

The Directors have pleasure in presenting to the shareholders their report together with the audited accounts of WellNet Holdings Limited (the "Company") and its subsidiaries (collectively known as the "Group") for the year ended 31 December 2002.

### FINANCIAL RESULTS

The results of the Group for the year ended 31 December 2002 are set out in the consolidated profit and loss account on page 45.

The respective state of affairs of the Group and the Company as at 31 December 2002 are set out in the balance sheets on pages 46 and 47.

The Group's cash flows are set out in the consolidated cash flow statement on pages 49 to 50.

### PRINCIPAL ACTIVITIES AND SEGMENT ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding.

The principal activities of the Group are international steel trading, warehousing and distribution, steel manufacturing and processing, and property development and investment.

Analysis of the Group's turnover and operating profit by business and geographical segments for the year are set out in note 4 to the accounts on page 68.

### DIVIDEND

No interim dividend was paid during the year.

The Directors recommended a final dividend of HK 4 cents (2001: HK 2 cents) per share for the year ended 31 December 2002, payable on 24 July 2003 to shareholders whose names appear on the Register of Members of the Company at the close of business on 18 June 2003. This recommendation has been incorporated in the accounts.

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」) 截至二零零二年十二月三十一日止年度之董事局報告及經審核帳目。

### 財務業績

本集團截至二零零二年十二月三十一日止年度之業績載列於第45頁之綜合損益帳內。

本集團及本公司於二零零二年十二月三十一日之財務狀況已分別載列於第46頁及第47頁之資產負債表內。

本集團之現金流動情況載列於第49頁至第50頁之綜合現金流量表內。

### 主要業務及營運分部分析

本公司之主要業務為投資控股公司。

本集團之主要業務為鋼鐵國際貿易及倉儲物流分銷、鋼鐵加工製造和房地產開發及投資。

本集團於年度內分別按業務及地區分部之營業額及經營溢利分析載列於第68頁之帳目附註4。

### 股息

本年度並無派付中期股息。

董事局建議派發截至二零零二年十二月三十一日止年度之末期股息每股港幣4仙 (二零零一年: 港幣2仙), 預期末期股息將於二零零三年七月二十四日派付予於二零零三年六月十八日營業日終結時名列本公司股東名冊之股東。此項建議已錄載於帳目內。

## MAJOR SUPPLIERS AND CUSTOMERS

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

- the largest supplier
- five largest suppliers combined

- 最大供應商
- 五大供應商合併購貨額

%  
百分比

13  
48

The percentage of sales attributable to the Group's major customers are as follows:

- the largest customer
- five largest customers combined

- 最大客戶
- 五大客戶合併營業額

%  
百分比

17  
38

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) had any interest in the above suppliers or customers 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：

本集團之主要客戶所佔營業額之百分比如下：

各董事、其各自聯繫人或據董事局所知擁有本公司股本中5%以上權益之股東，於本年度內任何時間概無擁有上述供應商或客戶之任何權益。

## PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

The movements in property, plant and equipment and investment properties during the year are set out in notes 14 and 15 to the accounts on pages 81 to 84.

The particulars of properties held by the Group for sale and for investment as at 31 December 2002 are set out on pages 120 and 121.

## SUBSIDIARIES AND ASSOCIATES

The particulars of the Company's principal subsidiaries and associates as at 31 December 2002 are set out in notes 16 and 17 to the accounts on pages 85 to 89.

## 物業、廠房及設備及投資物業

本年度內物業、廠房及設備及投資物業之變動情況載列於第81頁至第84頁之帳目附註14及15。

本集團於二零零二年十二月三十一日持有之待售及投資物業資料載列於第120頁及第121頁。

## 附屬公司及聯營公司

本公司於二零零二年十二月三十一日之主要附屬公司及聯營公司資料載列於第85頁至第89頁之帳目附註16及17。

## BANK LOANS

The particulars of the Group's bank loans are set out in notes 26 and 28 to the accounts on pages 95 and 96.

Most of the Group's bank loans were denominated in HK\$ and US\$ except for certain bank loans of approximately HK\$65,579,000 (2001: HK\$69,000,000) which were denominated in Renminbi and were made to finance the Group's operations in China. All the bank loans bear interest at prevailing market rates.

## SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 32 to the accounts on pages 100 to 101.

## RESERVES

Details of movements in reserves during the year are set out in note 34 to the accounts on pages 106 to 108.

## DISTRIBUTABLE RESERVES

As at 31 December 2002, the Company's reserves available for distribution to shareholders calculated in accordance with the Companies Act 1981 of Bermuda amounted to HK\$179,168,000.

## 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.

## 銀行貸款

本集團之銀行貸款之資料載於第95頁及第96頁之帳目附註26及28。

除部份借予集團於中國營運單位之銀行貸款約港幣65,579,000元(二零零一年:港幣69,000,000元)乃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。

## 股本

本公司股本於本年度之變動情況詳列於第100頁至101頁之帳目附註32。

## 儲備

本年度內儲備之變動情況詳列於第106頁至第108頁之帳目附註34。

## 可分派儲備

於二零零二年十二月三十一日,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179,168,000元。

## 股份優先購買權

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

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

**購買、出售或贖回上市證券**

During the year ended 31 December 2002, the Company repurchased a total of 3,888,000 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 annual general meeting held on 6 June 2002, details of which were as follows:-

於截至二零零二年十二月三十一日止年度內，本公司根據於二零零二年六月六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3,888,000股，詳情如下：

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	
09/2002	3,888,000	0.70	0.79	2,983,020

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.

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。購回股份是為提高每股資產淨值及每股盈利，有利於股東整體利益而進行。

Save as disclosed above, 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 2002.

除上文所披露者外，截至二零零二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。

## ISSUE OF SHARES

- (1) Pursuant to the placing agreement dated 10 June 2002 entered into between Hang Sing Overseas Limited (the "Vendor"), a substantial shareholder of the Company, and the placing agent whereby 100,000,000 existing shares held by the Vendor were placed to not less than six independent placees at HK\$0.90 per placing share (the "Placing"), and the subscription agreement dated 10 June 2002 entered into between the Vendor and the Company whereby the Vendor subscribed for 100,000,000 new shares of the Company at a subscription price of HK\$0.90 per subscription share (the "Subscription"), the Company issued and allotted a total of 100,000,000 new ordinary shares to the Vendor on 21 June 2002. The Placing and the Subscription represent an opportunity to raise capital for the Company while broadening the shareholder base and the capital base of the Company. The net proceeds from the Subscription of approximately HK\$88 million is used for the investments in steel manufacturing and warehousing businesses for further expansions and as general working capital of the Group. The closing price of the shares of the Company on 10 June 2002, being the date of agreements, was HK\$0.97.
- (2) During the year ended 31 December 2002, the Company issued a total of 19,138,158 new ordinary shares of HK\$0.10 each upon the exercise of share options by the optionholders.

