



## INTERNATIONAL METAL TRADING 金屬國際貿易



It has been a year of turbulence for metal trading market worldwide, or the iron and steel market in particular. Such a tough business environment and the challenges it brought about, however, could not hamper our competitive edge in our business. We remain one of the largest iron and steel trading companies in the region with a total volume of over 1.3 million tonnes of goods delivered and sold throughout the year. Nevertheless, the surge in freight charges resulting from the volatility in petroleum prices and China's stringent control exercised in stages over the issuance of import permits before its entry to WTO have made it more difficult for our business and thus eaten into our profit margin.

### (a) Trading

It has been the practice of the Group to purchase, according to market demands, from dozens of major steel mills and energy suppliers in Russia, Ukraine, Kazakhstan, South Korea and China. In most cases, the contractual prices are set on a free-on-board basis, and vessels are chartered by the Group's shipping department to deliver goods to different target markets for completion of the sales according to the customers' orders. The Group will continue to

全球金屬尤其是鋼鐵市場經歷了動盪的一年。本集團面對艱辛的經營環境和挑戰，在該項業務方面保持著競爭力，全年已付運及銷售貨物總量逾130萬公噸，是區內最大的鋼鐵貿易商之一。但由於石油價格波動而引起的運費急劇上漲，以及中國在加入WTO之前階段性的嚴控鋼鐵進口許可證發放等因素造成去年經營難度加大和邊際利潤下降。

### (a) 貿易

本集團一直因應市場需求，對俄羅斯、烏克蘭、哈薩克斯坦、韓國、中國等數十家大型鋼廠、能源供應商進行採購，多數情況下採購合同以離岸價形式訂價，由本集團船務部門負責租船，將貨物按客戶訂單分流付運往各主要目標市場完成銷售。本集團仍將不斷調整市場營銷策略，在多邊、跨境經營金屬貿易方面順勢而行，在已

fine tune its marketing strategy in line with the development of the multilateral and cross border metal trading businesses, and to diversify our product mix, especially for high value-added products, following our expansion into North America, Southern Europe and Middle East markets to aim at a better profit. As for the first quarter of 2001, the total value of contracted sales having been performed and pending performance has exceeded HK\$800 million, an amount that already goes beyond that of the corresponding period last year. It is anticipated that with the Group's leading market position in recent years, our trading business will be able to bring fruitful returns this year.

#### (b) Warehousing

The Group engages mainly in the warehousing of imported steel plates and billets where there are steady demand and sales for subsequent distribution in the PRC. It is one of the objectives in the long-term development of the Group to tap into the high value-added warehousing and distribution business. During the year under review, the Group completed the registration of a wholly-owned warehouse in Shanghai Pudong Bonded Area, with an aim to strengthen the direct cooperation with dozens of specialized import agents and manufacturing enterprises in China for the operation of bulk warehousing businesses on a joint venture or sole proprietorship basis. Meanwhile, we conducted a feasibility study in collaboration with several large domestic enterprises with strong sales network, in setting the stage for the subsequent establishment of a joint venture company in southern and northern China to expand into the bonded warehousing and logistics businesses. The directors expect that as China gradually opens its domestic sales market to foreign enterprises, the Group will have ample space for development as a front runner in that business.

成功開拓了北美、南歐、中東等國家的銷售市場的基礎上，擴大經營品種，特別是高附加值的品種，以期獲得較好的經營利潤。於二零零一年第一季，已簽約執行及待執行的各類產品銷售合同已超越去年同期水平，逾八億港元。預期憑藉本集團在行業中近年來一直佔據著有利的市場競爭位置，該業務今年的盈利情況將會有較好的表現。

#### (b) 倉儲

本集團金屬倉儲業務主要集中在需求和銷路穩定的各類進口板材、坯料於中國的分銷經營方面。實現附加值高的倉儲分銷是本集團金屬業務長期發展目標之一。於回顧期內，在上海浦東保稅區已完成註冊獨資倉儲公司，加強與國內數十家專業進口代理商、生產企業的直接合作關係，進行聯營或自營的批量倉儲業務。同時，與數家具實力、擁有穩固銷售網絡的國內企業共同進行可行性研究，為在中國華南、華北地區成立合資合作公司開展倉儲、保稅、物流等業務進行前期的準備。董事預期，若中國內貿銷售領域逐漸對外企開放，本集團先行進入的倉儲業務將有廣闊的發展空間。



## METAL MANUFACTURING 金屬製造



The operations of Dongguan Hingwah Metals Factory Limited, the wholly owned steel pipes processing plant of the Group in Dongguan, China had been steady. Thanks to the efforts of its outstanding management, improvements have been seen in the areas of cost control, technological advances and quality control following the award of the ISO9002 certificate. Despite the impact brought about by the unprecedented wide fluctuation of steel pipe prices in the lower half of 2000, we had managed to sustain the profit contribution of this business since it turned to a profit-making one in 1999. Measures of improvement were taken by way of strategically relocating our local marketing department to our Dongguan plant, where geographically to stay in close proximity to our market, upgrading our after-sales service, cutting our expenses and enhancing our operating efficiency.

