

The Directors have pleasure in presenting to the shareholders their report together with the audited financial statements of WellNet Holdings Limited (the "Company") and its subsidiaries (collectively known as the "Group") for the year ended 31 December 2000.

FINANCIAL RESULTS

The results of the Group for the year ended 31 December 2000 are set out in the consolidated income statement on page 39.

The respective state of affairs of the Group and the Company as at 31 December 2000 are set out in the balance sheets on pages 41 and 42.

The Group's cash flows are set out in the statement on pages 43 to 45.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding.

The principal activities of the Group are metal trading, manufacturing of metal products, operation of metal exchange portals and property development and investment.

Analysis of the Group's turnover and operating results for the year are set out in note 4 to the financial statements on page 59.

DIVIDENDS

No interim dividend was paid during the year.

The Directors have resolved not to recommend the payment of a final dividend for the year ended 31 December 2000.

董事局欣然向各股東提呈WellNet Holdings Limited (創新發展集團有限公司) (「本公司」) 及其附屬公司 (合稱「本集團」) 截至二零零零年十二月三十一日止年度之報告及經審核財務報表。

財務業績

本集團截至二零零零年十二月三十一日止年度之業績載列於第39頁之綜合損益表內。

本集團及本公司於二零零零年十二月三十一日之財務狀況已分別載列於第41頁及第42頁之資產負債表內。

本集團之現金流動情況載列於第43頁至45頁之報表內。

主要業務及地區營運分析

本公司為本集團之控股公司。

本集團之主要業務為金屬貿易、金屬製造、金屬電子交易所營運和房地產開發及投資。

本集團期間之營業額及經營業績之分析載列於第59頁之財務報表附註4。

股息

本年度並無派發中期股息。

董事局議決不建議派發截至二零零零年十二月三十一日止年度之末期股息。

MAJOR SUPPLIERS AND CUSTOMERS

The percentage of purchases attributable to the Group's major suppliers are as follows:

– the largest supplier	– 最大供應商	15
– five largest suppliers combined	– 五大供應商合併購貨額	43

None of the Directors, their respective associates nor shareholders (which to the knowledge of the Directors own more than 5% of the Company's share capital) has any interest in the above suppliers at any time during the year.

主要供應商及客戶

本集團之主要供應商所佔購貨額之百分比如下：

%
百分比

各董事、其各自聯繫人或據董事局所知擁有百分之五以上本公司股本之股東，於本年度內任何時間概無擁有上述供應商之任何權益。

The aggregate percentages of sales attributable to the Group's five largest customers is less than 30% of the total amount involved.

本集團五大客戶所佔營業額之百分比合計不足百分之三十。

FIXED ASSETS

The movements in fixed assets during the year are set out in note 13 to the financial statements on page 69.

固定資產

本年度內固定資產之變動情況載列於第69頁之財務報表附註13。

The particulars of properties held by the Group for development and sale or for investment as at 31 December 2000 are set out on pages 94 and 95.

本集團於二零零零年十二月三十一日擁有之發展及待售或投資物業資料載列於第94頁及95頁。

SUBSIDIARIES

The particulars of the Company's principal subsidiaries as at 31 December 2000 are set out in note 14 to the financial statements on pages 71 to 75.

附屬公司

本公司於二零零零年十二月三十一日之主要附屬公司資料載列於第71頁至75頁之財務報表附註14。

BANK LOANS

The particulars of the Group's bank loans are set out in note 27 to the financial statements on page 86.

銀行貸款

本集團之銀行貸款之資料載於第86頁之財務報表附註27。

Most of the Group's bank loans were denominated in HK\$ and US\$ except for certain bank loans of approximately HK\$18 million (1999: HK\$19 million) which were denominated in Renmenbi and were made to finance the Group's operations in China. All the bank loans bear interest at prevailing market rates.