## 發行股份

- (1) 根據於二零零二年六月十日本公司主要股東Hang Sing Overseas Limited（「賣方」）與配售代理訂立之配售協議有關由賣方將所持的100,000,000股按每股配售股份港幣0.90元之價格配售予不少於六名獨立承配人（「配售事項」），及於二零零二年六月十日賣方與本公司訂立之認購協議有關賣方按每股認購股份港幣0.90元之認購價認購100,000,000股本公司新股（「認購事項」），本公司於二零零二年六月二十一日發行及配發合共100,000,000新普通股予賣方。是次配售事項及認購事項為本公司籌集資金，從而亦擴大大公司之股東基礎及股本基礎。認購所得款項淨額約為港幣88,000,000元，用作投資拓展鋼鐵加工製造及倉儲分銷業務及本集團一般營運資金。本公司股份於二零零二年六月十日（即協議訂立當日）之收市價為港幣0.97元。
- (2) 於截至二零零二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發行每股面值港幣0.10元之新普通股共19,138,158股。

## GRANT OF OPTIONS

Pursuant to the agreement dated 31 October 2002, the Company and Onoken Co., Ltd. ("Onoken") had granted options to each other whereby upon exercise of the option, the Company shall issue and allot to Onoken new shares of the Company not exceeding such number of shares that represents 3% of the issued share capital of the Company as at the relevant exercise date, and Onoken shall issue and allot to the Company new shares of Onoken (or transfer to the Company existing issued shares of Onoken) not exceeding such number of shares that represents 3% of the issued share capital of Onoken as the relevant exercise date. The options can be exercised only if the trading volume on contract basis (both buying and selling) of steel and related materials between the Company and Onoken for the period from 31 October 2002 (the date of agreement) to 31 December 2005 reaches at least 1,500,000 metric tonnes. The options can be exercisable at any time during the three months immediately following the date on which written confirmations are jointly issued by the respective auditors of the Company and Onoken stating that the abovementioned target volume has been fully achieved.

## SHARE OPTION SCHEMES

Pursuant to the share option schemes adopted by the Company on 11 September 1989 (the "1989 Option Scheme") and on 23 July 1999 (the "1999 Option Scheme") (together, the "Old Schemes"), certain options were granted to subscribe for new ordinary shares of the Company to employees, including executive directors of the Company or its subsidiaries subject to the respective terms and conditions stipulated therein. The 1989 Option Scheme had been terminated on 1 August 1999. In compliance with the new requirements of Chapter 17 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange which took effect from 1 September 2001, the 1999 Option Scheme was terminated and a new share option scheme (the "New Scheme") was adopted pursuant to ordinary resolutions passed by the shareholders at the annual general meeting of the Company held on 6 June 2002.

## 授予購股權

根據於二零零二年十月三十一日本公司與 Onoken Co., Ltd. (「Onoken」) 訂立之購股權協議，雙方互授購股權。據此，在購股權獲行使後，本公司需向 Onoken 發行及配發本公司新股份，股份數目不超過佔本公司於行使日已發行股本之 3%；而 Onoken 需向本公司發行及配發新 Onoken 股份（或向本公司轉讓已發行 Onoken 股份），股份數目不超過佔 Onoken 於行使日已發行股本之 3%。本公司與 Onoken 由二零零二年十月三十一日（購股權協議日期）至二零零五年十二月三十一日期間已訂合約（包括買與賣）之鋼鐵及相關材料之交易量最少需達 1,500,000 噸，方可行使購股權。購股權可於緊接本公司及 Onoken 之核數師共同發出書面確認表明上述目標量已完全達到之日之後三個月期間任何時間行使。

## 購股權計劃

根據本公司於一九八九年九月十一日採納之購股權計劃（「一九八九年購股權計劃」）及於一九九九年七月二十三日採納之購股權計劃（「一九九九年購股權計劃」）（統稱「舊購股權計劃」），本公司按其項下條款及條件授予本公司及其附屬公司之僱員（包括執行董事）若干購股權以認購本公司新普通股股份。一九八九年購股權計劃已於一九九九年八月一日終止。為符合聯交所證券上市規則（「上市規則」）第十七章於二零零一年九月一日生效之新修訂，本公司已於二零零二年六月六日舉行之股東週年大會上獲股東通過普通決議案批准終止一九九九年購股權計劃及採納新購股權計劃（「新購股權計劃」）。

## SHARE OPTION SCHEMES (continued)

Upon termination of the Old Schemes, no further options could be granted thereunder but in all other respects, the provisions of the Old Schemes shall remain in force. All outstanding options which were granted under the Old Schemes to subscribe for shares in the Company prior to their terminations shall continue to be valid and exercisable.

### (A) The Old Schemes

#### (I) Summary of terms of the Old Schemes

##### (i) Purpose of the Old Schemes

The purpose of the Old Schemes are to give executive directors and employees of the Company or any of its subsidiaries an opportunity to acquire an equity interest in the Company and to assist in the recruitment and retention of employees with experience and ability.

##### (ii) Participants

Any employee, including any executive director, of the Company or any of its subsidiaries.

##### (iii) Maximum number of shares

The maximum number of shares in respect of which options may be granted (together with options exercised and options then outstanding) under the Old Schemes may not when aggregated with the number of shares subject to other share schemes of the Company and any shares which might have been issued under cancelled options exceed such number of shares as shall represent 10 per cent. of the nominal amount of the issued share capital of the Company from time to time, excluding for this purpose shares issued on exercise of options granted under the Old Schemes.

