日，
- (i) 本公司之全資附屬公司一慧珠發展有限公司一與 Oriental Goldbeam Shipping Inc. (「OGSI」)(CNMG之同系附屬公司)就位於香港鯉魚涌康安街十四至十六號康怡花園N座六樓六一一室之住宅物業簽訂一項買賣協議，代價為2,000,000港元；
- (ii) 本公司之全資附屬公司一輝中有限公司一與OGSI就位於香港柴灣盛泰道一零零號杏花村第二座八樓六室之住宅物業簽訂一項買賣協議，代價為1,900,000港元。

Connected transactions (cont'd)

- (b) The Company and CNMG entered into an agreement on 12 May 2000 (the "Future Service Agreement" in respect of the sharing of administrative costs for administration services rendered by CNMG for the period from 1 January 2000 to 31 December 2002 (the "On-Going Connected Transactions"). Based on the amounts estimated as specified in the cash flow forecast of CNMG for the year 2000, the maximum amounts to be paid by the Company were expected to be not more than HK\$5,697,500, HK\$6,288,750 and HK\$6,933,750 respectively for the years 2000, 2001 and 2002. The amount shared by the Company for the year 2001 was HK\$2,863,000 (2000: HK\$3,830,000).
- (c) On 23 November 2001,
- (i) a sale and purchase agreement was entered into between Best Pearl Development Limited, a wholly-owned subsidiary of the Company, as purchaser of the one part and Oriental Goldbeam Shipping Inc. ("OGSI"), a fellow subsidiary of CNMG, as vendor of the other part for the sale and purchase of the residential property located at Unit 611, 6th Floor, Block N, Kornhill, 14-16 Hong On Street, Quarry Bay, Hong Kong at a consideration of HK\$2,000,000;
- (ii) a sale and purchase agreement was entered into between Bright Circle Limited, a wholly-owned subsidiary of the Company, as purchaser of the one part and OGSI as vendor of the other part for the sale and purchase of the residential property located at Unit 6, 8th Floor, Block 2, Heng Fa Chuen, No. 100 Shing Tai Road, Chai Wan, Hong Kong at a consideration of HK\$1,900,000.

關連交易 (續)

- (d) 於二零零二年四月十五日，
- (i) 東方有色有限公司 (「OCL」) (本公司之全資附屬公司)、珠海鑫光集團股份有限公司 (「鑫光」)、珠海東方海天置業有限公司 (「海天置業」) 及廣州天河東鑫物業開發有限公司 (「天河」) 簽訂一項抵頂協議，據此，各方同意，在OCL於到期日 (定義見本公司日期為二零零二年四月十七日之報章公佈) 應向鑫光支付為數人民幣25,000,000元的該補償金額 (定義見本公司日期為二零零二年四月十七日之報章公佈) 當中，OCL將於到期日向海天置業支付人民幣7,500,000元以抵銷(1)OCL需向鑫光支付該補償金額當中的人民幣7,500,000元，轉而抵銷(2)鑫光欠付天河人民幣7,500,000元的欠款，再轉而抵銷(3)天河欠付海天置業人民幣7,500,000元的欠款。
- (ii) OCL、鑫光、海天置業及珠海市興遠工貿發展有限公司 (「興遠」) 簽訂一項抵頂協議，據此，各方同意，在OCL於到期日應向鑫光支付為數人民幣25,000,000元的該補償金額當中，OCL將於到期日向海天置業支付人民幣4,625,566.56元以抵銷(1)OCL需向鑫光支付該補償金額當中的人民幣4,625,566.56元，轉而抵銷(2)鑫光欠付興遠人民幣4,625,566.56元的欠款，再轉而抵銷(3)興遠欠付海天置業人民幣4,352,799.94元的欠款。

Connected transactions (cont'd)