除部份借予集團於中國營運單位之銀行貸款約港幣1,800萬元(一九九九年:港幣1,900萬元)以人民幣為貨幣單位外,本集團大部份銀行貸款均為港元及美元貸款。所有銀行貸款均按目前市場息率支付利息。

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 24 to the financial statements on pages 82 to 84.

INTEREST CAPITALISED

During the year, bank interest of approximately HK\$450,000 was capitalised into properties under development and held for sale.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Bye-laws although there is no statutory restriction against the granting of such rights under the laws of Bermuda.

SHARE OPTION SCHEME

Details of the Company's share option scheme are set out in note 24.a. to the financial statements on pages 82 and 83.

RESERVES

Details of movements in reserves during the year are set out in note 25 to the financial statements on page 85.

DISTRIBUTABLE RESERVES

As at 31 December 2000, the Company's reserves available for distribution to shareholders calculated in accordance with the Companies Act 1981 of Bermuda amounted to HK\$224,878,000.

股本

本公司股本於本年度之變動情況詳列於第82頁至84頁之財務報表附註24。

撥充資本之利息

於年度，銀行利息約港幣450,000元撥充作為發展中及待售物業成本。

股份優先購買權

雖然百慕達法律對授出股份優先購買權並無法定限制，但本公司之章程細則亦無就授出該等權利作出規定。

購股權計劃

本公司購股權計劃之資料詳列於第82頁及83頁之財務報表附註24.a。

儲備

本年度內儲備之變動情況詳列於第85頁之財務報表附註25。

可分派儲備

於二零零零年十二月三十一日，按照百慕達一九八一年公司法所計算，本公司可分派予股東之儲備為港幣224,878,000元。

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

During the year ended 31 December 2000, the Company repurchased a total of 31,400,000 shares in the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the general mandate granted by the shareholders at the last annual general meeting held on 19 April 2000, details are as follows:-

Month/Year 月／年	Number of Shares Repurchased 購回股份數目	Price per Share 每股價格		Total Consideration (before expense) 代價總額 (未計開支) HK\$ 港元
		Lowest 最低 HK\$ 港元	Highest 最高 HK\$ 港元	
04/2000	25,392,000	0.72	0.84	20,193,055
05/2000	5,704,000	0.78	0.84	4,633,720
06/2000	304,000	0.80	0.81	246,200

All shares repurchased were cancelled and accordingly the Company's issued share capital was reduced by the nominal value of these shares. The repurchases were effected for the benefit of the shareholders as a whole by enhancing the net assets and earnings per share of the Company.

Save as disclosed herein, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 31 December 2000.

LIQUIDITY AND FINANCIAL RESOURCES

During the year, a placement of 35,000,000 new shares at HK\$1.18 each and an issue of US\$4 million convertible bonds were made to broaden the Group's working capital base. As at 31 December 2000, the Group's cash and bank balances were approximately HK\$222 million (1999: HK\$269 million). At the same date, the Group's current ratio, as a ratio of current assets to current liabilities, was 1.48 (1999: 1.45) and the gearing ratio, as a ratio of total liabilities to total assets, was 0.53 (1999: 0.49).

購買、出售或贖回上市證券

截至二零零零年十二月三十一日止年度內，本公司根據於二零零零年四月十九日舉行之股東週年大會上獲股東授予董事購回股份之一般授權，於香港聯合交易所有限公司（「聯交所」）購回本公司股份合共31,400,000股，詳情如下：

上述購回之股份已全部註銷，另本公司之已發行股本亦已扣除此等股份之面值。購回股份是董事局為提高每股淨資產及每股盈利，有利於股東整體利益而進行。

除本報告所披露者外，截至二零零零年十二月三十一日止年度內，本公司或其他任何附屬公司概無購買、贖回或出售本公司任何上市證券。

資產流動性及財務資源

年度內，本集團以每股港幣1.18元配售3,500萬新股並發行面值400萬美元可換股債券，以擴大營運資金基礎。於二零零零年十二月三十一日，本集團之現金及銀行存款結餘約港幣2.22億元（一九九九年：港幣2.69億元）。於同日，本集團之流動比率（流動資產與流動負債相比）為1.48（一九九九年：1.45），負債比率（總負債與總資產相比）為0.53（一九九九年：0.49）。

CHARGE ON ASSETS

The particulars of the charge on the Group's assets are set out in note 35 to the financial statements on page 91.