## 購股權計劃 (續)

舊購股權計劃終止後，將不能再按其條款授出購股權，惟在其他方面，舊購股權計劃之條款將仍然生效。所有在舊購股權計劃終止前授出賦予權利可認購股份但尚未行使之購股權將繼續有效並可予行使。

### (A) 舊購股權計劃

#### (I) 舊購股權計劃主要條款

##### (i) 舊購股權計劃之目的

舊購股權計劃旨在向本公司或其任何附屬公司之執行董事及僱員提供購入本公司股本權益之機會，並有助招聘吸納及保留有經驗及有所表現之僱員。

##### (ii) 參與者

本公司或其任何附屬公司之任何僱員（包括任何執行董事）。

##### (iii) 股份數目上限

根據舊購股權計劃所授購股權可認購之股份數目（連同已行使購股權及當時尚未行使之購股權），在加上根據本公司其他股份計劃可認購之股份數目及根據已註銷之購股權而可能發行之股份後，其總和不得超過本公司不時已發行股本面值之10%（就此不包括根據舊購股權計劃所授購股權獲行使而發行之股份）。

## SHARE OPTION SCHEMES (continued)

### (A) The Old Schemes (continued)

#### (iv) Maximum entitlement of each participant

No option may be granted to any one person which if exercised in full would result in the total number of shares already issued and issuable to him under the Old Schemes when aggregated with any shares which might have been issued under cancelled options exceeding 25 per cent. of the aggregate number of shares for the time being issued and issuable under the Old Schemes.

#### (v) Option period

An option may be exercised in accordance with the terms of the Old Schemes at any time during a period to be notified by the Board of Directors to each grantee, such period of time not exceeding three years from the date falling 90 days after the date on which an option is offered and expiring on the last date of such period.

#### (vi) Payment on acceptance of option

An offer of the grant of an option shall remain open for acceptance for a period of 28 days from the date on which an option is offered to the grantee (the "Offer Date"). An option shall be deemed to have been granted and accepted and to have taken effect when the duplicate letter comprising acceptance of the option duly signed by the grantee together with a remittance in favour of the Company of HK\$1 by way of consideration of the grant thereof is received by the Company.

## 購股權計劃 (續)

### (A) 舊購股權計劃 (續)

#### (iv) 每名參與者可獲授權益上限

倘任何一名人士在悉數行使其購股權後根據舊購股權計劃已發行及可發行予該名人士之股份總數，連同就已註銷購股權而可能發行之股份數目，超過根據舊購股權計劃當時已發行及可予發行股份總數之25%，則該名人士不會獲授任何購股權。

#### (v) 購股權期限

任何購股權均可於董事局通知每位獲授購股權人士之期限內任何時間根據舊購股權計劃之條款予以行使，該段期限由授出購股權當日起九十日後計為時不超過三年，於期限終結日屆滿。

#### (vi) 接納購股權須付款額

授予購股權之邀請由邀請日期（「邀請日期」）起計28日之期間內可供被邀請僱員考慮接納。當本公司接獲由承授人正式簽署接納購股權之函件副本，連同支付予本公司港幣1元，作為授出購股權之代價時，有關購股權已被視為已獲接納及授出。



## SHARE OPTION SCHEMES *(continued)*

### (A) The Old Schemes *(continued)*

#### *(vii) Exercise price*

The exercise price in respect of any particular option shall be such price as the Board of Directors may in its absolute discretion determine, being not less than the higher of 80 per cent. of the average of the closing price of the shares for the five trading days immediately preceding the Offer Date on the Stock Exchange as stated in the Stock Exchange's quotation sheet or the nominal value of a share.

#### *(viii) The remaining life of the Old Schemes*

The 1989 Option Scheme was terminated on 1 August 1999 and the 1999 Option Scheme was terminated on 6 June 2002.

## 購股權計劃 (續)

### (A) 舊購股權計劃 (續)

#### *(vii) 行使價*

購股權之行使價將由董事局絕對酌情決定，該價格將不低於股份在緊接授出日期前五個交易日在聯交所之平均收市價（載列於聯交所之報價表內）之80%或股份面值（以較高者為準）。

#### *(viii) 舊購股權計劃之剩餘期限*

一九八九年購股權計劃已於一九九九年八月一日終止，而一九九九年購股權計劃則於二零零二年六月六日終止。

SHARE OPTION SCHEMES (continued)

購股權計劃 (續)

(A) The Old Schemes (continued)

(A) 舊購股權計劃 (續)

(II) Movement of share options granted under the Old Schemes during the year ended 31 December 2002:

(II) 於截至二零零二年十二月三十一日止年度內根據舊購股權計劃已授出之購股權變動情況：

(i)	Name of Director 董事姓名	No. of shares under the options 購股權項下之股份數目			Held as at 31/12/2002 於2002年 12月31日 持有	Exercise price per share 每股 行使價 HK\$ 港元	Date of grant 授出日期	Exercise period	
		Held as at 01/01/2002 於2002年 1月1日 持有	Exercised during the year 於年內 行使	Lapsed during the year 於年內 失效				from 由	until 至
	CHAN Shing 陳城	4,500,000	-	-	4,500,000	0.68	29/03/2000	27/06/2000	26/06/2003
		5,400,000	-	-	5,400,000	0.461	07/05/2001	05/08/2001	04/08/2004
	LAU Ting 劉婷	4,500,000	-	-	4,500,000	0.68	29/03/2000	27/06/2000	26/06/2003
		5,400,000	-	-	5,400,000	0.461	07/05/2001	05/08/2001	04/08/2004
	YU Wing Keung, Dicky 余永強	1,151,972 <sup>(1)</sup>	1,151,972 <sup>(2)</sup>	-	-	0.3957	31/12/1998	31/12/1999	30/12/2002
		3,637,806	3,637,806 <sup>(2)</sup>	-	-	0.4988	28/09/1999	27/12/1999	26/12/2002
		2,000,000	-	-	2,000,000	0.68	29/03/2000	27/06/2000	26/06/2003
		2,000,000	-	-	2,000,000	0.461	07/05/2001	05/08/2001	04/08/2004
	TUNG Pui Shan, Virginia 董佩珊	1,151,972 <sup>(1)</sup>	1,151,972 <sup>(3)</sup>	-	-	0.3957	31/12/1998	31/12/1999	30/12/2002
		3,637,806	3,637,806 <sup>(4)</sup>	-	-	0.4988	28/09/1999	27/12/1999	26/12/2002
		1,000,000	-	-	1,000,000	0.461	07/05/2001	05/08/2001	04/08/2004
	KWOK Wai Lam 郭偉霖	1,151,972 <sup>(1)</sup>	-	1,151,972	-	0.3957	31/12/1998	31/12/1999	30/12/2002
		2,425,204	-	2,425,204	-	0.4988	28/09/1999	27/12/1999	26/12/2002
		1,000,000	-	-	1,000,000	0.461	07/05/2001	05/08/2001	04/08/2004
	YIN Mark 尹虹	606,301 <sup>(1)</sup>	606,000 <sup>(4)</sup>	301	-	0.3957	31/12/1998	31/12/1999	30/12/2002
		2,425,204	2,424,000 <sup>(4)</sup>	1,204	-	0.4988	28/09/1999	27/12/1999	26/12/2002
		1,000,000	-	-	1,000,000	0.461	07/05/2001	05/08/2001	04/08/2004
	SIT Hoi Tung 薛海東	2,000,000	-	-	2,000,000	0.68	29/03/2000	27/06/2000	26/06/2003
		3,100,000	-	-	3,100,000	0.461	07/05/2001	05/08/2001	04/08/2004
	SUN Ho 孫豪	606,301 <sup>(1)</sup>	606,000 <sup>(4)</sup>	301	-	0.3957	31/12/1998	31/12/1999	30/12/2002
		970,081	-	970,081	-	0.4988	28/09/1999	27/12/1999	26/12/2002
		2,000,000	-	-	2,000,000	0.68	29/03/2000	27/06/2000	26/06/2003
		3,100,000	-	-	3,100,000	0.461	07/05/2001	05/08/2001	04/08/2004
(ii)	Continuous contract employees 連續合約僱員	903,082 <sup>(1)</sup>	900,301 <sup>(5)</sup>	2,781	-	0.3957	31/12/1998	31/12/1999	30/12/2002
		4,122,845	4,122,301 <sup>(6)</sup>	544	-	0.4988	28/09/1999	27/12/1999	26/12/2002
		2,100,000	900,000 <sup>(7)</sup>	-	1,200,000	0.461	07/05/2001	05/08/2001	04/08/2004

SHARE OPTION SCHEMES (continued)

購股權計劃 (續)

(A) The Old Schemes (continued)

(A) 舊購股權計劃 (續)

Notes:

附註:

- |   |  |
|---|--|
| <p>(1) These options were granted under the 1989 Option Scheme. All outstanding options granted under the 1989 Option Scheme as at the beginning of the year lapsed, if not exercised, during the year.</p> | <p>(1) 此等購股權乃根據一九八九年購股權計劃授出。所有根據一九八九年購股權計劃授出而於年初尚未行使之購股權，如仍未獲行使，均於年度內失效。</p> |
| <p>(2) The weighted average closing market price per share immediately before the date on which the options were exercised was HK\$0.7541.</p>  | <p>(2) 緊接購股權行使日期前的每股加權平均收市價為港幣0.7541元。</p>                                   |
| <p>(3) The weighted average closing market price per share immediately before the date on which the option was exercised was HK\$0.7498.</p>  | <p>(3) 緊接購股權行使日期前的每股加權平均收市價為港幣0.7498元。</p>                                   |
| <p>(4) The weighted average closing market price per share immediately before the date on which the options were exercised was HK\$0.7550.</p>  | <p>(4) 緊接購股權行使日期前的每股加權平均收市價為港幣0.7550元。</p>                                   |
| <p>(5) (a) The weighted average closing market price per share immediately before the date on which the option for 294,000 shares was exercised was HK\$0.9501.</p>   | <p>(5) (a) 在緊接行使購股權認購294,000股之行使日期前的每股加權平均收市價為港幣0.9501元。</p>                 |
| <p>(b) The weighted average closing market price per share immediately before the date on which the option for 606,301 shares was exercised was HK\$0.7498.</p>   | <p>(b) 在緊接行使購股權認購606,301股之行使日期前的每股加權平均收市價為港幣0.7498元。</p>                     |
| <p>(6) (a) The weighted average closing market price per share immediately before the date on which the option for 970,000 shares was exercised was HK\$0.9593.</p>   | <p>(6) (a) 在緊接行使購股權認購970,000股之行使日期前的每股加權平均收市價為港幣0.9593元。</p>                 |
| <p>(b) The weighted average closing market price per share immediately before the date on which the options for 812,000 shares were exercised was HK\$0.9501.</p>   | <p>(b) 在緊接行使購股權認購812,000股之行使日期前的每股加權平均收市價為港幣0.9501元。</p>                     |
| <p>(c) The weighted average closing market price per share immediately before the date on which the option for 400,000 shares was exercised was HK\$0.7500.</p>   | <p>(c) 在緊接行使購股權認購400,000股之行使日期前的每股加權平均收市價為港幣0.7500元。</p>                     |
| <p>(d) The weighted average closing market price per share immediately before the date on which the option for 364,000 shares was exercised was HK\$0.7541.</p>   | <p>(d) 在緊接行使購股權認購364,000股之行使日期前的每股加權平均收市價為港幣0.7541元。</p>                     |
| <p>(e) The weighted average closing market price per share immediately before the date on which the option for 970,000 shares was exercised was HK\$0.7379.</p>   | <p>(e) 在緊接行使購股權認購970,000股之行使日期前的每股加權平均收市價為港幣0.7379元。</p>                     |
| <p>(f) The weighted average closing market price per share immediately before the date on which the option for 606,301 shares was exercised was HK\$0.7550.</p>   | <p>(f) 在緊接行使購股權認購606,301股之行使日期前的每股加權平均收市價為港幣0.7550元。</p>                     |
| <p>(7) (a) The weighted average closing market price per share immediately before the date on which the option for 400,000 shares was exercised was HK\$0.8785.</p>   | <p>(7) (a) 在緊接行使購股權認購400,000股之行使日期前的每股加權平均收市價為港幣0.8785元。</p>                 |
| <p>(b) The weighted average closing market price per share immediately before the date on which the option for 500,000 shares was exercised was HK\$0.9096.</p>   | <p>(b) 在緊接行使購股權認購500,000股之行使日期前的每股加權平均收市價為港幣0.9096元。</p>                     |
| <p>(8) No options were granted nor cancelled under the 1999 Option Scheme during the year.</p>  | <p>(8) 於年度內概無按照一九九九年購股權計劃授出購股權，亦無購股權被註銷。</p>                                 |

## SHARE OPTION SCHEMES (continued)

### (B) The New Scheme

#### (I) Summary of terms of the New Scheme

##### (i) Purpose of the New Scheme

The purpose of the New Scheme is to provide incentives to Participants (as stated in paragraph (ii)) to contribute to the Group and to enable the Group to recruit high-calibre employees and attract resources that are valuable to the Group.

