

截至二零零三年十二月三十一日止年度
For the year ended 31 December 2003

1. 一般資料

本公司於開曼群島註冊成立為一間獲豁免的有限責任公司，其股份於香港聯合交易所有限公司上市。

本集團從事製造及銷售稀土產品、耐火產品及熒光產品。

2. 採納會計實務準則／會計政策變動

於本年度，本集團首次採納下列由香港會計師公會頒佈之香港財務報表準則，香港財務報表準則包括所有會計實務準則及香港會計師公會認可之詮釋：

所得稅

於本年度，本集團已採納會計實務準則第12號(經修訂)「所得稅」。實施會計實務準則第12號(經修訂)之影響主要與遞延稅項有關。以往年度內，遞延稅項乃按損益表負債法作出部份撥備，即除預期不會於可見將來回撥之時差外，所產生之時差均會確認為負債。會計實務準則第12號(經修訂)規定採用資產負債表負債法，即就財務報表中資產負債之賬面值與計算應課稅溢利所用相應稅基間之所有暫時差額確認為遞延稅項(除極少數情況例外)。基於會計實務準則第12號(經修訂)並無任何特定過渡安排之規定，新會計政策以追溯方式應用。採用此會計實務準則對本年或過往會計年度之業績並無重大影響，因此毋須作前期調整。

1. GENERAL

The Company is incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited.

The Group is engaged in the manufacture and sales of rare earth products, refractory products and fluorescent products.

2. ADOPTION OF STATEMENTS OF STANDARD ACCOUNTING PRACTICE/CHANGES IN ACCOUNTING POLICIES

In the current year, the Group has adopted, for the first time, the following Hong Kong Financial Reporting Standard ("HKFRS") issued by the Hong Kong Society of Accountants ("HKSA"), the term of HKFRS is inclusive of Statements of Standard Accounting Practice ("SSAP") and Interpretations approved by the HKSA:

Income taxes

In the current year, the Group has adopted, SSAP 12 (Revised) "Income Taxes". The principal effect of the implementation of SSAP 12 (Revised) is in relation to deferred tax. In previous years, partial provision was made for deferred tax using the income statement liability method, i.e. a liability was recognised in respect of timing differences arising, except where those timing differences were not expected to reverse in the foreseeable future. SSAP 12 (Revised) requires the adoption of a balance sheet liability method, whereby deferred tax is recognised in respect of all temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, with limited exceptions. In the absence of any specific transitional requirements in SSAP 12 (Revised), the new accounting policy has been applied retrospectively. The adoption of this SSAP had no material effect on the results for the current or prior accounting years. Accordingly, no prior year adjustment has been required.

3. 主要會計政策

本財務報表是按歷史成本慣例法及根據香港公認會計原則編製，所採用之主要會計政策載於下文：

(a) 綜合賬目之基準

本綜合財務報表包括本公司及其附屬公司每年結算至十二月三十一日止的財務報表。

本年度購入或出售附屬公司的業績，視乎情況按其收購生效日起或迄至其出售生效日止（如適用），而計入綜合損益表內。

所有集團內各公司間的重要交易及結餘均於編製綜合賬目時抵銷。

(b) 物業、廠房及設備

物業、廠房及設備乃按其成本值或估值減累計折舊、攤銷及減值虧損列賬。

某些樓宇乃按照其於重估日期時之當時用途之公平價值減隨後之累計折舊於資產負債表列賬。由於定期進行物業重估，賬面值與資產負債表日所釐定之公平值沒有重大差異。

3. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and have been prepared in accordance with accounting principles generally accepted in Hong Kong. The principal accounting policies adopted are set out below:

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 December each year.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All significant intercompany transactions and balances within the Group have been eliminated on consolidation.

(b) Property, plant and equipment

Property, plant and equipment are stated at cost or valuation less accumulated depreciation, amortisation and impairment losses.

Certain buildings are stated in the balance sheet at their revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and any subsequent impairment losses. Revaluation is performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the balance sheet date.

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3. 主要會計政策 (續)

(b) 物業、廠房及設備 (續)

重估樓宇時出現之任何盈餘款額會撥入資產重估儲備，除重估盈餘款額與過往曾因同樣資產重估減值列於開支相抵外，則應將盈餘款額其中相等於該項資產曾從損益表中扣除的虧絀款額撥回損益表。因重估資產而減少之賬面淨額當作開支處理，而以減值款額不超過過往因重估該項資產之重估儲備結餘為限。於隨後出售或報廢已重估的資產時，相關的重估盈餘將撥至累計溢利。

物業、廠房及設備的折舊及攤銷乃根據以下年折舊率按其由全面運作之日期起估計其可供使用之年數並計及其估計餘值，以直線法攤銷其成本值或估值：

樓宇	5%
機器及設備	10%
辦公室設備及裝置	20%
汽車	20%

出售或棄用物業、廠房及設備項目所產生之收益或虧損是由出售所得收入與資產賬面數額之差額所釐定，並計入損益表內。

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(b) Property, plant and equipment (Continued)

Any revaluation increase arising from revaluation of buildings is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised as an expense, in which case the increase is credited to the income statement to the extent of the decrease previously charged. A decrease in net carrying amount arising from revaluation of an asset is dealt with as an expense to the extent that it exceeds the balance, if any, on the revaluation reserve relating to a previous revaluation of that asset. On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus is transferred to accumulated profits.

Depreciation and amortisation is provided to write off the cost or valuation of items of property, plant and equipment, over their estimated useful lives and after taking into account their estimated residual values, using the straight-line method, at the following rates per annum:

Buildings	5%
Machinery and equipment	10%
Office equipment and fixtures	20%
Motor vehicles	20%

The gain or loss arising from the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

3. 主要會計政策(續)

(c) 在建工程

在建工程是指施工中的廠房及物業，並按成本值減累計減值虧損列賬。成本值包括建造成本、廠房及設備成本，以及其他直接成本。於建造完工時，已準備作其擬定用途的在建工程之相關成本則轉入為物業、廠房及設備的適當類別。

尚未完成及未可作其擬定用途之在建工程概無計提折舊或攤銷。

(d) 附屬公司投資

附屬公司投資乃按成本值減任何已辨認的減值虧損列入本公司之資產負債表內。

(e) 減值

本集團於各個結算日檢討其資產之賬面值，以確定該等資產是否存在減值虧損之跡象。倘估計一項資產之可收回價值低於其賬面值，則將該資產之賬面值撇減至其可收回價值。減值虧損即時確認為費用。

當減值虧損隨後撥回時，則將該項資產之賬面值增加至其修訂後的估計可收回價值，但增加後之賬面值不得超過過往年度若未確認減值虧損時所確定之賬面值。減值虧損撥回即時確認為收入。

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(c) Construction-in-progress

Construction-in-progress represents plant and properties under construction and is stated at cost less accumulated impairment losses. This includes cost of construction, plant and equipment and other direct costs. Upon completion of construction, the relevant costs are transferred to appropriate categories of property, plant and equipment when they are ready for their intended use.