CAPITAL COMMITMENTS

The particulars of the Group's capital commitments are set out in note 36 to the financial statements on page 92.

CONTINGENT LIABILITIES

The particulars of the Group's contingent liabilities are set out in note 34 to the financial statements on page 91.

ISSUE OF CONVERTIBLE BONDS

On 7 November 2000, the Company had entered into a conditional agreement for the issue of convertible bonds (the "Bonds") with a principal sum of up to US\$6 million to two subscribers (the "Bondholders"), both of which are independent investment funds. Upon the completion of certain conditions specified therein on 4 December 2000, the Company issued the Bonds in the principal amount of US\$4 million to the Bondholders.

The outstanding principal amount of the Bonds is repayable by the Company upon the maturity of the Bonds on the third anniversary of their date of issue, if not previously redeemed or converted by the Bondholders. The Bonds are convertible into ordinary shares of the Company (the "Shares") at any time after the date of issue at an initial conversion price of HK\$0.86 per Share (subject to adjustments in accordance with the terms of the Agreement). The initial conversion price is fixed at 125% of the average of the closing price for a Share in the Daily Official List of the Stock Exchange or as reported by Bloomberg L.P. for the last fifteen trading days preceding 7 November 2000, the date of the Agreement.

Upon full conversion of the US\$6 million Bonds and assuming that there will be no adjustment to the initial conversion price, a total of 54,418,604 new Shares will be issued pursuant to the general mandate given to the Directors by shareholders in the annual general meeting of the Company held on 19 April 2000.

資產抵押

本集團之資產抵押之資料載於第91頁之財務報表附註35。

資本承擔

本集團之資本承擔之資料載於第92頁之財務報表附註36。

或然負債

本集團之或然負債之資料載於第91頁之財務報表附註34。

發行可換股債券

本公司於二零零零年十一月七日與兩家均為獨立投資基金之認購人（「債券持有人」）訂立有條件協議，發行本金最高達600萬美元之可換股債券（「債券」）予認購人。於二零零零年十二月四日若干協議條件達成後，本公司發行共本金400萬美元之債券予債券持有人。

倘債券未有於到期日前被贖回或經債券持有人兌換為本公司普通股股份（「股份」），本公司須於債券到期時（在發行日期第三週年）支付債券之尚未償還本金額。債券可於發行日期後任何時間按初步兌換價每股港幣0.86元（按協議條款可予調整）兌換為股份。初步兌換價乃按協議日期二零零零年十一月七日前最後十五個交易日聯交所每日報價表或Bloomberg L.P. 所報之每股收市價平均數之125%訂定。

倘若600萬美元之債券獲悉數兌換時，並假設初步兌換價未被調整，本公司將按股東於二零零零年四月十九日舉行之本公司股東大會上授予董事之一般授權，發行合共54,418,604股新股份。

ISSUE OF CONVERTIBLE BONDS *(continued)*

The net proceeds from the issue of the US\$4 million Bonds of approximately HK\$29 million will be used as general working capital of the Company.

During the year ended 31 December 2000, none of the Bonds had been converted into Shares.