##### (ii) Participants

Any person being an employee, officer, buying agent, selling agent, consultant, sales representative or marketing representative of, or supplier or provider of goods or services to, the Group, including any executive or non-executive director of the Group.

##### (iii) Maximum number of shares

The limit on the total number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Scheme and any other share option schemes of any member of the Group must not exceed 30% of the number of issued shares from time to time. The total number of shares available for issue under the New Scheme as at the date of this report is 94,164,430 shares, representing approximately 8.93% of the issued share capital of the Company as of that date.

##### (iv) Maximum entitlement of each Participant

Unless approved by shareholders in general meeting, no Participant shall be granted an option which would result in the total number of shares issued and to be issued upon exercise of all options granted and to be granted (including options exercised, cancelled and outstanding) to such participant in any 12-month period up to and including the proposed date of grant for such options would exceed 1% of the number of shares in issue as at the proposed date of grant.

## 購股權計劃 (續)

### (B) 新購股權計劃

#### (I) 新購股權計劃主要條款

##### (i) 新購股權計劃之目的

新購股權計劃旨在鼓勵參與者(見本文(ii)段)為本集團作出貢獻,及讓本集團得以羅致具才幹之僱員,以及吸納對本集團具價值之資源。

##### (ii) 參與者

本集團僱員(包括本集團之執行董事或非執行董事)、主管、採購代理、銷售代理、顧問、銷售代表或市務代表或貨品及服務供應商或提供商。

##### (iii) 股份數目上限

根據新購股權計劃及本集團任何成員公司之任何其他購股權計劃授出而有待行使其全部尚未行使購股權獲行使後發行之股份總數限額,不可超逾不時已發行股份數目30%。於本報告日期,根據新購股權計劃可予發行之股份數量為94,164,430股,相等於當日本公司已發行股本約8.93%。

##### (iv) 每名參與者可獲授權益上限

除獲股東在股東大會上批准外,倘參與者於行使所有其已獲授予及將獲授予的購股權(包括已行使、已註銷及尚未行使的購股權)後,將令致其於截至及包括建議授出購股權之日止十二個月期間內已獲發行及可能發行之股份數目超逾建議授出該購股權當日已發行股份數目之1%,則不得向該參與者授出購股權。

## SHARE OPTION SCHEMES (continued)

### (B) The New Scheme (continued)

#### (v) Option period

An option may be exercised in accordance with the terms of the New Scheme at any time during a period of not exceeding 10 years to be notified by the Board to the grantee, such period to commence on the date of grant or such later date as the Board may determine and expiring on the last day of the said period. Under the New Scheme, the Board may, at its discretion, prescribe a minimum period for which an option must be held before it can be exercised.

#### (vi) Payment on acceptance of option

HK\$1.00 in cash is payable by the Participant who accepts the grant of an option in accordance with the terms of the New Scheme on acceptance of the grant of an option.

#### (vii) Subscription price

The subscription price for the shares under the options to be granted under the New Scheme will be a price determined by the Board and notified to a Participant at the time the grant of the options is made to (and subject to acceptance by) the Participant and will be at least the highest of: (a) the closing price of the shares as stated in the Stock Exchange's daily quotations sheets on the date of the grant (subject to acceptance) of the option, which must be a business day; (b) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the grant (subject to acceptance) of the option; and (c) the nominal value of the shares.

## 購股權計劃 (續)

### (B) 新購股權計劃 (續)

#### (v) 購股權期限

任何購股權均可於董事局通知承授人在不超過十年之期限內任何時間根據新購股權計劃之條款予以行使，該段期限由授出購股權日期或董事局決定之較後日期起計，並於該期限最後一日終止。根據新購股權計劃，董事局可酌情訂定購股權獲行使前須持有之最短期限。

#### (vi) 接納購股權須付款額

根據新購股權計劃條款接納獲授購股權之參與者，在接納購股權時，須繳付現金港幣1元。

#### (vii) 認購價

根據新購股權計劃授出之購股權項下股份之認購價，將由董事局釐定及於授予（有待接受）參與者該購股權時知會各參與者，並最少為下列價格中之最高者：(a)股份在授出（有待接受）購股權當日（必須為營業日）在聯交所每日報價表所列之收市價；(b)股份在緊接授出（有待接受）購股權之日期前五個營業日，在聯交所每日報價表所列之平均收市價；及(c)股份之面值。

## SHARE OPTION SCHEMES (continued)

### (B) The New Scheme (continued)

#### (viii) The life of the New Scheme

The New Scheme shall be valid and effective for a period of ten years commencing on 6 June 2002, after which period no further options will be granted or accepted but the provisions of the New Scheme shall remain in full force and effect in all other respects.

- (II) No options had been granted, exercised nor cancelled since the adoption of the New Scheme on 6 June 2002.

## 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  
Ms. LAU Ting  
Mr. YU Wing Keung, Dicky  
Ms. TUNG Pui Shan, Virginia  
Mr. KWOK Wai Lam  
Mr. YIN Mark  
Mr. SIT Hoi Tung  
Mr. SUN Ho  
Mr. XIE Bing – appointed on 18 March 2002

### Non-Executive Directors:

Mr. CUI Shu Ming  
Mr. SONG Yufang  
Mr. SZE Tsai Ping, Michael

In accordance with Bye-law 85 of the Bye-laws of the Company, Ms. TUNG Pui Shan, Virginia, Mr. YIN Mark, Mr. SIT Hoi Tung and Mr. SONG Yufang 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 14 to 17.