In the year under review, the Group made further investments to set up a new production line for steel pipes in a wider diameter. This capital investment not only will make up for the inadequacy of the existing production facilities as well as add on to the product mix and enhance our production capacity, it will also help reducing our production cost owing to an improved productivity and sales, thereby enhancing our competitiveness and profitability in the industry.

本集團全資附屬位於中國東莞的謙華鋼管加工中心，營運狀況穩定。具實力的管理層在該廠取得ISO9002管理認證的基礎上，在成本控制、技術改造、產品質量等方面均有改進和提高。雖然二零零零年下半年經歷了前所未有的鋼管銷售價格大幅波動的衝擊，但隨著香港營業部門遷入東莞工廠區內，進一步貼緊市場，採取加強售後服務，減少支出，提升營運效率等措施，使得該業務繼續保持自九九年扭虧為盈後的良好盈利表現。

於回顧期內，本集團已增加投資新建一條大口徑鋼管生產線，並將在今年六月投入生產，此舉一來可以彌補原有生產設備之不足，增加產品配套及接單能力；二來更因為產量的提高和銷售的增強而降低成本，以提升在業界的競爭及贏利能力。



## WORLDMETAL.COM 金屬電子交易所



The on-line metal exchange, the "WorldMetal.com", (website: [www.WorldMetal.com](http://www.WorldMetal.com)), was officially launched and commenced operation in March 2000. For the nine months ended 31 December 2000, WorldMetal.com has successfully procured transactions in excess of US\$400 million and attained a breakeven. WorldMetal.com is a "one-stop" global B2B metals trading portal and has gained the support of over 50 renowned major industry players comprising steel producers, international traders, suppliers, warehouses, bankers, insurance companies, logistics and inspection companies and law firms. The site's platform is resultant of collaboration between the Group's in-house professional IT team and veteran metal traders, leveraging upon advanced technologies from world famous technology leaders such as Sun MicroSystems, BroadVision and Oracle. WorldMetal.com is designed to provide the metals industry with a personalized and highly secure trading platform which offers real-time market information while seamlessly integrating a series of value chain services. The platform aims at enhancing trading efficiency and effectiveness while reducing costs and minimizing transaction time. In the year 2000, WorldMetal.com has enrolled quality enterprises in

由本集團策劃並創建的金屬電子交易所（網址[www.WorldMetal.com](http://www.WorldMetal.com)）於二零零零年三月份開通。截至十二月末的九個月時間，已成功促成逾4億美元的交易，取得收支平衡。金屬電子交易所是面向全球的“一站式”商業對商業金屬電子交易市場，獲全球逾50家國際知名大型鋼鐵生產商、跨國貿易商、原料供應商、倉儲商、銀行、保險、物流、商檢及法律等機構的參與和支持。技術應用平台由集團內專業技術隊伍和資深金屬交易員緊密配合，採用Sun MicroSystems、BroadVision、Oracle等全球知名頂尖技術產品開發建立，提供金屬行業即時市場信息、自動對盤、個性化管理及高保安、高可靠、易操作交易平台，以及一系列相關增值服務。目的在於為行業提高效率 and 效益，減省成本和時間，活

Euroasia to become its founding members and trading members. The result is encouraging as both advertising and ASP income are realised since 2001 in addition to its mainstream commission income.

To expand its market share and to be well positioned in major countries of steel and iron production and consumption, WorldMetal.com has established joint ventures with key metal industry players in China, South Korea and Russia and launched three country specific metal exchange portals, namely ChinaSteel.com.cn ([www.ChinaSteel.com.cn](http://www.ChinaSteel.com.cn)), SteelInMetal.com ([www.SteelInMetal.com](http://www.SteelInMetal.com)) and Rusmet.com ([www.Rusmet.com](http://www.Rusmet.com)). WorldMetal.com will continue to develop country specific portal in other major steel markets to capture its domestic trade thereby to facilitate a synergic and complementary relationship amongst all metal exchanges.