DIRECTORS

The Directors of the Company during the year and up to the date of this report were:

Executive Directors:

Mr. CHAN Shing
 Mr. YANG Da Wei – appointed on 23 March 2001

Ms. LAU Ting
 Mr. YU Wing Keung, Dicky
 Ms. TUNG Pui Shan, Virginia
 Mr. KWOK Wai Lam
 Mr. YIN Mark
 Mr. SIT Hoi Tung – appointed on 9 October 2000

Ms. LU Jian – resigned on 23 March 2001

Non-Executive Directors:

Mr. CUI Shu Ming
 Mr. SONG Yufang
 Mr. FANG Hung, Kenneth
 Mr. SZE Tsai Ping, Michael – appointed on 28 June 2000

Mr. WANG Mei Yue – retired at the Annual General Meeting held on 19 April 2000

In accordance with bye-laws 85 and 92 of the Bye-laws of the Company, Mr. SIT Hoi Tung, Mr. SZE Tsai Ping, Michael, Ms. TUNG Pui Shan, Virginia, Mr. YANG Da Wei and Mr. YU Wing Keung, Dicky retire from office at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

Biographical details of the Directors of the Company are set out on pages 16 to 19.

發行可換股債券 (續)

發行400萬美元債券之所得淨額約為港幣2,900萬元，將用作本公司一般營運資金。

截至二零零零年十二月三十一日止年度內，並無債券兌換為股份。

董事

本公司於本年度內至本報告刊行日期止之董事詳列如下：

執行董事：

陳城先生
 楊大偉先生 – 於二零零一年
 三月二十三日委任

劉婷女士
 余永強先生
 董佩珊女士
 郭偉霖先生
 尹虹先生
 薛海東先生 – 於二零零零年
 十月九日委任

陸健女士 – 於二零零一年
 三月二十三日辭任

非執行董事：

崔書明先生
 宋玉芳先生
 方鏗先生
 史習平先生 – 於二零零零年
 六月二十八日委任

王美岳先生 – 於二零零零年
 四月十九日舉行之股東
 週年大會上告退

依據本公司之章程細則第85及92條之規定，薛海東先生、史習平先生、董佩珊女士、楊大偉先生及余永強先生於即將舉行之股東週年大會上依章告退，惟彼等均願意膺選連任。

本公司董事之簡歷載於第16頁至19頁。

SENIOR MANAGEMENT

Biographical details of the senior management of the Group are set out on pages 20 to 22.

DIRECTORS' INTERESTS IN SHARE CAPITAL OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2000, the interests of the Directors and chief executive of the Company (including those interest which were deemed or taken to have interests under the provisions of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance")) in the issued share capital of the Company and any of its associated corporations (within the meaning of the SDI Ordinance) as recorded in the register kept by the Company pursuant to Section 29 of the SDI Ordinance were as follows:

(1) Interests in Shares

(A) The Company

Name of director 董事姓名	Personal interests 個人權益	Number of shares held 持有股份數目			Total 總數
		Corporate interests 公司權益	Family interests 家族權益		
CHAN Shing 陳城	13,035,472 (Note 2) (附註2)	438,304,701 (Notes 1&2) (附註1及2)	21,776,072 (Note 2) (附註2)		473,116,245
LAU Ting 劉婷	21,776,072 (Note 2) (附註2)	211,900,848 (Notes 1&2) (附註1及2)	239,439,325 (Note 2) (附註2)		473,116,245 (Note 2) (附註2)
TUNG Pui Shan, Virginia 董佩珊	1,872,218	5,104,000 (Note 3) (附註3)	110,000		7,086,218
YIN Mark 尹虹	438,000	-	-		438,000

高層管理人員

本集團高層管理人員之簡歷載於第20頁至22頁。

董事於本公司及其聯營公司股本中之權益

於二零零零年十二月三十一日，根據本公司按照證券（披露權益）條例（「披露權益條例」）第29條所規定須予設置之登記冊所載，本公司各董事及行政總裁於本公司及其聯營公司（定義見披露權益條例）已發行股本中擁有或被視為擁有之權益，詳情如下：

(1) 股份權益

(A) 本公司

DIRECTORS' INTERESTS IN SHARE CAPITAL OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

(continued)

Notes:

1. Out of the 438,304,701 shares, 226,403,853 shares were held by Hang Sing Overseas Limited and 211,900,848 shares were held by Strong Purpose Corporation. Mr. CHAN Shing together with Ms. LAU Ting own a 51% interest in Hang Sing Overseas Limited and a 100% interest in Strong Purpose Corporation. Ms. LAU Ting is the spouse of Mr. CHAN Shing.
2. The interests of Ms. LAU Ting and Mr. CHAN Shing were duplicated.
3. 5,104,000 shares were held by Focus Cheer Consultants Limited, a company which is wholly-owned by Ms. TUNG Pui Shan, Virginia.

