

董事會同寅欣然呈報中國稀土控股有限公司（「本公司」）及其附屬公司（「本集團」）截至二零零四年十二月三十一日止年度的年報及經審核財務報表。

主要業務

本公司的主要業務為投資控股。本集團的主要業務為稀土產品及耐火材料產品之製造及銷售。

附屬公司的主要業務載於財務報表附註16。

分類資料

本集團分類資料的詳情載於財務報表附註4。

The directors have pleasure in presenting their annual report and the audited financial statements of China Rare Earth Holdings Limited (the "Company") and its subsidiaries (the "Group") for the year ended 31 December 2004.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Group are manufacture and sales of rare earth products and refractory products.

The principal activities of the subsidiaries are set out in Note 16 to the financial statements.

SEGMENTAL INFORMATION

Details of segmental information of the Group are set out in Note 4 to the financial statements.

20

業績及分派

本集團於截至二零零四年十二月三十一日止年度的業績載於本年報第35頁的綜合損益表內。

年內未有宣佈及派發中期股息。董事會現建議派發截至二零零四年十二月三十一日止年度的末期股息每股2港仙予於二零零五年六月十六日名列股東名冊的股東。

其他分派詳情載於財務報表附註23。

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2004 are set out in the consolidated income statement on page 35 of the annual report.

No interim dividend was declared and paid to the shareholders during the year. The directors recommend the payment of a final dividend of HK 2 cents per share for the year ended 31 December 2004 to the shareholders on the Register of Members on 16 June 2005.

Details of other appropriations are set out in Note 23 to the financial statements.

儲備

本集團及本公司於年內的儲備變動及本公司可供派發之儲備的詳情載於財務報表附註23。

財務概要

本集團於截至二零零四年十二月三十一日止過去五個財政年度的業績概要載於本年報第76頁。

物業、廠房及設備以及在建工程

本集團及本公司於年內的物業、廠房及設備以及在建工程的變動詳情載於財務報表附註15。

RESERVES

Details of the movements in the reserves of the Group and the Company during the year and details of the distributable reserve of the Company are set out in Note 23 to the financial statements.

FINANCIAL SUMMARY

A summary of the results of the Group for the past five financial years ended 31 December 2004 is set out on page 76 of the annual report.

PROPERTY, PLANT AND EQUIPMENT AND CONSTRUCTION-IN-PROGRESS

Details of the movements in the property, plant and equipment and construction-in-progress of the Group and the Company during the year are set out in Note 15 to the financial statements.

股本

本公司於二零零四年十二月三十一日的法定及已發行股本詳情載於財務報表附註22。

借貸

本集團的銀行借貸及銀行融資詳情載於財務報表附註24。

退休金計劃

本集團的退休金計劃詳情載於財務報表附註10。

SHARE CAPITAL

Details of the authorised and issued share capital of the Company as at 31 December 2004 are set out in Note 22 to the financial statements.

BORROWINGS

Details of the bank borrowings and banking facilities of the Group are set out in Note 24 to the financial statements.

RETIREMENT SCHEMES

Details of the retirement schemes of the Group are set out in Note 10 to the financial statements.

董事

年內及直至本報告刊行日期止本公司的董事為：

執行董事

蔣泉龍先生 (主席)
錢元英女士 (副主席)
范亞軍先生

獨立非執行董事

劉余九先生
黃春華先生
金重先生
(於二零零四年九月二十八日獲委任)

DIRECTORS

The directors of the Company during the year and up to the date of this report are:

Executive directors

Mr. Jiang Quanlong (*Chairman*)
Ms. Qian Yuanying (*Deputy Chairman*)
Mr. Fan Yajun

Independent non-executive directors

Mr. Liu Yujiu
Mr. Huang Chunhua
Mr. Jin Zhong (appointed on 28 September 2004)

根據本公司的公司細則第108條，范亞軍先生將於即將舉行的股東週年大會上輪值退任，惟合資格並願意膺選連任。

根據本公司的公司細則第112條，金重先生將於即將舉行的股東週年大會上退任，惟合資格並願意膺選連任。

本公司已取得所有獨立非執行董事有關彼等獨立性的確認函，董事會已確認彼等的獨立性。

於二零零四年十二月三十一日，概無董事與本公司訂立不可由本公司於一年內終止而毋須支付法定賠償以外的賠償的服務合約。

In accordance with Article 108 of the Company's Articles of Association, Mr. Fan Yajun will retire by rotation from the Board at the forthcoming annual general meeting and being eligible, offer himself for re-election.