No depreciation or amortisation is provided on construction-in-progress until the asset is completed and put into use.

(d) Investments in subsidiaries

Investments in subsidiaries are included in the Company's balance sheet at cost less any identified impairment loss.

(e) Impairment

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as expense immediately.

Where impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss is recognised as income immediately.

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3. 主要會計政策 (續)

(f) 存貨

存貨乃按成本值及可變現淨值孰低者列賬。成本值是以加權平均法計算。

(g) 撥備

倘因過去發生的事項而導致企業現時須承擔債務(不論法定或推斷)，並且極有可能(即發生的可能性較大)導致可帶來經濟效益的資源流出以償還債務。同時亦能對該債務的款額作出可靠的估計，即須作出撥備。撥備會於每個資產負債表結算日檢討，並就當時最可靠的估計作調整。倘金額的時間價值為重要因素，則以預期償還債務所需支出的現值撥備。

(h) 應收賬款及其他應收款

應收賬款及其他應收款乃按成本值就呆壞賬準備作調整後列賬。

(i) 經營租賃

經營租賃下的應付租金以直線法按有關租賃年期於損益表中扣除。

(j) 收入確認

(i) 貨品銷售

貨品銷售乃於貨品交付及擁有權轉移至客戶後確認為收入。

(ii) 利息收入

利息收入乃按未清還的本金，以適用的利率按時間比例計算。

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method.

(g) Provisions

Provision is recognised when an enterprise has a present obligation (legal or constructive) as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made on the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of provision is the present value of the expenditure expected to be required to settle the obligation.

(h) Accounts and other receivables

Accounts and other receivables are stated at cost, after provision for bad and doubtful debts.

(i) Operating leases

Rental payables under operating leases are charged to the income statement on a straight-line basis over the relevant lease terms.

(j) Revenue recognition

(i) Sales of goods

Sales of goods are recognised when goods are delivered and title has passed to the customers.

(ii) Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable.

3. 主要會計政策(續)

(k) 稅項

入息稅開支指現時應付稅項及遞延稅項總額。

現時應付稅項乃按年度應課稅溢利計算。應課稅溢利不包括已撥往其他年度的應課稅或應扣減之收入及開支項目，亦不包括從未課稅或可扣稅之損益表項目，故與損益表所呈報的純利不同。

遞延稅項指預期從財務報表內資產及負債賬面值與計算應課稅溢利所採用相應稅基之差額所應付或可收回之稅項，以資產負債表負債法處理。遞延稅項負債一般就所有應課稅暫時差額確認，遞延稅項資產則於可能出現可利用暫時差額作對銷應課稅溢利時予以確認。如暫時差額由商譽(或負商譽)或由初次確認一項不影響稅項溢利或會計溢利之交易之其他資產及負責(業務合併除外)所產生，有關資產及負債則不會確認。

遞延稅項負債於附屬公司之投資所產生應課稅暫時差額予以確認，除非本集團有能力控制暫時差額還原，而暫時差額很可能不會於可預見將來還原。

遞延稅項資產之賬面值乃於各個結算日進行檢討，並予以相應扣減，直至並無足夠應課稅溢利可供全部或部分遞延稅項資產可予應用為止。

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(k) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes income statement items that are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising from investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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3. 主要會計政策 (續)

(k) 稅項 (續)

遞延稅項按預期適用於負債清償或資產變現年度之稅率計算。遞延稅項從損益表扣除或計入損益表，除非遞延稅項關乎直接從股本扣除或直接計入股本之項目。在該情況下遞延稅項亦於股本中處理。

根據中國頒佈的有關稅法，本集團屬下所有在中國成立的公司必須繳納增值稅，此項主要間接稅在銷售貨品及提供若干具體服務時徵收（稱為「銷項增值稅」）。銷項增值稅隨同銷售所得款項向客戶收取及按銷售價之17%或13%計算。本集團應付的增值稅淨額相當於銷項增值稅減購買貨品及某些指定服務時支付的增值稅（稱為「進項增值稅」）。

(l) 退休福利成本

支付國營退休計劃之款項會於到期支付時作為費用扣除。

(m) 外幣

以外幣進行的交易首先按交易日之匯率或合同訂明結算匯率入賬。以外幣結算的貨幣資產及負債均按結算日之匯率重新換算。匯兌所產生之溢利及虧損計入有關年度之溢利或虧損淨額。

於綜合賬目時，本集團中國業務的資產及負債按結算日之匯率換算。收入及支出項目按全年內的平均匯率換算。所引致的匯兌差額（如有）列作權益並撥入本集團匯兌儲備內處理。並於出售有關業務之年度確認為收入或費用。

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(k) Taxation (Continued)

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset is realised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

In accordance with the relevant tax laws enacted in the PRC, all the companies of the Group established in the PRC are subject to value-added tax ("VAT"). This principal indirect tax is levied on the sales of goods and provision of certain specified services (known as "Output VAT"). Output VAT is recovered from customers with sales proceeds and is calculated at 17% or 13% of the selling price. The net VAT payable of the Group represents Output VAT minus the VAT paid on purchases of goods and certain specified services (known as "Input VAT").

(l) Retirement benefit costs

Payments to the state-sponsored retirement benefit plan are charged as expenses as they fall due.

(m) Foreign currencies

Transactions in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of the transactions or at the contracted settlement rate. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rates prevailing on the balance sheet date. Profits and losses arising on exchange are included in net profit or loss for the year.

On consolidation, the assets and liabilities of the Group's operations in the PRC are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the year. Exchange differences arising, if any, are classified as equity and transferred to the Group's exchange translation reserve. Such translation differences are recognised as income or expense in the year in which the operation is disposed of.

3. 主要會計政策(續)

(n) 分類資料呈報

分類指本集團在提供產品或服務(業務分類)或在特定經濟環境(地區分類)提供產品或服務方面的可辨別組成部份，而其風險及回報與其他分類不同。

按照本集團的內部財務資料呈報方法，本集團選擇以業務分類資料作為首要呈報方式，並以地區分類資料作為輔助呈報方式。

分類收入、費用、業績、資產及負債包括直接歸於該分類部份的項目，以及可按合理基準分配予該分類部份的項目。例如，分類資產可包括存貨、應收貿易賬款，以及物業、廠房及設備。分類收入、費用、資產及負債則於綜合賬目時抵銷集團內部結餘及交易之前釐定，惟倘有關內部結餘及交易屬於同一分類的集團企業之間的結餘及交易，則作別論。分類部份間之交易定價按外界人士享有的相若條款釐定。

分類資本性支出指收購分類資產的期間內產生的總成本，而有關資產預期可用超過一個財政年度。

未分類項目主要包括企業資產及企業費用。

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(n) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

In accordance with the Group's internal financial reporting, the Group has chosen business segment information as the primary reporting format and geographical segment information as the secondary reporting format.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. For example, segment assets may include inventories, trade receivables and property, plant and equipment. Segment revenue, expenses, assets and liabilities are determined before intercompany balances and transactions within the Group are eliminated as part of the consolidation process, except to the extent that such intercompany balances and transactions are between Group enterprises within a single segment. Inter-segment pricing is based on similar terms as to those charged to external parties.

Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one financial year.

Unallocated items mainly comprise corporate assets and corporate expenses.

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4. 分類資料

分類資料按本集團的業務及地區分類呈報。業務分類對本集團的內部財務匯報較為有關聯，因此被選為首要分類資料呈報方式。

(a) 業務分類

本集團經營的兩項主要業務分類如下：

稀土：製造及銷售稀土產品
(包括熒光產品)

耐火：製造及銷售耐火產品

4. SEGMENT INFORMATION

Segment information is presented in respect of the Group's business and geographical segments. Business segment information is chosen as the primary reporting format because this is more relevant to the Group's internal financial reporting.

(a) Business segments

The Group operates the following two main business segments:

Rare Earth : The manufacture and sales of rare earth products including fluorescent products

Refractory : The manufacture and sales of refractory products

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4. 分類資料(續)
(a) 業務分類(續)

4. SEGMENT INFORMATION (Continued)
(a) Business segments (Continued)

		稀土		耐火		總額	
		Rare Earth		Refractory		Total	
		二零零三年	二零零二年	二零零三年	二零零二年	二零零三年	二零零二年
		2003	2002	2003	2002	2003	2002
		千港元	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
營業額	Turnover	208,281	206,127	248,796	261,536	457,077	467,663
業績	RESULTS						
分類業績	Segment results	16,305	10,439	66,817	73,006	83,122	83,445
未分類企業費用	Unallocated corporate expenses					(11,268)	(10,904)
利息收入	Interest income					3,414	4,438
經營溢利	Profit from operations					75,268	76,979
財務成本	Finance costs					(97)	-
其他收入/(費用)淨額	Other income/(expenses), net					1,114	(28,064)
稅項	Taxation					(9,246)	(8,593)
少數股東權益	Minority interests					(461)	710
本年度溢利淨額	Net profit for the year					66,578	41,032
其他資料	OTHER INFORMATION						
分類資產	Segment assets	611,500	586,816	475,734	423,653	1,087,234	1,010,469
未分類企業資產	Unallocated corporate assets					3,842	18,581
資產總值	Total assets					1,091,076	1,029,050
分類負債	Segment liabilities	41,933	33,757	33,822	38,965	75,755	72,722
未分類企業負債	Unallocated corporate liabilities					2,642	2,544
負債總值	Total liabilities					78,397	75,266
年內產生的資本性支出	Capital expenditure incurred during the year	63,677	47,919	11,038	66,040		
折舊	Depreciation	20,693	21,085	15,152	11,955		
折舊以外的非現金支出	Non-cash expenses other than depreciation	318	42,613	-	10,707		

截至二零零三年十二月三十一日止年度
For the year ended 31 December 2003

4. 分類資料(續)

(b) 地區分類

本集團的業務主要在中國、日本、歐洲及美國進行。按地區分類的營業額分析如下：

4. SEGMENT INFORMATION (Continued)

(b) Geographical segments

The Group's activities are conducted predominantly in the PRC, Japan, Europe and the United States of America. An analysis of turnover by geographical segment is as follows:

		按地區市場之營業額	
		Turnover by geographical market	
		二零零三年	二零零二年
		2003	2002
		千港元	千港元
		HK\$'000	HK\$'000
中國	The PRC	315,022	353,965
日本	Japan	94,393	77,332
歐洲	Europe	43,082	25,672
美國	The United States of America	1,330	7,329
其他	Others	3,250	3,365
		457,077	467,663

本集團超過百分之九十的分類資產是位於中國。

Over 90% of segment assets of the Group are located in the PRC.

5. 營業額

5. TURNOVER

		本集團	
		The Group	
		二零零三年	二零零二年
		2003	2002
		千港元	千港元
		HK\$'000	HK\$'000
稀土產品、耐火產品及熒光產品銷售	Sales of rare earth products, refractory products and fluorescent products	457,077	467,663

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6. 利息收入

6. INTEREST INCOME

		本集團 The Group	
		二零零三年 2003	二零零二年 2002
		千港元 HK\$'000	千港元 HK\$'000
銀行存款利息收入	Interest income on bank deposits	3,414	4,438

7. 經營溢利

7. PROFIT FROM OPERATIONS

經營溢利已扣除／(計入)下列各項：

Profit from operations has been arrived at after charging/
(crediting):

		本集團 The Group	
		二零零三年 2003	二零零二年 2002
		千港元 HK\$'000	千港元 HK\$'000
核數師酬金	Auditors' remuneration	1,200	1,950
存貨成本(不包括員工 成本、物業、廠房及 設備折舊、存貨撥備及 存貨撇銷)	Cost of inventories excluding staff costs, depreciation on property, plant and equipment, provision for inventories and written off of inventories	299,752	301,388
物業、廠房及 設備折舊	Depreciation on property, plant and equipment	35,929	33,125
員工成本(不包括董事 酬金(附註9))	Staff costs excluding directors' emoluments (Note 9)	15,010	13,103
外匯匯兌虧損淨額	Exchange loss, net	39	142
存貨撥備	Provision for inventories	30	5,108
存貨撇銷	Written off of inventories	56	16,574
已租物業之經營租賃 支出	Operating lease charges on rented premises		
— 第三方	— third parties	1,622	1,663
— 關連人士 (附註25(b)(ii)&(iv))	— related parties (Note 25(b)(ii) & (iv))	1,145	1,010
處置物業、廠房及 設備虧損／(收益)	Loss/(gain) on disposal of property, plant and equipment	42	(831)
撥回應收賬款及 其他應收款的 呆壞賬撥備	Written back of provision for bad and doubtful debts on accounts and other receivables	—	(3,505)
應收賬款及其他應 收款的呆壞賬撥備	Provision for bad and doubtful debts on accounts and other receivables	160	—

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8. 財務成本

8. FINANCE COSTS

		本集團 The Group	
		二零零三年 2003	二零零二年 2002
		千港元 HK\$'000	千港元 HK\$'000
承兌匯票利息支出	Interest expenses on discounted bills	97	—

9. 董事酬金

9. DIRECTORS' EMOLUMENTS

(a) 根據香港公司條例第161條及上市規則的規定而披露的董事酬金如下：

(a) Details of directors' emoluments pursuant to Section 161 of the Hong Kong Companies Ordinance and the provisions of the Listing Rules are as follows:

		本集團 The Group	
		二零零三年 2003	二零零二年 2002
		千港元 HK\$'000	千港元 HK\$'000
非執行董事	Non-executive directors		
— 袍金	— Fees	92	83
執行董事	Executive directors		
— 薪金及津貼	— Salaries and allowance	2,711	2,843
		2,803	2,926

按董事人數及酬金範圍分析的董事酬金如下：

The emoluments of the directors analysed by the number of directors and emolument ranges are as follows:

		本集團 The Group	
		二零零三年 2003	二零零二年 2002
零 – 1,000,000港元	Nil – HK\$1,000,000	6	5
1,000,001港元 – 1,500,000港元	HK\$1,000,001 – HK\$1,500,000	1	1

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9. 董事酬金(續)

- (b) 五位最高薪人士包括四位(二零零二年:四位)董事,彼等的酬金詳情載於上文附註(a)。彼等的酬金總額連同其餘一位(二零零二年:一位)人士的酬金如下:

9. DIRECTORS' EMOLUMENTS (Continued)

- (b) Of the five highest paid individuals of the Group, four (2002: four) are directors of the Company whose emoluments are included in Note (a) above. Their total emoluments together with the remaining one (2002: one) individual are as follows:

		本集團 The Group	
		二零零三年 2003	二零零二年 2002
		千港元 HK\$'000	千港元 HK\$'000
薪金及其他酬金	Salaries and other emoluments	3,130	3,493

包括董事及僱員在內的五位最高薪人士的酬金介乎於下列範圍:

The emoluments of the five highest paid individuals including directors and employees fall within the following ranges:

		本集團 The Group	
		二零零三年 2003	二零零二年 2002
零 - 1,000,000港元	Nil - HK\$1,000,000	4	4
1,000,001港元 - 1,500,000港元	HK\$1,000,001 - HK\$1,500,000	1	1

於截至二零零二年及二零零三年十二月三十一日止年度內,本集團並無向五位最高薪人士(包括董事及僱員)支付任何酬金,作為鼓勵其加入或於加入本集團時的報酬或離職賠償。

During the years ended 31 December 2002 and 2003, no emoluments were paid to the five highest individuals including directors and employees as inducement to join or upon joining the Group or as compensation for loss of office.

截至二零零三年十二月三十一日止年度
For the year ended 31 December 2003

10. 僱員退休福利

如中國有關規則及條例的規定，本公司的中國附屬公司須為其全體僱員向國營退休計劃供款，供款額為僱員底薪的20%。僱員退休後的生活津貼由國營退休計劃負責支付款。中國附屬公司除每年供款外，毋須支付實際退休金，亦毋須負責僱員的退休後福利。截至於二零零三年十二月三十一日止年度，退休計劃供款額約為1,932,000港元（二零零二年：2,053,000港元）。

本集團旗下一在香港營運的公司自二零零零年十二月一日起已參與強制性公積金計劃（「強積金」）。該計劃為定額供款退休金計劃。該公司每月按僱員底薪5%向該計劃供款。截至二零零三年十二月三十一日止年度，本集團向強積金供款約66,000港元（二零零二年：65,000港元）。強積金的資產與本集團的資產分開持有，並由獨立專業基金經理管理。

11. 稅項

10. EMPLOYMENT RETIREMENT BENEFITS

As stipulated by the relevant rules and regulations in the PRC, the PRC subsidiaries of the Company are required to contribute to a state-sponsored retirement plan for all of their employees based on 20% of the employee's basic salary. The state-sponsored retirement plan is responsible for the entire pension obligations payable to retired employees and the PRC subsidiaries of the Company have no further obligations for the actual pension payments or other post-retirement benefits beyond the annual contributions. For the year ended 31 December 2003, the retirement plan contributions amounted to approximately HK\$1,932,000 (2002: HK\$2,053,000).

A company in the Group operating in Hong Kong has participated in the Mandatory Provident Fund Scheme ("MPF"), which is a defined contribution pension scheme, since 1 December 2000. The Company makes monthly contributions to the scheme based on 5% of the employees' basic salaries. For the year ended 31 December 2003, the Group's contributions to the MPF were approximately HK\$66,000 (2002: HK\$65,000). The assets of the fund are held separately from those of the Group and are managed by independent professional fund managers.

11. TAXATION

		本集團	
		The Group	
		二零零三年	二零零二年
		2003	2002
		千港元	千港元
		HK\$'000	HK\$'000
企業所得稅	Enterprise Income Tax		
— 中國附屬公司	— The PRC subsidiaries	9,246	8,593

11. 稅項(續)

由於本集團的溢利均不在香港產生，故並無就香港利得稅計提撥備。

應付及預交稅項已包括中國增值稅及中國企業所得稅(「企業所得稅」)。

企業所得稅已根據各中國附屬公司的估計應課稅溢利按有關稅率計提。

根據中國有關稅法，中國附屬公司在經抵銷所有以前年度虧損後的首個盈利年度起兩年內獲享豁免繳付企業所得稅，並在其後三個年度獲減稅50%。

於本年內有一家中國附屬公司獲第二年豁免繳付企業所得稅及兩家中國附屬公司獲減免第二年企業所得稅50%。

11. TAXATION (Continued)

Hong Kong Profits Tax has not been provided for in the financial statements as the Group did not derive any assessable profits in Hong Kong.

Tax payable and recoverable comprised PRC VAT and PRC Enterprise Income Tax ("EIT").

EIT has been provided at the prevailing rates on the estimated assessable profits applicable to each PRC subsidiary.

Pursuant to the relevant tax laws in the PRC, subsidiaries in the PRC are entitled to full exemption from EIT for two years starting from their first profit-making year, after offsetting all losses brought forward, followed by a 50% reduction for the next three years thereafter.

During the year, one PRC subsidiary is entitled to full exemption from EIT in the second year and two PRC subsidiaries are entitled to 50% reduction of EIT in the second year.

截至二零零三年十二月三十一日止年度
For the year ended 31 December 2003

11. 稅項(續)

本年度內稅項與綜合損益表之溢利調節如下：

		二零零三年 2003 千港元 HK\$'000	二零零二年 2002 千港元 HK\$'000
除稅前溢利	Profit before taxation	76,285	48,915
按國內所得稅率 24% 計算稅項 (二零零二年：24%)	Tax at the domestic income tax rate of 24% (2002: 24%)	18,492	17,185
稅務寬減的影響	Effect of tax relief	(9,246)	(8,592)
本年度稅項	Taxation for the year	9,246	8,593

由於沒有重大的暫時差額，在財務報表中並未確認遞延稅項撥備。

11. TAXATION (Continued)

The taxation for the year can be reconciled to the profit per the consolidated income statement as follows:

No provision for deferred taxation has been recognised in the financial statements as there are no significant temporary differences.

12. 股息

		二零零三年 2003 千港元 HK\$'000	二零零二年 2002 千港元 HK\$'000
已付的中期股息每股：無 (二零零二年：0.01港元)	Interim dividend paid: HK\$Nil (2002: HK\$0.01) per share	—	8,145
建議派發的末期股息每股0.02港元 (二零零二年：0.01港元)	Proposed final dividend: HK\$0.02 (2002: HK\$0.01) per share	19,739	8,144
		19,739	16,289

12. DIVIDENDS

截至二零零三年十二月三十一日止年度
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13. 每股盈利

每股基本盈利乃根據本年度溢利淨額約66,578,000港元(二零零二年:41,032,000港元)及本年內已發行普通股的加權平數約814,453,000股(二零零二年:814,453,000股)計算。

由於在二零零三年十二月三十一日倘未行使的購股權並無對每股盈利造成重大的攤薄影響,故並無每股攤薄盈利披露。

13. EARNINGS PER SHARE

Basic earnings per share was calculated based on the net profit for the year of approximately HK\$66,578,000 (2002: HK\$41,032,000) and weighted average number of ordinary shares of approximately 814,453,000 (2002: 814,453,000) in issue during the year.