At present, the spin-off for listing of WorldMetal Holdings Limited on the GEM board of The Stock Exchange of Hong Kong Limited is underway which, if successful, will manifest a positive effect on the global reputation and expansion of WorldMetal.com.

躍和拓展市場。年內已於歐亞區內招收優質企業作為創始會員及交易會員。在以佣金收入為主的同時，於二零零一年始廣告收入及ASP收入已有入賬，成績令人滿意。

為拓展市場份額和在重要鋼鐵生產及消費國家佔據有利位置，金屬電子交易所已分別在中國、韓國、俄羅斯與各國行業翹楚建立合資公司，建成和開通三大鋼鐵交易網站包括中國鋼鐵交易網（網址[www.ChinaSteel.com.cn](http://www.ChinaSteel.com.cn)）、韓國鋼鐵交易網（網址[www.SteelInMetal.com](http://www.SteelInMetal.com)）和俄羅斯鋼鐵交易網（網址[www.Rusmet.com](http://www.Rusmet.com)）。金屬電子交易所將繼續拓建主要國家內貿市場交易網，並使各國交易網協同互補，數據互聯共享。

WorldMetal Holdings Limited（金屬電子交易所集團有限公司）分拆到香港聯交所創業板上市的工作正在進行之中。若分拆成功，對金屬電子交易所全球建立品牌、拓展市場將帶來良性互動效應。



## PROPERTY DEVELOPMENT AND INVESTMENT 房地產開發及投資



### (a) Development

The Yangzhou Times Square, currently the only large-scale development project of the Group in Jiangsu, China with a site area of 23,000 square metres and a floor area of 68,000 square metres, is a sizeable multi-complex in the district operated under the concept of a "shopping mall". It is a place to go that has all with it: restaurants, entertainments, departmental stores, speciality stores of brand names, car park and indoor and outdoor concourse. The construction of the development has been completed. The installation of electrical and mechanical devices and the facade is now underway followed soon by interior fitting out works. The development is scheduled to be open in the fourth quarter of this year.

### (a) 開發

位於中國江蘇省境內的“揚州時代廣場”，是本集團目前唯一大型開發項目，佔地23,000平方米，樓層面積68,000平方米，是該地區以“Shopping Mall”形式經營的大型綜合購物中心，集飲食、休閒、百貨、品牌專門店、停車、大型公眾室內外娛樂廣場為一體。該項目的土建工程已基本完成，目前正進行機電安裝和幕牆工程，精裝修工程也即將開始，預計在第四季度開業。

We conducted two large pre-sale activities for this development in 2000. In these two pre-sale activities, we sold over 300 shops covering an area of approximately 7,000 square metres and generated a handsome sales revenue. At present, trade talks are underway with both local and overseas famous brand names on leasing and selling terms so as to build up an ideal business mix in the shopping mall. It is planned that a further pre-sale of part of the floor area will be conducted in 2001 and most floor area will be leased out by the end of the year. Meanwhile, we are working out the management plan and selecting the property management team in charge of the shopping mall after its grand opening. The directors believe that this project, as benefited from the flourishing economic development in the region of Yangtze River Delta, will be able to generate a good investment return and a steady rental income for the shareholders.

The Group's sea-view residential project in Cremorne Point of Sydney, Australia was completed in mid 2000. Two of the luxury units were sold bringing real contribution during the year. It is expected that all the remaining units will be sold in 2001.

**(b) Investment**

The Group's In's Square shopping centre in Mongkok, Hong Kong remains leased to a local agent of renowned international brand names, generating a steady rental income for the Group.

於二零零零年進行了兩次大型預售活動，售出逾300個商舖，約7,000平方米面積，取得理想之售樓收益。現階段正與中外各類品牌商積極洽談租售業務，以求達到最佳商務組合。預計二零零一年將再進行部分樓面的銷售，並於年底前完成大部分面積招租工作。項目開業後的管理工作目前正在籌備和搭建班底。同時，董事認為受益於長江三角洲地區經濟的蓬勃快速發展，該項目將給股東帶來理想的投資回報及穩定的租金收益。

此外，本集團位於澳洲悉尼的Cremone Point之海景住宅項目已於二零零零年中興建完成，並已出售其中二個豪華單位並帶來售樓收益，預計二零零一年將完成餘下所有單位的銷售工作。

**(b) 投資**

本集團位於香港旺角的 In's Square商場，仍由香港一知名國際品牌代理商租用，經營狀況良好，租金收益穩定。