In accordance with Article 112 of the Company's Articles of Association, Mr. Jin Zhong will retire from the Board at the forthcoming annual general meeting and being eligible, offer himself for re-election.

The Company has received confirmations from all independent non-executive directors concerning their independence. The Board considers that all of them are independent.

As at 31 December 2004, none of the directors has a service contract with the Company which is not terminable by the Company within one year without payment of compensation other than statutory compensation.

董事權益及淡倉

於二零零四年十二月三十一日，本公司依據「證券及期貨條例」第352條而存置之登記冊內所載，或依據上市公司董事進行證券交易的標準守則而通知本公司及香港聯合交易所有限公司（「聯交所」）的本公司董事及行政總裁及其聯繫人士於本公司及其相聯公司之股份、相關股份及債券的權益及淡倉如下：

DIRECTORS' INTERESTS AND SHORT POSITIONS

As at 31 December 2004, the interests and short positions of the directors and chief executive of the Company and their associates in the shares, underlying shares and debentures of the Company and its associated corporations as recorded in the register kept by the Company pursuant to Section 352 of the Securities and Futures Ordinance ("SFO") or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers were as follows:

1. 於本公司股份權益**1. Interests in shares of the Company****23**

董事	權益性質／身份	股份數目	佔本公司已發行股本的百分比
Director	Nature of interest / Capacity	Number of shares	% to the issued share capital of the Company
蔣泉龍	配偶之權益 (附註)		
Jiang Quanlong	Interest of spouse (note)	592,550,000	60.04%
錢元英	信託基金之受益人 (附註)		
Qian Yuanying	Beneficiary of a trust (note)	592,550,000	60.04%
黃春華	實益擁有人		
Huang Chunhua	Beneficial owner	2,868,000	0.29%

附註：

該等股份乃透過YY Holdings Limited持有，其全部已發行股本由YY Trust的受託人YYT Limited所持有，而受益人為蔣泉龍先生的配偶錢元英女士及其子女全資擁有的公司。

Note:

These shares are held through YY Holdings Limited, the entire issued share capital of which is held by YYT Limited, the trustee of YY Trust, the discretionary object of which is a company wholly owned by Ms. Qian Yuanying, the spouse of Mr. Jiang Quanlong, and her children.

2. 於相聯公司股份、相關股份或股本權益

(a) 新威稀土集團(香港)有限公司

董事 Director	身份 Capacity	已發行股份數目 Number of issued shares
蔣泉龍 Jiang Quanlong	實益擁有人 Beneficial owner	無投票權遞延股份 7,000,000 股 7,000,000 non-voting deferred shares
錢元英 Qian Yuanying	實益擁有人 Beneficial owner	無投票權遞延股份 3,000,000 股 3,000,000 non-voting deferred shares

(b) 宜興新威利成稀土有限公司

董事 Director	權益性質 Nature of interest	股本權益 Equity interests
蔣泉龍 Jiang Quanlong	受控公司之權益 (附註) Interests of a controlled corporation (note)	5%

2. Interests in shares, underlying shares or equity interests in associated corporations

(a) Xinwei Rare Earth Group (Hong Kong) Limited

(b) Yixing Xinwei Leeshing Rare Earth Company Limited

(c) YY Holdings Limited

董事 Director	身份 Capacity	已發行股份數目 Number of issued shares
錢元英 Qian Yuanying	信託基金之受益人 Beneficiary of a trust	普通股份 1 股 1 ordinary share
錢元英 Qian Yuanying	信託基金之受益人 Beneficiary of a trust	優先股份 25,000 股 25,000 preference shares

附註：

該等權益乃透過宜興新威集團有限公司持有。該中國企業由蔣泉龍先生擁有 90% 權益，餘下的 10% 權益由其子持有。蔣先生亦為該企業的法定代表人。

Note:

The equity interest is held by Yixing Xinwei Group Co. Ltd., a PRC domestic enterprise 90% owned by Mr. Jiang Quanlong, with remaining 10% owned by his son. Mr. Jiang is also the legal representative of the enterprise.

