



INTERNATIONAL METAL TRADING 金屬國際貿易



Competition in the steel market was extremely fierce last year. The total global steel production reached 1 billion tonnes and the supply was well above demand. The "911" terrorist attack on the US and the global economic recession drove the market price to the lowest trough in the third quarter of the year.

GDP in China, however, continued in its upward trend and had spearheaded strong demands in steel raw materials and finished products. Domestic steel plants boosted up their production, with the total production volume surged by over 15% as compared to 2000 while imported steel increased to approximately 18 million tonnes.

International metal trading, particularly in steel products, is one of the core businesses of the Group where we are well-equipped with enormous business experience and competitive strengths. The business keeps on expanding and consolidating its customer base and sales network and has established its credibility and goodwill. In the past few years, the Group had made great effort in maintaining a larger import share to China, a major steel consumption market in the world.

去年鋼鐵市場競爭加劇。全球鋼鐵總產量約達十億噸，供大於求。“911”恐怖襲擊及經濟衰退的影響，更導致第三季度市場價格滑落至近十年的谷底。

惟中國保持GDP持續增長，牽動各類鋼鐵原料和製品強勁的需求。國內鋼廠相繼增產，生產總量比二零零零年大幅上升逾15%，進口鋼材增加至約1,800萬噸。

國際金屬貿易尤其是鋼鐵買賣是本集團核心業務之一，經營班底富有行業經驗和市場競爭力。客戶基礎和銷售網絡逐年擴展穩固，商譽和信用良好。近年來，本集團努力不懈地保持在中國這一全球鋼鐵主要消費市場擁有較大的進口份額。

During the year under review, improvement was achieved in profits. In addition to consolidating the existing sourcing channels in the main steel producing countries in Europe and Asia, in 2001 the Group became one of the major dealers in China of the LNM Group, a renowned multinational steel producing enterprise, to distribute its Ispat Karmet JSC products. The business supported our development of rail transport trade at China-Russia border and has now come to a size. The Group has also become the sole agent of Novolipetsk Iron & Steel Works for the import of steel slabs into China. Furthermore, the Group exploited the fluctuation and devaluation of the Japanese Yen and currencies of South American countries to make purchases in places such as Japan, Argentina and Brazil, and to cultivate stable relationship with local major steel plants to obtain dealership for their products to China. Significant breakthroughs had been achieved in the arena of sale and distribution through such efforts. Notwithstanding the adverse conditions of international trade protectionism and constant fluctuation of oil prices and currencies, the Group can enhance its comprehensive procurement capabilities in securing multi-channels, multiple countries and diverse products in response to market demands.

In the first quarter of 2002, prices of steel began to move upwards in major markets, especially the US. Orders from China surged upwards with corresponding gradual increase in prices. The total value of executed and pending contracts surpassed the amount for the same period last year to HK\$1.1 billion.

Following China's accession into the WTO and the lowering of tariffs, there will be further opening up and expansion of the market, and thus will give the impetus to the commencement of numerous infrastructure projects. By virtue of the Group's excellent market position and competitiveness, it is envisaged that the business will attain greater advancements.

回顧期內，該業務盈利表現獲得改善。除鞏固原有在歐亞主要產鋼國的傳統採購渠道外，本集團於二零零一年成為著名的新興鋼鐵跨國生產企業The LNM Group在中國的主要經銷商之一，為經銷其哈薩克斯坦卡鋼Ispat Karmet JSC的產品，配套開發了中俄邊界鐵路運輸貿易並形成規模。本集團亦成為俄羅斯Novolipetsk Iron & Steel Works的板坯進口中國的獨家代理。同時，本集團不時抓住日圓和南美洲國家貨幣波動和貶值的時機，在日本、阿根廷、巴西等國家建立採購基地，與當地主要的鋼廠建立穩定的關係，成為其產品銷往中國市場的主要經銷商之一。上述努力為本集團在營銷範圍上取得重要突破，使得在當今國際貿易中保護主義抬頭、石油價格和匯率不時波動的情況下，仍然可以增強穩定的因應市場需求的多渠道、多國別、多品種綜合採購銷售能力。

二零零二年第一季度，主要市場特別是美國市場鋼鐵價格開始回升，中國市場訂單大幅增加，價格明顯逐步上揚。本集團已簽約執行及待執行的各類銷售合同大幅超過去年同期水平，逾十一億港元。

隨著中國加入世貿組織，關稅降低，市場進一步開放和規範，遍佈全國各地許許多多在建設、新建的基建項目的不斷啟動，本集團將憑藉自身在行業中佔據著的市場競爭優勢，使該業務的盈利實現較大的增長。



METAL MANUFACTURING 金屬加工製造



The Group's wholly owned steel pipes processing plant in Dongguan, China maintains steady growth in its production, sales and profitability. Despite the unfavourable situation of decreasing export orders to Europe and America and the fierce price competition, the investment in setting up a new production line for steel pipes with a wider diameter went into production in the latter half of the year as planned. With an outstanding product quality, the ability to secure more orders was likewise enhanced, thereby achieving the objective of economy of scale and reduction of production cost.

In view of the relatively limited room for expansion of the export sales market and to adapt to changes in competition in the business, the Group, while continuing to improve the operation and management efficiency of the steel pipes processing plant, had acquired an enterprise in Dongguan with the rights to domestic sales in Renminbi in January 2002 and reorganised it into a wholly-owned enterprise. This would enable the Group to gain entry into the growing domestic market in China and change the business model, as restrictions imposed on operation rights, of having to rely solely on the processing of import material and export of end products. Such measure would safeguard the long-term development and profitability of the business.