(B) Associated Corporation – Harrogate Group Limited

董事於本公司及其聯營公司股本中之權益 (續)

附註：

1. 在438,304,701股中，226,403,853股由Hang Sing Overseas Limited持有，另外211,900,848股由Strong Purpose Corporation持有。陳城先生連同劉婷女士合共持有Hang Sing Overseas Limited 51%權益及Strong Purpose Corporation 100%權益。劉婷女士為陳城先生之配偶。
2. 劉婷女士與陳城先生之權益重疊。
3. 5,104,000股由董佩珊女士全資擁有之公司Focus Cheer Consultants Limited持有。

(B) 聯營公司 – Harrogate Group Limited

Name of director 董事姓名	Number of shares held 持有股份數目				Total 總數
	Personal interests 個人權益	Corporate interests 公司權益	Family interests 家族權益		
CHAN Shing 陳城	225,000	–	150,000 (Note) (附註)	375,000 (Note) (附註)	
LAU Ting 劉婷	150,000	–	225,000 (Note) (附註)	375,000 (Note) (附註)	
YU Wing Keung, Dicky 余永強	75,000	–	–	75,000	

Note: The interests of Mr. CHAN Shing and Ms. LAU Ting were duplicated.

附註：陳城先生與劉婷女士之權益重疊。

DIRECTORS' INTERESTS IN SHARE CAPITAL OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS
(continued)

Save as disclosed herein, as at 31 December 2000, none of the Directors or chief executive of the Company had or were deemed under the SDI Ordinance to have any interests in the share capital or debentures of the Company or any of its associated corporations, or were required to notify the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in respect of such interests.

(2) *Rights to Acquire Shares*

As at 31 December 2000, as recorded in the register kept by the Company under section 29 of the SDI Ordinance, the interests of the Directors in options to subscribe for shares in the Company granted under two share option schemes adopted by the Company on 11 September 1989 (the "Old Scheme") and 23 July 1999 (the "New Scheme") respectively were as follows:-

Name of director 董事姓名	Date of grant 授予日期	Number of shares to be issued upon the exercise of the share options 購股權獲行使時將發行之股份數目	Exercise price per share 每股行使價 HK\$ 港元
CHAN Shing 陳城	29 March 2000 二零零零年三月二十九日	4,500,000	0.68
LU Jian* 陸健	31 December 1998 一九九八年十二月三十一日	1,151,972	0.3957
	28 September 1999 一九九九年九月二十八日	3,637,806	0.4988
LAU Ting 劉婷	29 March 2000 二零零零年三月二十九日	4,500,000	0.68
YU Wing Keung, Dicky 余永強	31 December 1998 一九九八年十二月三十一日	1,151,972	0.3957
	28 September 1999 一九九九年九月二十八日	3,637,806	0.4988
	29 March 2000 二零零零年三月二十九日	2,000,000	0.68

董事於本公司及其聯營公司股本中之權益
(續)

除本報告所披露者外，於二零零零年十二月三十一日，本公司董事或行政總裁概無擁有或按照權益披露條例被視為擁有本公司或其任何聯營公司之股本或債券權益，且並無任何該等權益而須根據《上市公司董事進行證券交易的標準守則》向本公司或聯交所發出通知。

(2) *購買股份之權利*

於二零零零年十二月三十一日，本公司按照披露權益條例第29條規定須予設置之登記冊所載，本公司根據分別於一九八九年九月十一日（「舊有計劃」）及一九九九年七月二十三日（「現有計劃」）採納之購股權計劃授予董事購股權以認購本公司之股份權益，詳情如下：