3. 於本公司相關股份權益

董事	身份	按授出購股權 可發行股份數目 Number of shares issuable under options granted	佔本公司已發行 股本的百分比 % to the issued share capital of the Company
Director	Capacity		
范亞軍	實益擁有人		
Fan Yajun	Beneficial owner	5,000,000	0.51%

購股權授予上述董事的細節於下文「購股權計劃」披露。

3. Interests in underlying shares of the Company

Details of the options granted to the above directors were disclosed in "Share Option Scheme" below.

除上述披露外，於二零零四年十二月三十一日，根據「證券及期貨條例」第352條所存置之登記冊內所載，概無本公司董事或行政總裁或其聯繫人士於本公司及其相聯公司之股

Save as disclosed above, as at 31 December 2004, none of the directors or chief executive of the Company and their associates had or was deemed to have any interest or short position in the shares, underlying shares and debentures of the Company and its

份、相關股份及債券持有或被視為持有任何權益或淡倉。

associated corporations as recorded in the register kept under Section 352 of the SFO.

購股權計劃

因應香港聯合交易所有限公司證券上市規則（「上市規則」）第17章之修訂，於二零零四年六月四日，本公司股東批准終止於一九九九年十月十四日採納之購股權計劃（「舊計劃」）及採納新的購股權計劃（「新計劃」）。於舊計劃終止時，本公司將不會根據舊計劃進一步授出購股權，惟舊計劃於所有其他方面將仍然生效以使根據舊計劃已授出而於其終止前尚未行使之購股權仍可行使。根據舊計劃之條文，該等購股權將繼續有效，並可予以行使。

SHARE OPTION SCHEME

On 4 June 2004, the shareholders of the Company approved the termination of the share option scheme adopted on 14 October 1999 (the "Old Scheme") and the adoption of a new scheme (the "New Scheme") for the purpose of coping with the amendments introduced to Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). Upon the termination of the Old Scheme, no further options would be offered pursuant to the Old Scheme but the Old Scheme would in all other respects remain in force to the extent necessary to give effect to the exercise of the outstanding options granted under it prior to its termination, and such outstanding options will continue to be valid and exercisable in accordance with the provisions of the Old Scheme.

新計劃之主要條款如下：

1. 新計劃旨在使本集團能向曾對本集團作出貢獻的合資格參與者授出購股權作為獎勵或回報。
2. 合資格參與者包括本公司或其任何附屬公司或本集團任何成員公司持有任何股權之任何實體之任何僱員（不論全職或兼職，包括執行董事）、任何非執行董事、任何股東、任何供應商及任何客戶，以及對本集團的發展及成長作出貢獻的任何人士。
3. 按新計劃，可予發行的總股份數目為98,695,305股，約佔本報告刊發日期本公司已發行股本的10%。

The major terms of the New Scheme are as follows:

1. The purpose of the New Scheme is to enable the Group to grant options to the eligible participants as incentives or rewards for their contribution to the Group.
2. The eligible participants included any employee (whether full-time or part-time, including any executive director), any non-executive director, any shareholder, any supplier and any customer of the Company or any of its subsidiaries or any entity in which any member of the Group holds any equity interest, and any party having contribution to the development and growth of the Group.
3. Under the New Scheme, the total number of shares available for issue is 98,695,305 which represents approximately 10% of the issued share capital of the Company as at the date of this report.