## 購股權計劃 (續)

### (B) 新購股權計劃 (續)

#### (viii) 新購股權計劃之限期

新購股權計劃之有效期將由二零零二年六月六日起計，為期十年，其後將不得再授出或接納任何購股權，惟新購股權計劃之條文在其他各方面將仍具有十足效力。

- (II) 自二零零二年六月六日新購股權計劃採納後概無授出購股權，亦無購股權獲行使或被註銷。

## 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  
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  
孫豪先生  
謝冰先生 – 於二零零二年三月十八日委任

### 非執行董事：

崔書明先生  
宋玉芳先生  
史習平先生

依據本公司之章程細則第85條之規定，董佩珊女士、尹虹先生、薛海東先生及宋玉芳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14頁至第17頁。

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

As at 31 December 2002, the interests of the Directors and chief executive of the Company (including those interests 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 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)	
YU Wing Keung, Dicky 余永強	4,789,778	-	-	4,789,778	
TUNG Pui Shan, Virginia 董佩珊	8,461,996	5,104,000 (Note 3) (附註3)	110,000	13,675,996	
YIN Mark 尹虹	3,168,000	-	-	3,168,000	
SIT Hoi Tung 薛海東	1,576,382	-	-	1,576,382	
SUN Ho 孫豪	606,000	-	-	606,000	

**董事於本公司及其聯營公司股本中之權益**

於二零零二年十二月三十一日，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)

**董事於本公司及其聯營公司股本中之權益 (續)**

**(1) Interests in Shares (continued)**

**(1) 股份權益 (續)**

*(A) The Company (continued)*

*(A) 本公司 (續)*

Notes:

附註:

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

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

*(B) Associated Corporation – WorldMetal Holdings Limited*

*(B) 聯營公司 – WorldMetal Holdings Limited (金屬電子交易所集團有限公司)*

Name of Director 董事姓名	Number of shares 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	72,951,773	485,746,308 (Note 1) (附註1)	50,288,803 (Note 2) (附註2)	608,986,884 (Note 4) (附註4)
YANG Da Wei 楊大偉	3,000,000	-	-	3,000,000
LAU Ting 劉婷	50,288,803	485,746,308 (Note 1) (附註1)	72,951,773 (Note 3) (附註3)	608,986,884 (Note 4) (附註4)
YU Wing Keung, Dicky 余永強	28,100,000	-	-	28,100,000



**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)**

(1) Interests in Shares (continued)

(1) 股份權益 (續)

(B) Associated Corporation – WorldMetal Holdings Limited (continued)

(B) 聯營公司 – WorldMetal Holdings Limited (金屬電子交易所集團有限公司) (續)

Name of Director 董事姓名	Personal interests 個人權益	Number of shares 持有股份數目		Total 總數
		Corporate interests 公司權益	Family interests 家族權益	
TUNG Pui Shan, Virginia 董佩珊	3,183,610	255,200 (Note 5) (附註5)	5,500	3,444,310
KWOK Wai Lam 郭偉霖	3,000,000	-	-	3,000,000
YIN Mark 尹虹	3,016,900	-	-	3,016,900
SIT Hoi Tung 薛海東	3,078,819	-	-	3,078,819
SUN Ho 孫豪	5,000,000	-	660,000	5,660,000

Notes:

- These shares were held as to 11,320,192 shares by Hang Sing, as to 10,595,042 shares by Strong Purpose and as to 463,831,074 shares by the Company.
- These shares were held by Ms. LAU Ting.
- These shares were held by Mr. CHAN Shing.
- The interests of Ms. LAU Ting and Mr. CHAN Shing were duplicated.
- 255,200 shares were owned by Focus Cheer.

附註:

- 此等股份中，11,320,192股由Hang Sing持有，10,595,042股由Strong Purpose擁有，及463,831,074股由本公司持有。
- 此等股份由劉婷女士持有。
- 此等股份由陳城先生持有。
- 陳城先生與劉婷女士之權益重疊。
- 255,200股由Focus Cheer持有。

Save as disclosed herein, as at 31 December 2002, 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.

除本報告所披露者外，於二零零二年十二月三十一日，本公司董事或行政總裁概無擁有或按照披露權益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。

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

**(2) Rights to Acquire Shares**

As at 31 December 2002, the interests of the Directors in options to subscribe for shares in the Company granted under the share option schemes of the Company as recorded in the register kept by the Company under Section 29 of the SDI Ordinance were as disclosed in the previous section headed "Share Option Schemes" of this report.

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.

**DIRECTORS' INTERESTS IN CONTRACTS**

There was no contracts of significance (as defined in Note 15.2 of Appendix 16 of the Listing Rules) in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which any of the Company's Directors or members of its management had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

**董事於本公司及其聯營公司股本中之權益 (續)**

**(2) 購買股份之權利**

於二零零二年十二月三十一日，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，本公司根據購股權計劃授予董事購股權以認購本公司之股份權益之詳情，已於本報告內前段標題為「購股權計劃」一段中披露。

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，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。

**董事於合約之權益**

本公司董事或管理層成員概無於本公司或任何其附屬公司於年終時或於年內訂立，且對本集團業務而言屬重大合約（定義見上市規則附錄十六第15.2條），直接或間接擁有任何重大權益。

## SUBSTANTIAL SHAREHOLDERS

As at 31 December 2002, according to the register kept by the Company under Section 16(1) of the SDI Ordinance, the following shareholders (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:

Name of shareholder 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

### Notes:

- These 211,900,848 shares owned by Strong Purpose formed part of the interests of Mr. CHAN Shing and Ms. LAU Ting herein disclosed respectively.
- 51% of the issued share capital of Hang Sing was owned by Orient Strength Limited, a company which in turn was wholly-owned by Mr. CHAN Shing and Ms. LAU Ting, and 49% of the issued share capital of Hang Sing 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. These 226,403,853 shares held by Hang Sing formed part of the interests of Mr. CHAN Shing and Ms. LAU Ting herein disclosed respectively.

As at 31 December 2002, 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.

## 主要股東

於二零零二年十二月三十一日，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 shareholder 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

### 附註：

- Strong Purpose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。
- Hang Sing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，於二零零二年十二月三十一日，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。

## 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).

## MANAGEMENT CONTRACTS

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

## CONNECTED TRANSACTIONS

### (1) On-going connected transactions

As disclosed in the 2001 Annual Report of the Company, pursuant to an agreement dated 5 July 2001, the Company granted an option to Hyundai Corporation ("Hyundai") to acquire from the Company up to 4.99% of the issued share capital of WorldMetal Holdings Limited ("WorldMetal") as at 26 October 2001 (the date on which the listing of shares of WorldMetal on The Growth Enterprise Market of the Stock Exchange commenced) if Hyundai achieved the target trading volume and target income with WorldMetal. On 12 June 2002 (the "Relevant Date"), Hyundai exercised the option and had acquired 4.99% interest in WorldMetal from the Company. The Group's interest in the issued share capital of WorldMetal reduced from 51.37% to 46.38% and accordingly, WorldMetal ceased to be a subsidiary and became an associate of the Group from the Relevant Date onwards.