- (d) On 15 April 2002,
- (i) a set-off agreement was entered into amongst ONFEM Company Limited ("OCL"), a wholly-owned subsidiary of the Company, Zhuhai Shining Metals Group Inc. ("Shining Metals"), Zhuhai (Oriental) Blue Horrrison Properties Company Limited ("ZOBHP") and Tian He Orien Met Property Co., Ltd. ("Tian He") whereby the parties agreed that, out of the Reimbursement Amount (as defined in the Company's press announcement dated 17 April 2002) in the sum of RMB25,000,000 payable by OCL to Shining Metals on the Due Date (as defined in the Company's press announcement dated 17 April 2002), OCL should pay to ZOBHP on the Due Date the sum of RMB7,500,000 with the intention that such payment by OCL to ZOBHP should set off (1) the sum of RMB7,500,000 (being a portion of the Reimbursement Amount) payable by OCL to Shining Metals, which in turn set off (2) the sum of RMB7,500,000 owed by Shining Metals to Tian He and which in turn set off (3) the sum of RMB7,500,000 owed by Tian He to ZOBHP;
- (ii) a set-off agreement was entered into amongst OCL, Shining Metals, ZOBHP and Zhuhai Xingyuan Industrial and Trading Development Co., Ltd. ("Xingyuan") whereby the parties agreed that, out of the Reimbursement Amount in the sum of RMB25,000,000 payable by OCL to Shining Metals on the Due Date, OCL should pay to ZOBHP on the Due Date the sum of RMB4,625,566.56 with the intention that such payment by OCL to ZOBHP should set off (1) the sum of RMB4,625,566.56 (being a portion of the Reimbursement Amount) payable by OCL to Shining Metals, which in turn set off (2) the sum of RMB4,625,566.56 owed by Shining Metals to Xingyuan and which in turn set off (3) the sum of RMB4,352,799.94 owed by Xingyuan to ZOBHP.

關連交易 (續)

OCL及鑫光分別擁有海天置業80%及20%的權益。鑫光為海天置業之主要股東，故此，鑫光是本公司之關連人士(定義見上市規則)。

上述協議項下之抵頂安排的生效日期為二零零一年十二月三十一日。

董事確認，本公司已於早前在報章就上述關連交易(上文附註(b)所詳述已獲聯交所給予豁免之交易除外)作出公佈，而上述關連交易已按照上市規則第14章之規定於年報作出披露。

本集團亦曾進行以下關連人士交易：

- (e) 年內，本公司向非全資附屬公司瑞和工程(中國)有限公司、銀豐工程有限公司、銀豐設計裝璜有限公司、多利加工程有限公司及海天置業提供為數合共40,691,171港元之墊款，賺取利息約7,988,000港元。上述墊款之年息率介乎最優惠利率加0.5厘至4厘。於二零零一年十二月三十一日，尚未清還之墊款約為117,918,000港元。

承董事會命

王幸東

董事總經理

香港，二零零二年四月二十三日

Connected transactions (cont'd)

ZOBHP is owned as to 80% by OCL and 20% by Shining Metals. Shining Metals is a substantial shareholder of ZOBHP and is therefore a connected person (as defined in the Listing Rules) of the Company.

The set-off arrangements contemplated under the above agreements took effect from 31 December 2001.

The Directors confirmed that the above connected transactions with the exception of the transaction detailed under Note (b) above for which a waiver had been obtained from the Stock Exchange had been previously announced in the newspapers by the Company and are properly disclosed in the annual report in accordance with Chapter 14 of the Listing Rules.

The Group also entered into following related party transactions:

- (e) During the year, the Group made various loan advances in aggregate of HK\$40,691,171 to Condo Engineering (China) Limited, Enful Engineering Limited, Enful Design & Build Limited, Polycrown Engineering Limited and ZOBHP, all of which are non-wholly owned subsidiaries of the Company and earned interest of approximately HK\$7,988,000. The advances are charging interest ranging from prime rate plus 0.5% to prime rate plus 4% per annum. At 31 December 2001 approximately HK\$117,918,000 was outstanding.

By Order of the Board

Wang Xingdong

Managing Director

Hong Kong, 23 April 2002