4. 各參與者按新計劃在任何十二個月期間內可獲發行之股份數目不可超過本公司在當時已發行股本之1%。
5. 授出購股權之可行使日期可由董事會釐定，但不可於由要約日期十年後結束。
6. 任何授出購股權之要約可由參與者於要約日起二十一日內以付出代價1港元接納。
7. 行使價可由董事會釐定，但不可少於下列各項之最高者：
 - i. 要約當日本公司股份於聯交所每日報價表所示之收市價；

4. The maximum entitlement of each participant under the New Scheme in any 12-month period should not exceed 1% of the issued share capital of the Company for the time being.
5. The exercisable period of an option granted may be determined by the directors and which should not end later than 10 years after the date of offer.
6. Any offer for the grant of an option may be accepted by the participant within 21 days from the date of offer with a consideration of HK\$1 paid.
7. The exercise price may be determined by the directors provided that it should not be less than the highest of:
 - i. the closing price of the shares of the Company as stated in the Stock Exchange's daily quotation sheet on the date of offer;

ii. 緊接要約當日前五個營業日本公司股份於聯交所每日報價表所示之平均收市價；及

iii. 本公司股份面價。

8. 新計劃自二零零四年六月十八日，即新計劃被採納日起十年內有效。

於本年內，並無購股權按舊計劃或新計劃被授出、行使、取消或失效。

ii. the average closing price of the shares of the Company as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of offer; and

iii. the nominal value of a share of the Company.

8. The New Scheme is valid and effective for a period of 10 years from 18 June 2004, the date of the New Scheme adopted.

During the year, no option was granted, exercised, cancelled or lapsed under the Old Scheme or the New Scheme.

於二零零四年十二月三十一日，按舊計劃已授出而尚未行使之購股權詳情如下：

Details of options which have been granted under the Old Scheme and remain outstanding as at 31 December 2004 were as follows:

被授人	授出日期	行使價	購股權數目	
			於二零零四年一月一日持有	於二零零四年十二月三十一日持有
Grantee	Date of grant	Exercise price	Held at 1 January 2004	Held at 31 December 2004
董事				
<i>Director</i>				
范亞軍	二零零三年一月二十三日	1.10港元		
Fan Yajun	23 January 2003	HK\$1.10	5,000,000	5,000,000
員工				
<i>Employees</i>				
合計	二零零三年一月二十三日	1.10港元		
In aggregate	23 January 2003	HK\$1.10	1,500,000	1,500,000

授出之購股權之可行使期為二零零三年一月二十七日至二零一三年一月二十六日，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。

授出之購股權直至其被行使前不會於財務報表內被確認。董事會認為由於評估購股權價值之若干關鍵因素未能準確釐定而不適宜就年內授出之購股權披露其價值。基於多項推測假設的購股權估值將為無意義及可能對股東造成誤導。

除上述披露外，年內本公司或其附屬公司概無參與任何能夠使本公司之任何董事或行政總裁或其配偶或未滿十八歲的子女藉購入本公司或任何其他法人團體之股份或債券而獲得利益之任何安排。

The options granted are exercisable between 27 January 2003 to 26 January 2013, provided that 50% of the options granted shall not be exercised prior to 27 January 2004.

The options granted are not recognized in the financial statements until they are exercised. The directors consider that it is not appropriate to disclose the value of options granted during the year as a number of factors crucial for the valuation cannot be determined accurately. Any valuation of the options based on various speculative assumptions would be meaningless and misleading to the shareholders.

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangement, which enable any of the directors or chief executive of the Company or their spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

28

主要股東權益及淡倉

據董事會所知，於二零零四年十二月三十一日，本公司依據「證券及期貨條例」第336條而存置之登記冊內所載，除本公司董事及行政總裁以外的股東持有本公司的股份及相關股份的權益及淡倉如下：

1. 全部已發行股本由YY Trust的受託人YYT Limited所持有而受益人為蔣泉龍先生的配偶錢元英女士及其子女全資擁有的公司YY Holdings Limited以實益擁有人身份持有本公司股份592,550,000股，約佔本公司已發行股份的60.04%。

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS

So far as is known to the directors, as at 31 December 2004, the interests and short positions of shareholders, other than the directors or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register kept by the Company pursuant to Section 336 of the SFO were as follows:

1. YY Holdings Limited, the entire issued share capital of which is held by YYT Limited, the trustee of YY Trust, the discretionary object of which is a company wholly owned by Ms. Qian Yuanying, the spouse of Mr. Jiang Quanlong, and her children, was holding 592,550,000 shares of the Company, representing approximately 60.04% of the issued share capital of the Company as beneficial owner.