DIRECTORS' INTERESTS IN SHARE CAPITAL OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

(continued)

**董事於本公司及其聯營公司股本中之權益
(續)**

Name of director 董事姓名	Date of grant 授予日期	Number of shares to be issued upon the exercise of the share options 購股權獲行使時將發行之股份數目	Exercise price per share 每股行使價 HK\$ 港元
TUNG Pui Shan, Virginia 董佩珊	8 July 1997 一九九七年七月八日	2,219,061	0.5441
	31 December 1998 一九九八年十二月三十一日	1,151,972	0.3957
	28 September 1999 一九九九年九月二十八日	3,637,806	0.4988
KWOK Wai Lam 郭偉霖	31 December 1998 一九九八年十二月三十一日	1,151,972	0.3957
	28 September 1999 一九九九年九月二十八日	2,425,204	0.4988
YIN Mark 尹虹	31 December 1998 一九九八年十二月三十一日	606,301	0.3957
	28 September 1999 一九九九年九月二十八日	2,425,204	0.4988
SIT Hoi Tung 薛海東	31 December 1998 一九九八年十二月三十一日	606,301	0.3957
	28 September 1999 一九九九年九月二十八日	970,081	0.4988
	29 March 2000 二零零零年三月二十九日	2,000,000	0.68

* Ms. LU Jian resigned as an Executive Director of the Company with effect from 23 March 2001.

* 於二零零一年三月二十三日，陸健女士辭任執行董事之職。

The outstanding options which were granted under the Old Scheme to subscribe for shares in the Company remain valid for exercise notwithstanding the expiry of the Old Scheme on 1 August 1999. The options granted under the Old Scheme are exercisable at any time within the three years period commencing from the expiry of one year from the date of grant. The options granted pursuant to the New Scheme are exercisable at any time within the three years period commencing from the expiry of 90 days from the date of grant.

舊有計劃於一九九九年八月一日屆滿，惟根據舊有計劃授出而尚未行使之購股權仍然有效，可予認購本公司股份。根據舊有計劃授出之購股權可於其授予日期一年後起三年內任何時間行使；而根據現有計劃授出之購股權則可於其授予日期九十日後起三年內任何時間行使。

DIRECTORS' INTERESTS IN SHARE CAPITAL OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

(continued)

During the year ended 31 December 2000, the following Directors exercised their options to subscribe for shares in the Company:-

Name of director 董事姓名	Number of shares subscribed for 認購股份數目	Exercise price per share 每股行使價 HK\$ 港元
CHAN Shing 陳城	1,151,972 11,883,500	0.3957 0.4988
LAU Ting 劉婷	1,151,972 11,883,500	0.3957 0.4988

**董事於本公司及其聯營公司股本中之權益
(續)**

截至二零零零年十二月三十一日止年度內，下列董事行使彼等之購股權以認購本公司之股份：

Save as otherwise disclosed in this report, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable any of the Company's Directors, their respective spouse or children under 18 years of age to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

除本報告所披露者外，在本年度內任何時間，本公司或其任何附屬公司概無參與或達成任何安排（本公司採納之僱員購股權計劃外），使本公司董事、其配偶或未滿十八歲之子女可透過購入本公司或任何其他法團之股份或債券而獲得利益。

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2000, according to the register kept by the Company under Section 16(1) of the SDI Ordinance, the following persons (other than the Directors and chief executive of the Company) were directly or indirectly interested in 10% or more of the issued share capital of the Company:

主要股東

於二零零零年十二月三十一日，於本公司按照披露權益條例第16(1)條所規定須予設置之登記冊所載，直接或間接持有本公司已發行股本10%或以上權益之股東如下（本公司董事及行政總裁除外）：