No diluted earnings per share was shown as the share options outstanding as at 31 December 2003 did not have material dilutive effect on the earnings per share.

截至二零零三年十二月三十一日止年度
For the year ended 31 December 2003

14. 物業、廠房及設備以及
在建工程
本集團

14. PROPERTY, PLANT AND EQUIPMENT AND
CONSTRUCTION-IN-PROGRESS
The Group

		樓宇	機器及 設備	辦公室設備 及裝置 Office Machinery and equipment and fixtures	汽車	在建工程	總額
		Buildings	equipment	and fixtures	Motor vehicles	Construction- in-progress	Total
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
成本或估值	COST OR VALUATION						
於二零零三年一月一日	At 1 January 2003	137,285	263,443	5,265	4,429	4,028	414,450
添置	Additions	1,476	4,919	143	–	68,209	74,747
由在建工程 轉入	Transfer from construction- in-progress	370	6,210	–	–	(6,580)	–
處置／撤銷	Disposals/written off	–	–	(53)	–	(94)	(147)
重分類	Reclassification	–	–	(333)	333	–	–
於二零零三年十二月三十一日	At 31 December 2003	139,131	274,572	5,022	4,762	65,563	489,050
包括：	Comprising:						
按成本	At cost	121,924	274,572	5,022	4,762	65,563	471,843
按估值	At valuation	17,207	–	–	–	–	17,207
		139,131	274,572	5,022	4,762	65,563	489,050
累計折舊	ACCUMULATED DEPRECIATION						
於二零零三年一月一日	At 1 January 2003	20,206	38,477	835	1,716	–	61,234
本年度計提	Charge for the year	6,899	27,093	998	939	–	35,929
處置／ 撤銷撥回	Written back on disposals/written off	–	–	(11)	–	–	(11)
重分類	Reclassification	–	–	(91)	91	–	–
於二零零三年十二月三十一日	At 31 December 2003	27,105	65,570	1,731	2,746	–	97,152
賬面淨值	NET BOOK VALUE						
於二零零三年十二月三十一日	At 31 December 2003	112,026	209,002	3,291	2,016	65,563	391,898
於二零零二年十二月三十一日	At 31 December 2002	117,079	224,966	4,430	2,713	4,028	353,216

截至二零零三年十二月三十一日止年度
For the year ended 31 December 2003

14. 物業、廠房及設備以及
在建工程(續)

所有樓宇均位於中國。

於資產負債表日，本集團的樓宇賬面淨值包括了已資本化的土地使用權租賃費用合共3,516,000港元(二零零二年：3,712,000港元)。

本公司

14. PROPERTY, PLANT AND EQUIPMENT AND
CONSTRUCTION-IN-PROGRESS (Continued)

All the buildings are located in the PRC.

At the balance sheet date, capitalised lease charges amounted to HK\$3,516,000 (2002: HK\$3,712,000) in respect of land use right were included in the net book value of buildings of the Group.

The Company

辦公室設備
及裝置
Office
equipment
and fixtures
千港元
HK\$'000

成本	COST	
於二零零三年一月一日	At 1 January 2003	375
添置	Additions	32
處置/撤銷	Disposals/written off	(53)
於二零零三年十二月三十一日	At 31 December 2003	354
累計折舊	ACCUMULATED DEPRECIATION	
於二零零三年一月一日	At 1 January 2003	119
本年度計提	Charge for the year	84
處置/撤銷撥回	Written back on disposals/written off	(11)
於二零零三年十二月三十一日	At 31 December 2003	192
賬面淨值	NET BOOK VALUE	
於二零零三年十二月三十一日	At 31 December 2003	162
於二零零二年十二月三十一日	At 31 December 2002	256

截至二零零三年十二月三十一日止年度
For the year ended 31 December 2003

15. 附屬公司權益

15. INTERESTS IN SUBSIDIARIES

		本公司 The Company	
		二零零三年 2003	二零零二年 2002
		千港元 HK\$'000	千港元 HK\$'000
非上市股票，成本值	Unlisted shares, at cost	151,707	151,707
應收附屬公司款項	Amounts due from subsidiaries	489,143	479,733
		640,850	631,440

應收附屬公司款項是無抵押、不計利息及無固定還款期的。

The amounts due from subsidiaries are unsecured, non-interest bearing and have no fixed terms of repayment.

董事認為該等附屬公司的實際價值不低於資產負債表的賬面值。

The directors are of the opinion that the underlying value of the subsidiaries is not less than their respective carrying amounts at the balance sheet date.

截至二零零三年十二月三十一日止年度
For the year ended 31 December 2003

15. 附屬公司權益(續)

於二零零三年十二月三十一日本公司的
主要附屬公司詳情如下：

15. INTERESTS IN SUBSIDIARIES (Continued)

Details of the Company's principal subsidiaries as at 31
December 2003 are as follows:

附屬公司名稱	註冊成立/ 營運之地點及日期	註冊及 已繳足資本	已發行及 繳足股本	本公司應佔權益/ 有投票權股本百分比		主營業務
				Effective percentage of equity interests/voting rights held by the Company	Principal activities	
Name of subsidiary	Place and date of incorporation/ operations	Registered and fully paid capital	Issued and fully paid capital	直接	間接	Principal activities
				Directly	Indirectly	
利成控股有限公司	英屬處女群島 一九九八年十二月三日	—	20美元	100%	—	投資控股
Lee Shing Holdings Limited	British Virgin Islands 3 December 1998		US\$20			Investment holding
龍科國際貿易(上海) 有限公司	中國 二零零零年二月二十四日	200,000美元	—	100%	—	貿易
Wellfire (Shanghai) Company Limited	The PRC 24 February 2000	US\$200,000				Trading
宜興新威利成稀土 有限公司	中國 一九九三年七月十七日	15,660,000美元	—	—	95%	製造及銷售 稀土產品
Yixing Xinwei Leeshing Rare Earth Company Limited	The PRC 17 July 1993	US\$15,660,000				Manufacture and sales of rare earth products
宜興新威利成耐火材料 有限公司	中國 一九九九年七月三十日	17,000,000美元	—	—	100%	製造及銷售 耐火產品
Yixing Xinwei Leeshing Refractory Materials Company Limited	The PRC 30 July 1999	US\$17,000,000				Manufacture and sales of refractory products

截至二零零三年十二月三十一日止年度
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15. 附屬公司權益(續)