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|--|---|
| <p>2. YY Trust的受託人YYT Limited被視為持有其所擁有全部已發行股本的YY Holdings Limited所持有的本公司股份592,550,000股的權益。</p> | <p>2. YYT Limited, the trustee of YY Trust, was deemed to be interested in 592,550,000 shares of the Company held by YY Holdings Limited the entire issued share capital of which is held by YYT Limited.</p> |
| <p>3. Martin Currie China Hedge Fund Limited以投資經理身份持有本公司股份56,778,000股，約佔本公司已發行股份的5.75%。</p> | <p>3. Martin Currie China Hedge Fund Limited was holding 56,778,000 shares of the Company, representing approximately 5.75% of the issued share capital of the Company as investment manager.</p> |
| <p>4. Martin Currie Investment Management Limited以投資經理身份持有本公司股份65,683,000股，約佔本公司已發行股份的6.65%。</p> | <p>4. Martin Currie Investment Management Limited was holding 65,683,000 shares of the Company, representing approximately 6.65% of the issued share capital of the Company as investment manager.</p> |

除上述披露外，於二零零四年十二月三十一日，根據「證券及期貨條例」第336條所存置之登記冊內所載，除本公司董事及行政總裁以外，概無其他人士通知本公司於本公司之股份或相關股份持有任何權益或淡倉。

董事於合約的權益

年內，本集團毋須支付代價而使用蔣泉龍先生持有90%權益的中國企業宜興新威集團有限公司的出口配額以安排其產品出口至中國以外地方。透過這項安排而處理的出口銷售約為12,695,000港元。

年內，本集團向蔣泉龍先生租用兩個辦公室單位作為銷售及市場推廣辦公室。年內，就該等租約所支付的經營性租賃合約租金合共約204,000港元。

Save as disclosed above, no other party, other than the directors or chief executive of the Company, had notified the Company that he had any interest or short position in the shares or underlying shares of the Company as recorded in the register kept under Section 336 of the SFO as at 31 December 2004.

DIRECTORS' INTERESTS IN CONTRACTS

During the year, the Group arranged export sales of its products outside the PRC using the export quota of Yixing Xinwei Group Co. Ltd., a PRC domestic enterprise 90% owned by Mr. Jiang Quanlong, at nil consideration. Export sales handled through this arrangement amounted to approximately HK\$12,695,000.

During the year, the Group leased two office premises from Mr. Jiang Quanlong for use as its sales and marketing office. During the year, the total operating lease rentals paid in respect of these leases amounted to approximately HK\$204,000.

年內，本集團向一間由錢元英女士擁有權益的關連公司無錫泛亞環保科技有限公司支付約46,000港元，作為使用其辦公室的代價。

During the year, the Group paid approximately HK\$46,000 as a compensation to Wuxi Pan-Asia Environmental Protection Technologies Limited, a related company in which Ms. Qian Yuanying has beneficial interests, for the use of its office premises.

除上述及於財務報表附註27披露外，於結算日或年內任何時間各董事概無於本公司或其任何附屬公司訂立與其業務有關的任何重大合約中擁有直接或間接的實際權益。

Save as disclosed above and in Note 27 to the financial statements, no director had a beneficial interest, either direct or indirect, in any contract of significance to which the Company or any of its subsidiaries was a party at the balance sheet date or at any time during the year.

管理合約

MANAGEMENT CONTRACTS

年內概無訂立或存在任何對本集團全部或重大部份之業務與管理及行政有關之合約。

No contract concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or existed during the year.

30

購買、出售或贖回本公司的上市證券

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

本集團於年內概無購買、出售或贖回任何本公司之上市證券。

There has been no purchase, sale or redemption of any of the Company's listed securities by the Group during the year.