本集團全資附屬位於中國東莞的鋼管加工中心生產、銷量及盈利狀況保持穩定。儘管受到出口到歐美之訂單減少、價格競爭劇烈的影響，但新投資興建的大口徑鋼管生產線於下半年如期投產，產品質量優異，增加了產品配套接單能力，達到了規模經營、降低成本的目標。

鑒於出口外銷市場發展空間相對局限，本集團鋼管加工中心在繼續提高營運及管理效率的同時，為適應業內競爭發展的轉變，於二零零二年元月投資收購一間位於東莞市的具人民幣內銷經營權的企業資產並重組為獨資企業，從而進入持續增長的中國內銷市場，改變了以往由於經營權所限只能進行原料進口、產品出口的單一加工經營的局面，為該業務的長遠發展和盈利增長提供了保障。



WORLDMETAL HOLDINGS LIMITED 金屬電子交易所集團有限公司



The Group saw the successful spin-off by way of reorganisation and listing of WorldMetal Holdings Limited on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited in October 2001. This has laid the foundation for its independent operation, brand building and future development.

The principal activities of WorldMetal are the provision of Internet-based metal trading platforms and related value-added services, metal industry information, IT consultancy and application software development services. During the year under review, the Group exercised stringent operational cost control and proper utilization of resources to explore the most appropriate direction to move forward.

In addition to actively preserving the sustainability of its existing business, the Group plans to launch itself into the territory of metal products logistics and related areas through acquisitions or investments in the coming year, with the aim of establishing a diversified business model and strengthening its long-term profits base.

本集團通過重組金屬電子交易所集團有限公司並成功將其於二零零一年十月在香港聯合交易所創業板分拆上市，為其獨立營運、建立品牌、發展壯大奠定了基礎。

該集團現有主營業務為提供互聯網金屬交易平台及相關增值配套服務、行業資訊、IT顧問諮詢及應用軟件開發服務。於回顧期內，該集團嚴格控制經營成本，善用集團資源，努力尋求其穩定發展的企業方向。

在積極保持現有業務穩定營運的同時，該集團計劃於新的一年通過收購、投資入股等形式，進入中國金屬商品現代物流及相關業務領域，以建立形成多種收入的商業模式，增強其長遠的盈利基礎。

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



The Group's joint venture investment, the Yangzhou Times Square, is currently the shopping mall with the largest commercial floor area in Jiangsu, China that has all with it: shops, entertainments, restaurants, exhibition facilities, car parks as well as indoor and outdoor concourse. After nearly three years of project development, including negotiation, design, construction, electrical and mechanical works, internal fitting out and leasing, the Yangzhou Times Square is scheduled for soft opening at the end of April, 2002.

本集團合資興建的“揚州時代廣場”是目前中國江蘇省境內商業營業面積最大的一間綜合性購物中心，集購物、娛樂、休閒、餐飲、展覽、停車、公眾室內外廣場於一體。經過近三年的項目洽談、建築設計、土建、機電設備安裝、裝潢和銷售、招租，“揚州時代廣場”已定於二零零二年四月底正式開張試營業。

As the Yangtze River Delta is the most affluent area in China with flourishing economic development, the project had adopted a strategy of part-sale and part-lease. Buyers of the premises can retain the services of the developer for sub-lease agency and centralised property management. With its majority interests are held for long term operations and management, the project should ensure a stable and long-term return through rental income, while it would also enjoy the potential appreciation in value of the property. All these are set for the best returns for the shareholders.

During the year under review, sale and leasing was also conducted in places such as Jiangsu, Zhejiang and Shanghai. As at the end of March 2002, 363 shop units with a total area of approximately 12,000 square metres had been sold, bringing a handsome investment return at an average selling price of around RMB10,000 per square metre. At the same time, the leasing rights of some of the sold units have been reverted to the project developer for centralised management of sub-leasing.

At present, the stage for the trial operation has been set. The functional layout of the shopping mall with a mix of local and foreign brands is expected to be able to fulfill the demands generated by local spending powers. Following the opening of the shopping mall and with the ensuring meticulous operation, it is envisaged that the project will continue to create satisfactory investment returns and appreciation in asset values for the Group.

The In's Square in Mongkok, Hong Kong, a long-term investment of the Group, has not been affected by the economic slowdown and managed to retain a stable rental income, with existing leases signed up to year 2004.

鑒於長江三角洲為中國最富庶的地區之一，經濟蓬勃發展，故該項目採取部分銷售、部分招租，而售出的樓面接受客戶委託代租、統一管理的經營策略。該項目從持有大部分業權長期經營管理中獲取穩定的租金回報，同時又可以假以時日坐享當地房地產市場的升值潛力，為股東謀取最大收益。

於回顧期內，除在當地市場外，亦在江蘇、浙江、上海等其他多處城市進行了卓有成效的銷售和招租。截至二零零二年三月底，已售出363個鋪位，面積約12,000平方米，平均售價每平方米約人民幣10,000元，錄得理想的投資回報。同時，亦成功將已售出的部分租權集中到業主的統一返租招租管理中。

目前，試營業階段所需的部署已準備就緒。按照購物中心規劃的功能佈局所進行的各類中外品牌組合，已達至按當地消費水平所預期設定的要求。隨著該項目的開張營業和精心經營，可以預見該項目將持續地為集團帶來不俗的投資回報和資產增值。

此外，本集團長期投資持有的香港旺角In's Square未受經濟放緩的影響，全年整體租金收入保持穩定。現有租約已簽至二零零四年。