## 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。

## 管理合約

於年度內並無訂立或存有任何與本公司業務全部或主要部份相關之行政及管理合約。

## 關連交易

### (1) 持續關連交易

如本公司二零零一年年報內所載，根據於二零零一年七月五日訂立之協議，本公司授予 Hyundai Corporation（「Hyundai」）購股權，據此，倘 Hyundai 達到該協議項下所訂之目標交易量及目標收入，則可認取本公司持有之 WorldMetal Holdings Limited（「WorldMetal」）股份最高達至相當於 WorldMetal 股份於二零零一年十月二十六日（即其股份在聯交所創業板上市當天）已發行股本之 4.99%。於二零零二年六月十二日（「有關日期」），Hyundai 行使該購股權認取本公司持有之 4.99% WorldMetal 股份權益。本公司於 WorldMetal 持有已發行股本權益由 51.37% 減至 46.38%，據此，自有關日期後，WorldMetal 成為本集團一聯營公司而不再屬集團附屬公司。

## CONNECTED TRANSACTIONS (continued)

### (1) On-going connected transactions (continued)

Hyundai owns approximately 50% of the issued share capital of and is therefore a substantial shareholder of SteelMetal.com Limited, a subsidiary of WorldMetal. Minmetals Townlord Technology Co., Limited ("Minmetals") owns 50% of the issued share capital of and is therefore a substantial shareholder of 北京威銘商網資訊技術有限公司 ("ChinaSteel.com"), a subsidiary of WorldMetal. Prior to the Relevant Date, Hyundai and Minmetals were connected persons of the Company pursuant to the Listing Rules and accordingly the transactions between the Group and Hyundai or Minmetals constitute connected transactions under the Listing Rules.

Details of the Group's on-going connected transactions with Hyundai, Minmetals and WorldMetal and its subsidiaries (the "WorldMetal Group") during the financial year ended 31 December 2002 but prior to the Relevant Date were as follows:

- (i) Burwill Steel Pipes Limited, a wholly-owned subsidiary of the Company, purchased metal products from Hyundai amounted to approximately HK\$2,216,000;
- (ii) Burwill Resources Limited, a wholly-owned subsidiary of the Company, and B&P Intertrade Limited, a 50% owned subsidiary of the Company, sold metal products to Minmetals and its associates amounted to approximately HK\$178,573,000 (approximately US\$22,894,000);
- (iii) The Group conducted transactions through the portals operated by the WorldMetal Group and had paid the WorldMetal Group an aggregate amount of commission fee, ranging from 0.5% to 1.5% (depending on the types of products traded) on the value of the transactions completed through the portals, of approximately HK\$3,097,000.

## 關連交易 (續)

### (1) 持續關連交易 (續)

Hyundai擁有WorldMetal附屬公司SteelMetal.com Limited已發行股本約50%，因此為其主要股東。五礦龍騰科技股份有限公司（「五礦龍騰」）擁有WorldMetal附屬公司北京威銘商網資訊技術有限公司（「北京威銘」）已發行股本之50%，因此為其主要股東。於有關日期前，根據上市規則之釋義，Hyundai及北京威銘為本公司之關連人士，因此按上市規則所定，有關本集團與Hyundai或北京威銘之交易均構成關連交易。

截至二零零二年十二月三十一日止年度內但在有關日期前，本集團與Hyundai、北京威銘及WorldMetal及其附屬公司（「WorldMetal集團」）之持續關連交易詳情如下：

- (i) 本公司全資附屬公司寶威鋼管有限公司向Hyundai購買金屬產品，金額約達港幣2,216,000元；
- (ii) 本公司全資附屬公司寶威物料供應有限公司及本公司擁有50%權益之附屬公司B&P Intertrade Limited向五礦龍騰及其聯繫人出售金屬產品，金額約達港幣178,573,000元（約22,894,000美元）；
- (iii) 本集團透過WorldMetal集團營運之網站進行交易，並向WorldMetal集團支付佣金費用總額約為港幣3,097,000元，佣金數額為透過該等網站所完成之交易額之0.5%至1.5%（視乎交易商品種類而定）。

**CONNECTED TRANSACTIONS** *(continued)*

**(1) On-going connected transactions** *(continued)*

In accordance with the requirements of the waiver granted by the Stock Exchange on 16 May 2002 to the Company from strict compliance with the connected transactions requirements as set out in Chapter 14 of the Listing Rules (the "Waiver"), the Directors (including the independent non-executive Directors) had reviewed the above on-going connected transactions and confirmed that the above transactions were conducted:

- (i) in the ordinary and usual course of business of the Group;
- (ii) either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Group than terms available to or from (as appropriate) independent third parties; and
- (iii) on terms that are fair and reasonable and in the interests of the independent Shareholders as a whole.

The auditors of the Company had also reviewed the above on-going connected transactions and confirmed in writing to the Directors stating that:

- (i) the transactions have been approved by the board of Directors;
- (ii) the transactions have been entered into in accordance with the terms of the agreements governing the transactions or where there is no agreement, on the pricing policies of the Group or on terms no less favourable than terms available to or from (as appropriate) independent third parties; and
- (iii) the respective cap amounts as set out in the Waiver has not been exceeded.