Name of shareholders 股東名稱	Number of shares in the Company 本公司股份數目	Note 附註
Strong Purpose Corporation	211,900,848	1
Hang Sing Overseas Limited	226,403,853	2
Orient Strength Limited	226,403,853	2
Zhong Shan Company Limited 鍾山有限公司	226,403,853	2
Superior Quality Assets Limited	226,403,853	2

SUBSTANTIAL SHAREHOLDERS (continued)

Notes:

1. The 211,900,848 shares held by Strong Purpose Corporation, which was wholly-owned and controlled by Mr. CHAN Shing and Ms. LAU Ting, formed part of the interests of Mr. CHAN Shing and Ms. LAU Ting herein disclosed respectively.
2. 51% of the issued share capital of Hang Sing Overseas Limited was owned by Orient Strength Limited, a company which was wholly-owned by Mr. CHAN Shing and Ms. LAU Ting, and 49% of the issued share capital of Hang Sing Overseas Limited was owned by Superior Quality Assets Limited, a company which was wholly-owned by Zhong Shan Company Limited. Zhong Shan Company Limited was wholly-owned by the Jiangsu Provincial People's Government of the PRC. The 226,403,853 shares held by Hang Sing Overseas Limited formed part of the interests of Mr. CHAN Shing and Ms. LAU Ting herein disclosed respectively.

As at 31 December 2000, save as disclosed above, the Company had not been notified of any other interests representing 10% or more of the issued share capital of the Company.

SERVICE CONTRACTS WITH DIRECTORS

None of the Directors offering themselves for re-election at the forthcoming Annual General Meeting has an unexpired service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

主要股東 (續)

附註：

1. 由陳城先生及劉婷女士全資擁有及控制的Strong Purpose Corporation所持有之211,900,848股，為本文所分別披露陳城先生及劉婷女士之權益之一部份。
2. Hang Sing Overseas Limited之51%已發行股本乃由陳城先生及劉婷女士全資擁有之Orient Strength Limited所擁有，另外Hang Sing Overseas Limited之49%已發行股本則由鍾山有限公司全資擁有之Superior Quality Assets Limited所擁有。鍾山有限公司乃中國江蘇省人民政府全資擁有之公司。Hang Sing Overseas Limited持有之226,403,853股乃本文所分別披露陳城先生及劉婷女士之權益之一部份。

除上文所披露者外，於二零零零年十二月三十一日，本公司概不知悉有任何其他人士持有本公司已發行股本10%或以上權益。

董事之服務合約

於即將舉行之股東週年大會上擬重選連任之董事，概無與本公司訂立任何本公司不可於一年內免付賠償（法定賠償除外）予以終止之服務合約。

CONNECTED TRANSACTIONS

From 10 May 2000 to 31 December 2000, the Group has provided Hyundai Corporation, which owns 50% in the issued share capital of and is therefore a substantial shareholder of SteelMetal.com Limited which is an indirect subsidiary of the Company, with access to the trading platforms www.WorldMetal.com (operated by WorldMetal.com Limited) and www.SteelMetal.com (operated by SteelMetal.com Limited). Under the membership agreement between Hyundai Corporation and WorldMetal.com Limited for the use of www.WorldMetal.com and the membership agreement between Hyundai Corporation and SteelMetal.com Limited for the use of www.SteelMetal.com, Hyundai Corporation will, for each transaction completed through any one of the above portals, pay to the corresponding platform operator a commission ranging from 0.5% to 1.5% of the value of the transaction, depending on the types of products traded. The total value of the commission paid to the Group over the period amounted to approximately HK\$14,658,000.

ISSUE OF SHARES

1. Pursuant to the placing agreement dated 15 February 2000, the Company allotted 35,000,000 new ordinary shares of HK\$0.10 each at HK\$1.18 per share to more than six independent professional and institutional investors through private placement on 24 February 2000 for cash amounted of approximately HK\$41.3 million. The proceeds were used for the development of metal exchange portals of the Group. The closing price of the Company's shares was HK\$0.97 per share as at the date of such agreement.
2. During the year ended 31 December 2000, the Company issued a total of 28,722,944 new ordinary shares upon the exercise of share options by the optionholders.