15. INTERESTS IN SUBSIDIARIES (Continued)

附屬公司名稱	註冊成立/ 營運之地點及日期	註冊及 已繳足資本	已發行及 繳足股本	本公司應佔權益/ 有投票權股本百分比		主營業務
				Effective percentage of equity interests/voting rights held by the Company	Principal activities	
Name of subsidiary	Place and date of incorporation/ operations	Registered and fully paid capital	Issued and fully paid capital	直接 Directly	間接 Indirectly	
無錫新威熒光材料 有限公司	中國 二零零一年十二月二十日	8,520,000美元	—	—	100%	製造及銷售 熒光產品
Wuxi Xinwei Fluorescent Materials Company Limited	The PRC 20 December 2001	US\$8,520,000				Manufacture and sales of fluorescent products
中國稀土貿易有限公司	香港 二零零一年二月十六日	—	2港元	—	100%	貿易
China Rare Earth Trading Limited	Hong Kong 16 February 2001		HK\$2			Trading

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16. 存貨

16. INVENTORIES

		本集團	
		The Group	
		二零零三年	二零零二年
		2003	2002
		千港元	千港元
		HK\$'000	HK\$'000
原材料	Raw materials	43,251	43,864
在製品	Work in progress	66,528	51,485
產成品	Finished goods	108,351	105,483
		218,130	200,832
減：存貨撥備	Less: Provision for inventories	(13,831)	(13,801)
		204,299	187,031

於資產負債表日，存貨中包括可變現淨值列賬的存貨約為17,828,000港元（二零零二年：20,942,000港元）。

At the balance sheet date, approximately HK\$17,828,000 (2002: HK\$20,942,000) of the inventories of the Group were carried at net realisable value.

17. 應收賬款及其他應收款

本集團給予貿易客戶平均三十至九十日的平均信貸期。

信貸額是經過評估客戶的財政實力及其過往的賬款支付記錄後而向客戶提供。所有客戶均設定信貸限額，而只有在得到本集團高級職員核准後才可以超過限額。與認為有信貸風險的客戶進行交易會以現金進行。專業職員監察逾期應收賬款，並負責跟進收款。

17. ACCOUNTS AND OTHER RECEIVABLES

The Group allows an average credit period of 30 to 90 days to its trade customers.

Credit is offered to customers following an assessment of their financial abilities and payment track record. Credit limits are set for all customers and these can be exceeded only with the approval of senior officers of the Group. Business with customers considered to have credit risk is conducted on a cash basis. Professional staff monitor overdue accounts receivable and follow up collections.

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17. 應收賬款及其他應收款(續)

於資產負債表日，應收賬款及其他應收款已包括：

17. ACCOUNTS AND OTHER RECEIVABLES (Continued)

At the balance sheet date, accounts and other receivables comprised:

		本集團 The Group	
		二零零三年 2003	二零零二年 2002
		千港元 HK\$'000	千港元 HK\$'000
應收賬款	Accounts receivable	131,753	109,036
其他應收款	Other receivables	15,216	26,302
		146,969	135,338
減：呆壞賬撥備	Less: Provision for bad and doubtful debts	(8,689)	(8,529)
		138,280	126,809

應收賬款之賬齡分析如下：

An ageing analysis of accounts receivable is as follows:

		本集團 The Group	
		二零零三年 2003	二零零二年 2002
		千港元 HK\$'000	千港元 HK\$'000
本期至六個月內	Current to less than 6 months	112,556	98,791
六個月至一年內	6 months to less than 1 year	9,896	2,241
一至兩年內	1 to less than 2 years	4,058	2,388
兩年以上	Over 2 years	5,243	5,616
		131,753	109,036

18. 現金及銀行結存

於二零零三年十二月三十一日，本集團以人民幣結算的現金及銀行結存約為人民幣262,911,000元(二零零二年：人民幣278,956,000元)。人民幣是不可自由兌換成外幣，其匯率由中國政府釐定。

18. CASH AND BANK BALANCES

At 31 December 2003, cash and bank balances of the Group denominated in Renminbi amounted to approximately RMB262,911,000 (2002: RMB278,956,000). Renminbi is not freely convertible into foreign currencies and its exchange rate is determined by the government of the PRC.

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19. 應付賬款
應付賬款之賬齡分析如下：

19. ACCOUNTS PAYABLE
An ageing analysis of accounts payable is as follows:

		本集團 The Group	
		二零零三年 2003 千港元 HK\$'000	二零零二年 2002 千港元 HK\$'000
本期至六個月內	Current to less than 6 months	35,439	47,138
六個月至一年內	6 months to less than 1 year	5,678	2,602
一至兩年內	1 to less than 2 years	2,120	1,486
兩年以上	Over 2 years	18	149
		43,255	51,375

20. 股本

20. SHARE CAPITAL

		本集團及本公司 The Group and the Company	
		二零零三年 2003 千港元 HK\$'000	二零零二年 2002 千港元 HK\$'000
法定：	Authorised:		
1,000,000,000股 每股0.10港元之普通股	1,000,000,000 ordinary shares of HK\$0.10 each	100,000	100,000
已發行及繳足：	Issued and fully paid:		
814,453,059股 每股0.10港元之普通股	814,453,059 ordinary shares of HK\$0.10 each	81,445	81,445

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21. 儲備

本集團

21. RESERVES

The Group

		股份溢價 (附註a) Share premium (Note a) 千港元 HK\$'000	資本儲備 Capital reserve 千港元 HK\$'000	法定儲備 Statutory reserves 千港元 HK\$'000	股息儲備 Dividend reserve 千港元 HK\$'000	外匯兌換 儲備 Exchange translation reserve 千港元 HK\$'000	累計溢利 Accumulated profits 千港元 HK\$'000	總額 Total 千港元 HK\$'000
於二零零二年一月一日	At 1 January 2002							
– 原先所列	– as originally stated	4,124,485	32,837	26,968	–	3,498	364,495	840,283
– 於資產負債表日後 宣佈的建議 末期股息	– proposed final dividend declared after the balance sheet date	–	–	–	16,289	–	(16,289)	–
– 經重列	– as restated	4,124,485	32,837	26,968	16,289	3,498	348,206	840,283
本年度溢利淨額	Net profit for the year	–	–	–	–	–	41,032	41,032
轉往法定 儲備	Appropriations to statutory reserves	–	–	14,716	–	–	(14,716)	–
撥出之股息 (附註12)	Dividends set aside (Note 12)	–	–	–	16,289	–	(16,289)	–
已付股息	Dividends paid							
– 二零零一年 末期股息	– for 2001 final dividend	–	–	–	(16,289)	–	–	(16,289)
– 二零零二年 中期股息	– for 2002 interim dividend	–	–	–	(8,145)	–	–	(8,145)
中國附屬公司 財務報表 換算	Translation of PRC subsidiaries' financial statements	–	–	–	–	99	–	99
於二零零二年十二月三十一日 及二零零三年一月一日	At 31 December 2002 and 1 January 2003	4,124,485	32,837	41,684	8,144	3,597	358,253	856,980
本年度溢利淨額	Net profit for the year	–	–	–	–	–	66,578	66,578
轉往法定 儲備	Appropriations to statutory reserves	–	–	4,890	–	–	(4,890)	–
撥出之股息 (附註12)	Dividends set aside (Note 12)	–	–	–	19,739	–	(19,739)	–
已付二零零二年 末期股息	Dividends paid for 2002 final dividend	–	–	–	(8,144)	–	–	(8,144)
於二零零三年十二月三十一日	At 31 December 2003	4,124,485	32,837	46,574	19,739	3,597	400,182	915,414