主要客戶及供應商

MAJOR CUSTOMERS AND SUPPLIERS

本集團主要客戶及供應商於年內所佔的銷售及採購百分比如下：

The percentages of sales and purchases for the year attributable to the Group's major customers and suppliers are as follows:

銷售

Sales

– 最大客戶	10%
– 最大五名客戶合計	34%

– the largest customer	10%
– five largest customers combined	34%

採購

Purchases

– 最大供應商	17%
– 最大五名供應商合計	41%

– the largest supplier	17%
– five largest suppliers combined	41%

據各董事所知，各董事、彼等的聯繫人及擁有本公司5%以上已發行股本的任何股東概無於本集團最大五名客戶或供應商的股本中擁有任何權益。

優先購股權

根據本公司之公司組織章程及細則及開曼群島之法例，本公司並無對於發行新股設立任何優先購股權之規定。

企業管治

除對非執行董事之延續委任並無訂明任期但須根據本公司的公司細則輪值退任外，本公司於二零零四年十二月三十一日止年度內一直遵守於二零零五年一月一日前生效並載於上市規則附錄14的最佳應用守則。

本公司於年內一直按最佳應用守則維持審核委員會，成員包括本公司獨立非執行董事劉余九先生、黃春華先生及金重先生。審核委員會已於年內按時舉行會議，並已審閱了截至二零零四年十二月三十一日止年度的業績。

於二零零五年一月一日開始上市規則附錄14所載的最佳應用守則已被企業管治常規守則所取代。本公司正實行適當措施以符合該守則。

None of the directors, their associates or any shareholders which to the knowledge of the directors, own more than 5% of the Company's issued share capital has any interest in the share capital of any of the five largest customers or suppliers of the Group.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Memorandum and Articles of Association and the Cayman Islands Companies Law in relation to the issue of new shares by the Company.

CORPORATE GOVERNANCE

The Company has, throughout the year ended 31 December 2004, complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules which was in force prior to 1 January 2005, except that the non-executive directors are re-appointed without a specific term but merely subject to retirement by rotation in accordance with the Company's Articles of Association.

The Company has an audit committee with written terms of reference in compliance with the Code of Best Practice throughout the year. The audit committee comprises the independent non-executive directors of the Company, Messrs. Liu Yujiu, Huang Chunhua and Jin Zhong. The audit committee has held regular meetings during the year and it has reviewed the results for the year ended 31 December 2004.

The Code of Best Practice as set out in Appendix 14 of the Listing Rules was replaced by the Code of Corporate Governance Practices effective from 1 January 2005. The Company is taking appropriate actions to comply with the code.

董事進行證券交易的標準守則

本公司已採納不低於上市規則附錄10所訂標準的董事證券交易的守則。在本公司提出特定查詢後，所有董事均已確認符合該守則之要求。

足夠公眾持股量

根據本公司從公開途徑所得的資料及據董事會所知，本公司於年內一直維持上市規則所規定的足夠公眾持股量。

核數師

由一九九九年始作為本公司核數師的安達信公司於二零零二年退任而安永會計師事務所獲委任為本公司核數師。安永會計師事務所

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard set out in Appendix 10 of the Listing Rules. Having made specific enquiry, the Company confirmed that all directors have complied with the required standards as stated in the code.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors, the Company has maintained sufficient public float as required under the Listing Rules during the year.

AUDITORS

In 2002, Messrs. Arthur Andersen & Co., who acted as auditors of the Company since 1999, resigned and Messrs. Ernst & Young were appointed as auditors of the Company. Messrs. Ernst & Young

32

於二零零三年三月十二日退任而畢馬威會計師事務所獲委任為本公司核數師。畢馬威會計師事務所於二零零三年四月十七日退任而何錫麟會計師行於二零零三年五月五日獲委任為本公司核數師。

何錫麟會計師行任滿告退，惟合資格並願意膺選連任。本公司於即將舉行的股東週年大會上將提呈續聘何錫麟會計師行為本公司核數師的決議案。

承董事會命
蔣泉龍
主席

香港，二零零五年四月七日

resigned on 12 March 2003 and Messrs. KPMG were appointed as auditors of the Company. Messrs. KPMG resigned on 17 April 2003 and Messrs. Ho and Ho & Company were appointed on 5 May 2003 as auditors of the Company.

Messrs. Ho and Ho & Company retire and, being eligible, offer themselves for re-appointment. A resolution to reappoint Messrs. Ho and Ho & Company as auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board
Jiang Quanlong
Chairman

Hong Kong, 7 April 2005