關連交易

於二零零零年五月十日至十二月三十一日期間，本集團向Hyundai Corporation提供會員權利可進入電子商貿平台www.WorldMetal.com（由金屬電子交易所有限公司營運）和www.SteelMetal.com（由SteelMetal.com Limited營運）進行交易。Hyundai Corporation為本集團一間接持有之附屬公司SteelMetal.com Limited之主要股東，持有該公司已發行股本50%股益。根據Hyundai Corporation和金屬電子交易所有限公司及SteelMetal.com Limited個別簽訂之會員協議，透過www.WorldMetal.com及／或www.SteelMetal.com平台完成每項交易，Hyundai Corporation需付交易金額之0.5%至1.5%之佣金（視乎交易商品之種類）。於上述期間內，本集團收到之佣金總額約港幣14,658,000元。

發行股份

1. 根據於二零零零年二月十五日簽訂之配售協議，本公司以私人配售形式於二零零零年二月二十四日以每股港幣1.18元配售35,000,000股新普通股（每股面值港幣0.10元）予多於六位獨立專業及機構投資者共取得現金約港幣4,130萬元。集團將配售所得款項淨額用作發展金屬電子交易所業務。該協議簽訂日之股份收市價為每股港幣0.97元。
2. 截至二零零零年十二月三十一日止年度內，本公司就購股權持有人行使購股權共發行新普通股共28,722,944股。

FIVE YEARS' FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last five financial period/years is set out on page 96.

STAFF

As at 31 December 2000, the Group employed 469 staff. Staff remuneration packages are normally reviewed annually. The Group also provides other staff benefits which include year end double pay, discretionary bonus, contributory provident fund and medical insurance. Training programmes for staff are provided as and when required.

COMPLIANCE WITH CODE OF BEST PRACTICE OF THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE OF HONG KONG LIMITED

In the opinion of the Directors, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules during the year, except that the non-executive directors are not appointed for a specific term but are subject to retirement by rotation at the Annual General Meeting of the Company in accordance with the Bye-laws of the Company.

The Company has established an audit committee in accordance with paragraph 14 of the Code of Best Practice in January 1999. The Committee comprises the two independent non-executive directors of the Company, Messrs Cui Shu Ming and Song Yufang. The principal duties of the Committee include the review and supervision of the Company's financial reporting process and internal controls.

AUDITORS

Arthur Andersen & Co, who has been appointed as auditors of the Company since 1999, will retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming Annual General Meeting.

On behalf of the Board
CHAN Shing
Chairman

Hong Kong, 18 April 2001

五年財務概要

本集團過去五個財政期間／年度之業績、資產及負債概要刊載於第96頁。

僱員

於二零零零年十二月三十一日，本集團共僱用469名員工。僱員薪酬通常每年調整一次。本集團並為僱員提供其他福利，包括年終雙糧、酌情發放之花紅、需供款之公積金及醫療保險。本集團亦會視乎需要為僱員提供培訓計劃。

遵照香港聯合交易所有限公司證券上市規則之最佳應用守則

董事認為本公司於年內已遵守上市規則附錄十四所載之最佳應用守則，惟非執行董事並無指定任期，彼等須根據本公司之章程細則於本公司之股東週年大會上輪值告退及重選連任。

本公司已按照最佳應用守則第十四段於一九九九年一月成立審核委員會，委員會成員由本公司兩位獨立非執行董事崔書明先生及宋玉芳先生組成。其主要職責包括檢討及監察本公司之財務匯報程序及內部監管。

核數師

安達信公司自一九九九年獲聘為本公司核數師並將任滿告退，有關續聘其為本公司核數師之決議案將於應屆股東週年大會上提呈。

董事局代表
 主席
陳城

香港，二零零一年四月十八日