**關連交易 (續)**

**(1) 持續關連交易 (續)**

根據聯交所於二零零二年五月十六日授予本公司使之無須嚴格遵守上市規則第十四章有關關連交易規定之豁免(「該豁免」)所規定，董事(包括獨立非執行董事)已審閱上述持續關連交易，並確認上述交易：

- (i) 在本集團之正常業務範圍內進行；
- (ii) 按一般商業條款或如未有足夠相類交易以評定是否按一般商業條款進行，則按給予本集團不遜於獨立第三者可得或給予(如適用)之條款而進行；及
- (iii) 按對整體股東之利益而言屬公平及合理之條款進行。

本公司核數師亦已審閱上述持續關連交易並以書面向董事確認表明：

- (i) 該等交易已獲本公司董事局批准；
- (ii) 該等交易乃按規管該等交易之協議條款而進行，或如無該等協議，則按本集團之價格政策或按不遜於獨立第三者可得或給予(如適用)之條款進行；及
- (iii) 並未超逾該豁免個別所定之金額上限。

## CONNECTED TRANSACTIONS (continued)

### (1) On-going connected transactions (continued)

Waiver from strict compliance with the connected transactions requirements as set out in Chapter 14 of the Listing Rules was also granted by the Stock Exchange in respect of the following transactions:-

- (a) The commission payable by Hyundai for transactions completed through the portals operated by the WorldMetal Group, ranging from 0.5% to 1.5% (depending on the types of products traded) on the value of the transactions completed in accordance with the relevant membership agreement. No commission had been paid nor was payable by Hyundai during the financial year ended 31 December 2002 but prior to the Relevant Date.
- (b) The service fee payable to ChinaSteel.com for provision of technology consultancy services and marketing consultancy services to 北京金博潤科技有限公司, which is 50% owned by Minmetals (and hence an associate of Minmetals as defined in the Listing Rules) in accordance with the Technology Consultancy Services Contract and the Marketing Consultancy Services Contract dated 16 February 2001 (the "Contracts"). The Contracts had been terminated and no service fee had been paid nor was payable by 北京金博潤科技有限公司 during the financial year ended 31 December 2002 but prior to the Relevant Date.

### (2) Transfer of assets

On 8 January 2002, Burwill (China) Limited ("Burwill (China)"), a wholly-owned subsidiary of the Company entered into an agreement with 東莞市寶城軋鋼聯營廠 (the "PRC Shareholder") whereby both parties agreed to the transfer of the entire assets of Dongguan Baohua Steel-Rolling Co., Limited ("Dongguan Baohua") to a wholly foreign owned enterprise established by the Company in China (the "Transfer"). Dongguan Baohua is owned as to 51% by Burwill (China) and the PRC Shareholder is a substantial shareholder of Dongguan Baohua. The total consideration paid for the Transfer was approximately RMB15,329,000 (approximately HK\$14,461,000).

## 關連交易 (續)

### (1) 持續關連交易 (續)

聯交所亦就下列有關交易授予本公司使之毋須嚴格遵守上市規則第十四章有關關連交易規定之豁免：

- (a) Hyundai就不時透過WorldMetal集團營運之網站進行之交易，根據有關會員協議按所完成之交易額之0.5%至1.5%（視乎交易商品種類而定）計算之應付佣金。於截至二零零二年十二月三十一日止年度內但在有關日期前，Hyundai概無已付或應付之佣金費用。
- (b) 北京威銘根據其與北京金博潤科技有限公司於二零零一年二月十六日訂立之技術服務合同及市場開發諮詢服務合同（「該等合同」），向北京金博潤科技有限公司（五礦龍騰持有其50%權益，據此根據上市規則所界定，屬五礦龍騰之聯繫人）提供技術諮詢服務及市場開發諮詢服務之應收服務費。該等合同已予終止，於截至二零零二年十二月三十一日止年度內但在有關日期前，北京金博潤科技有限公司概無已付或應付之服務費用。

### (2) 資產轉讓

於二零零二年一月八日，本公司全資附屬公司寶威（中國）有限公司（「寶威（中國）」）與東莞市寶城軋鋼聯營廠（「中方股東」）訂立協議。據此，雙方同意將東莞寶華軋鋼有限公司（「東莞寶華」）全部資產，轉讓予本公司於中國註冊成立之外商獨資企業（「資產轉讓」）。東莞寶華之51%權益由寶威（中國）擁有，而中方股東為東莞寶華之主要股東。資產轉讓之總代價約為人民幣15,329,000元（約港幣14,461,000元）。

## 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 122.

## EMPLOYEES RETIREMENT BENEFIT

Details of the retirement benefit schemes of the Group and the employees' retirement benefit costs charged to the consolidated profit and loss account for the year are set out in note 38 to the accounts on page 117.

## CODE OF BEST PRACTICE

The Company has complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules throughout the year, except that the non-executive directors are not appointed for a specific term, as they have to retire by rotation at the annual general meeting of the Company when they are due for re-election pursuant to the Bye-laws of the Company.

## AUDIT COMMITTEE

The Audit Committee comprising two independent non-executive directors of the Company has been set up since January 1999. Its principal duties include the review and supervision of the Company's financial reporting process and internal controls. The audited accounts as at and for the year ended 31 December 2002 have been reviewed by the Audit Committee.

The Audit Committee has met twice to discuss and review the Company's interim report and annual report during the year ended 31 December 2002, and provide advices and recommendations to the Board of Directors.

## 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122頁。

## 僱員退休福利

本集團退休福利計劃詳情及計入年度內綜合損益帳之僱員退休福利費用，載於第117頁之帳目附註38。

## 最佳應用守則

本公司於年度內一直遵守上市規則附錄十四所載之最佳應用守則，惟本公司非執行董事均無明確任期，彼等須根據本公司之章程細則條文規定於本公司之股東週年大會上輪值告退及重選連任。

## 審核委員會

審核委員會自一九九九年一月起成立，由本公司兩位獨立非執行董事組成，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。截至二零零二年十二月三十一日止年度之經審核帳目已經審核委員會審閱。

截至二零零二年十二月三十一日止年度內，審核委員會共舉行了兩次會議，旨在討論及審閱本公司之中期報告及年報，並從而向董事局提供意見及建議。



## AUDITORS

Arthur Andersen & Co. were auditors of the Company for the years ended 31 December 2000 and 2001.

PricewaterhouseCoopers, who was appointed by the Board to fill the casual vacancy arising by reason of the resignation of Arthur Andersen & Co. on 28 June 2002, 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, 9 April 2003

## 核數師

安達信公司為本公司截至二零零零年十二月三十一日及二零零一年十二月三十一日止年度之核數師。

羅兵咸永道會計師事務所自二零零二年六月二十八日獲董事局聘任為本公司核數師，以取替呈辭的安達信公司，其將任滿告退，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，二零零三年四月九日