

董事會報告

DIRECTORS' REPORT

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

主要業務

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

附屬公司的主要業務載於財務報表附註13。

分類資料

本集團分類資料的詳情載於財務報表附註4。

附屬公司

本公司於二零零一年十二月三十一日的附屬公司詳情載於財務報表附註13。

業績及分派

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

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

其他分派詳情載於財務報表附註21。

儲備

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

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

PRINCIPAL ACTIVITIES

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

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

SEGMENT INFORMATION

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

SUBSIDIARIES

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

RESULTS AND APPROPRIATIONS

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

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

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

RESERVES

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

財務概要

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

固定資產及在建工程

本集團及本公司於年內的固定資產及在建工程的變動詳情載於財務報表附註12。

股本

本公司於年內的股本變動詳情載於財務報表附註20。

可換股債券

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

借貸

本集團的銀行借貸及銀行融資詳情載於財務報表附註22。

退休金計劃

本集團的退休金計劃詳情載於財務報表附註8。

董事

年內及直至本報告刊行日期止本公司的董事為：

執行董事

蔣泉龍先生 (主席)
錢元英女士 (副主席)
范亞軍先生
杜小梅女士

獨立非執行董事

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

FINANCIAL SUMMARY

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

FIXED ASSETS AND CONSTRUCTION IN PROGRESS

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

SHARE CAPITAL

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

CONVERTIBLE BONDS

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

BORROWINGS

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

RETIREMENT SCHEMES

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

DIRECTORS

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

Executive directors

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

Independent non-executive directors

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

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

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

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

各非執行董事已獲委任，而任期為兩年。

董事於股份的權益

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

(i) 本公司

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

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

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

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

DIRECTORS' INTERESTS IN SHARES

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

(i) The Company

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

(ii) 附屬公司

(a) 新威稀土集團（香港）有限公司

(ii) Subsidiaries

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

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

(b) 宜興新威利成稀土有限公司

(b) Yixing Xinwei Leeshing Rare Earth Company Limited

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

附註：

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

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

Notes:

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

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

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董事於合約的權益

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

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

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

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

董事擁有購買股份或債券權益

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

於二零零一年十二月三十一日，並無董事被授予任何購股權。

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

DIRECTORS' INTERESTS IN CONTRACTS

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

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

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

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

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

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

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

主要股東

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

管理合約

年內概無訂立或存在任何對本集團全部或重大部份之業務與管理及行政有關之合約。

購買、出售或贖回本公司的上市證券

本集團於年內概無購買、出售或贖回任何本公司之上市證券。

主要客戶及供應商

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

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

優先購股權

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

最佳應用守則

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

SUBSTANTIAL SHAREHOLDERS

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

MANAGEMENT CONTRACTS

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

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

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

MAJOR CUSTOMERS AND SUPPLIERS

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

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

PRE-EMPTIVE RIGHTS

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

CODE OF BEST PRACTICE

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

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

核數師

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

承董事會名

蔣泉龍

主席

香港，二零零二年四月十八日

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

AUDITORS

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

On behalf of the Board

Jiang Quanlong

Chairman

Hong Kong, 18 April 2002