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21. 儲備(續)

本公司

21. RESERVES (Continued)

The Company

		股份溢價 (附註a) Share premium (Note a) 千港元 HK\$'000	股息儲備 Dividend reserve 千港元 HK\$'000	累計溢利 Accumulated profits 千港元 HK\$'000	總額 Total 千港元 HK\$'000
於二零零二年一月一日	At 1 January 2002				
— 原先所列	— as originally stated	562,435	—	(7,127)	555,308
— 於資產負債表日後 宣佈的建議 末期股息	— proposed final dividend declared after the balance sheet date	—	16,289	(16,289)	—
— 經重列	— as restated	562,435	16,289	(23,416)	555,308
本年度溢利淨額 (附註c及d)	Net profit for the year (Notes c & d)	—	—	25,327	25,327
撥出之股息 (附註12)	Dividends set aside (Note 12)	—	16,289	(16,289)	—
已付股息	Dividends paid				
— 二零零一年末期股息	— for 2001 final dividend	—	(16,289)	—	(16,289)
— 二零零二年中期股息	— for 2002 interim dividend	—	(8,145)	—	(8,145)
於二零零二年十二月三十一日 及二零零三年一月一日 (附註b)	At 31 December 2002 and 1 January 2003 (Note b)	562,435	8,144	(14,378)	556,201
本年度溢利淨額 (附註c及d)	Net profit for the year (Notes c & d)	—	—	7,676	7,676
撥出之股息 (附註12)	Dividends set aside (Note 12)	—	19,739	(19,739)	—
已付二零零二年 末期股息	Dividends paid for 2002 final dividend	—	(8,144)	—	(8,144)
於二零零三年十二月三十一日 (附註b)	At 31 December 2003 (Note b)	562,435	19,739	(26,441)	555,733

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21. 儲備(續)

- (a) 根據開曼群島公司法(一九九八年修訂版)，股份溢價賬可供分派予本公司股東，惟緊隨建議分派股息之日，本公司將可於日常業務過程中償付其到期的債務。
- (b) 本公司之可供分派儲備包括股份溢價賬及累計溢利。於二零零三年十二月三十一日，本公司可供分派給股東的儲備約555,733,000港元(二零零二年：556,201,000港元)。
- (c) 股東應佔溢利包括約7,676,000港元(二零零二年：25,327,000港元)的溢利，已於本公司財務報表內處理。
- (d) 關於作為香港辦事處的租賃物業之租約合同由本公司的附屬公司代表本公司簽訂。於本年度，該等安排的相關經營租賃費用及物業管理費合共1,258,000港元(二零零二年：1,284,000港元)已計入於本公司的本年度溢利淨額。

22. 銀行融資

於二零零三年十二月三十一日，本集團具有銀行融資約18,448,000港元(二零零二年：27,098,000港元)作為貿易融資。同日未提用之融資金額約為18,448,000港元(二零零二年：27,098,000港元)。該貿易融資是以一筆不少於已提用融資金額的銀行定期存款作第一抵押擔保。所有上述融資均按商業利率計息。

21. RESERVES (Continued)

- (a) Under the Companies Law (1998 Revision) of the Cayman Islands, the share premium account is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.
- (b) The Company's reserves available for distribution comprise the share premium account and accumulated profits. At 31 December 2003, the reserves of the Company available for distribution to shareholders amounted to approximately HK\$555,733,000 (2002: HK\$556,201,000).
- (c) The Group's profit attributable to shareholders included profit of approximately HK\$7,676,000 (2002: HK\$25,327,000) which has been dealt with in the financial statements of the Company.
- (d) The tenancy agreements in relation to rented premises used as the office in Hong Kong were signed by the subsidiaries of the Company on behalf of the Company. During the year, the relevant operating lease charges and building management fee totalling HK\$1,258,000 (2002: HK\$1,284,000) in respect of the arrangement were included in the net profit for the year of the Company.

22. BANKING FACILITIES

At 31 December 2003, the Group had banking facilities of approximately HK\$18,448,000 (2002: HK\$27,098,000) for trade finance. Unused facilities as at the same date amounted to approximately HK\$18,448,000 (2002: HK\$27,098,000). The trade finance facility is secured by a first charge over a time deposit account held with a bank in an amount not less than the utilised facility amount. All of the above facilities bear interest at commercial rates.

23. 承擔

於資產負債表日，本集團沒有在財務報表內撥備之承擔如下：

- (a) 購買機器及設備以及建造樓宇之資本承擔：

23. COMMITMENTS

At the balance sheet date, the Group had the following commitments, so far as not provided for in the financial statements, in respect of:

- (a) Capital commitments in respect of acquisition of machinery and equipment and construction of buildings:

		本集團 The Group	
		二零零三年 2003 千港元 HK\$'000	二零零二年 2002 千港元 HK\$'000
已授權及已訂約	Authorised and contracted for	60,124	46,145

- (b) 根據不可撤銷之土地及樓宇經營租賃於日後所需繳付的最低租金款項承擔如下：

- (b) Operating lease commitments for future minimum lease payments under non-cancellable operating leases in respect of land and buildings which fall due as follows:

		本集團 The Group	
		二零零三年 2003 千港元 HK\$'000	二零零二年 2002 千港元 HK\$'000
一年內	Within one year	2,920	1,959
第二至第五年(包括首尾兩年)	In the second to fifth year inclusive	3,394	3,857
五年後	Over five years	11,452	12,006
		17,766	17,822

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24. 購股權計劃

根據本公司股東於一九九九年十月十四日批准的本公司購股權計劃，董事會可於一九九九年十月十四日起十年內酌情向本集團全職僱員提出認購購股權的建議，該等購股權可根據購股權計劃所訂明的條款與條件認購本公司的股份。於二零零二年內並未有任何購股權被授出。於本年度內授出及失效之購股權及於二零零三年十二月三十一日尚未行使之購股權詳情如下：

24. SHARE OPTION SCHEME

Under the Company's share option scheme approved by the shareholders of the Company on 14 October 1999, the directors may at their discretion, within a period of ten years from 14 October 1999, make offers to full time employees of the Group to take up options to subscribe for shares of the Company subject to the terms and conditions stipulated. No options were granted in 2002. Particulars of the share options granted and lapsed during the year and outstanding as at 31 December 2003 are as follows:

		可發行股份數目 Number of shares issuable
於二零零三年一月一日	Balance at 1 January 2003	–
於本年內授出	Granted during the year	13,000,000
於本年內失效	Lapsed during the year	(6,500,000)
於二零零三年十二月三十一日	Balance at 31 December 2003	6,500,000

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24. 購股權計劃(續)

於二零零三年十二月三十一日，根據購股權計劃條款，購股權可於下列期限內行使：

24. SHARE OPTION SCHEME (Continued)

According to the terms of the share option scheme, share options as at 31 December 2003 were exercisable within the following period:

授出日期	可發行股份數目	每股行使價	行使期限
Date of grant	Number of shares issuable	Exercise price per share	Exercisable period
二零零三年一月二十三日	6,500,000	1.10港元	二零零三年一月二十七日至二零零三年一月二十六日 (唯授出之購股權之50%不可於二零零四年一月二十七日前行使)
23 January 2003		HK\$1.10	27 January 2003 to 26 January 2004 (Provided that 50% of the options granted shall not be exercised prior to 27 January 2004)

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25. 關聯人士交易

- (a) 應收／(應付)關聯公司款項詳情如下：

本集團

關聯公司名稱	二零零三年 2003			二零零二年 2002			
	應收	應付	本年度欠 本集團 最高金額 Maximum amount owed to the Group during the year 千港元 HK\$'000	應收	應付	本年度欠 本集團 最高金額 Maximum amount owed to the Group during the year 千港元 HK\$'000	
無錫泛亞環保 科技有限公司	Wuxi Pan-Asia Environmental Protection Technologies Limited	46	-	50	-	(17)	-
無錫泛亞高溫陶瓷 有限公司	Wuxi Pan-Asia High Temperature Ceramics Co., Ltd.	-	(46)	-	-	(88)	-
		46	(46)		-	(105)	

應收／(應付)關聯公司款項是無抵押、不計利息及無固定還款期的。

蔣泉龍或錢元英或其近親在此等公司擁有實際權益。

25. RELATED PARTY TRANSACTIONS

- (a) Particulars of amounts due from / (to) related companies are as follows:

The Group

Name of related company	2003			2002		
	Due from 千港元 HK\$'000	Due to 千港元 HK\$'000	Maximum amount owed to the Group during the year 千港元 HK\$'000	Due from 千港元 HK\$'000	Due to 千港元 HK\$'000	Maximum amount owed to the Group during the year 千港元 HK\$'000
Wuxi Pan-Asia Environmental Protection Technologies Limited	46	-	50	-	(17)	-
Wuxi Pan-Asia High Temperature Ceramics Co., Ltd.	-	(46)	-	-	(88)	-
	46	(46)		-	(105)	

The amounts due from/(to) related companies are unsecured, non-interest bearing and have no fixed terms of repayment.

Jiang Quanlong or Qian Yuanying or their close relatives have beneficial interests in these companies.

25. 關聯人士交易(續)

(b) 於本年度，本集團進行以下關聯交易：

- (i) 本集團無須支付任何代價而使用宜興新威集團有限公司的出口配額並已安排其產品出口至中國以外地方，宜興新威集團有限公司為一間中國國內企業，由蔣泉龍擁有90%，而另外10%由蔣泉龍之子擁有。蔣泉龍亦是該企業的法定代表。透過上述安排而處理的出口銷售額約為1,746,000港元(二零零二年：19,122,000港元)。宜興新威集團有限公司亦持有本公司的附屬公司—宜興新威利成稀土有限公司的5%權益。
- (ii) 本集團已支付約204,000港元(二零零二年：204,000港元)的租金予蔣泉龍。
- (iii) 本集團已出售約180,000港元(二零零二年：239,000港元)的貨品予無錫泛亞高溫陶瓷有限公司。
- (iv) 本集團已支付約941,000港元(二零零二年：806,000港元)的租金予無錫泛亞高溫陶瓷有限公司。

25. RELATED PARTY TRANSACTIONS (Continued)

(b) During the year, the Group entered into the following related party transactions:

- (i) The Group arranged export sales of its products outside the PRC using the export quota of Yixing Xinwei Group Co., Ltd. at no consideration. Yixing Xinwei Group Co., Ltd. is a PRC domestic enterprise 90% owned by Jiang Quanlong and 10% owned by a son of Jiang Quanlong. Jiang Quanlong is also the legal representative of the enterprise. Export sales handled through this arrangement amounted to approximately HK\$1,746,000 (2002: HK\$19,122,000). Yixing Xinwei Group Co., Ltd. also holds a 5% equity interests in Yixing Xinwei Leeshing Rare Earth Company Limited, a subsidiary of the Company.
- (ii) The Group paid rent of approximately HK\$204,000 (2002: HK\$204,000) to Jiang Quanlong.
- (iii) The Group sold materials of approximately HK\$180,000 (2002: HK\$239,000) to Wuxi Pan-Asia High Temperature Ceramics Co., Ltd.
- (iv) The Group paid rent of approximately HK\$941,000 (2002: HK\$806,000) to Wuxi Pan-Asia High Temperature Ceramics Co., Ltd.

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25. 關聯人士交易 (續)

(c) 應付董事款項詳情如下：

		本集團		本公司	
		The Group		The Company	
		二零零三年	二零零二年	二零零三年	二零零二年
		2003	2002	2003	2002
		千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
蔣泉龍	Jiang Quanlong	6,612	3,124	4,186	3,009
錢元英	Qian Yuanying	1,561	602	1,622	1,203
范亞軍	Fan Yajun	263	411	684	635
		8,436	4,137	6,492	4,847

應付董事款項是無抵押、不計利息及無固定還款期的。

The amounts due to directors are unsecured, non-interest bearing and have no fixed terms of repayment.

26. 結算日後事項

根據於二零零四年一月二十九日在本公司股東特別大會通過的決議案，172,500,000股以每股1.20港元之價格合共207,000,000港元的股份已發行予一控股股東，作為收購持有無錫泛亞高溫陶瓷有限公司（一間在中國註冊成立的有限公司）的全部權益的 Dynamic Goal Worldwide Inc.（一間在英屬處女群島註冊成立的有限公司）之全部已發行股份之代價。

另外，本公司的法定股本以新增每股面值0.10港元的普通股1,000,000,000股，由100,000,000港元增加至200,000,000港元。

26. POST BALANCE SHEET EVENTS

Pursuant to the resolutions passed on 29 January 2004 at an extraordinary general meeting of the Company, 172,500,000 shares were issued at a price of HK\$1.20 per share totalling HK\$207,000,000 to a controlling shareholder of the Company in respect of the acquisition of the entire issued share capital of Dynamic Goal Worldwide Inc., a limited company incorporated in the British Virgin Islands, which in turn owns the entire equity interest in Wuxi Pan-Asia High Temperature Ceramics Co., Ltd., a limited company incorporated in the PRC.

In addition, the authorised share capital of the Company was increased from HK\$100,000,000 to HK\$200,000,000 by the creation of 1,000,000,000 additional ordinary shares of HK\$0.10 each in the capital of the Company.