

### 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（包括熒光產品）及耐火產品（包括高溫陶瓷產品）。

### 2. 最近頒佈的會計準則所產生的潛在影響

香港會計師公會（「會計師公會」）已頒佈多項新增及經修訂之香港財務報告準則及香港會計準則（「新香港財務報告準則」），並於二零零五年一月一日或之後開始之會計期間生效。

本集團並未於截至二零零四年十二月三十一日止年度之財務報表預先採納該等新香港財務報告準則。本集團已開始評估該等新香港財務報告準則之影響，惟尚未能說明該等新香港財務報告準則會否對其經營業務及財政狀況構成重大影響。

### 3. 主要會計政策

本財務報表已按歷史成本慣例法及經重估部份本集團的樓宇修訂後編製。

本財務報表是根據香港公認會計原則及會計師公會頒佈的會計準則而編製，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。

### 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 (including fluorescent products) and refractory products (including high temperature ceramics products).

### 2. POTENTIAL IMPACT ARISING FROM THE RECENTLY ISSUED ACCOUNTING STANDARDS

The Hong Kong Institute of Certified Public Accountants ("HKICPA") has issued a number of new and revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards ("new HKFRSs") which are effective for accounting periods beginning on or after 1 January 2005.

The Group had not early adopted these new HKFRSs in the financial statements for the year ended 31 December 2004. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a significant impact on its results of operations and financial position.

### 3. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, as modified for the revaluation of certain buildings of the Group.

The financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong and with accounting standards issued by HKICPA. 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.

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3. 主要會計政策 (續)

(a) 綜合賬目之基準 (續)

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) 商譽

綜合時產生之商譽，指本集團之收購成本高於本集團在收購日於一間附屬公司權益之公允值之差額。

因收購而產生之商譽將作資本化，並按其可使用年期以直線法撇銷。因收購附屬公司而產生之商譽於資產負債表中分開呈報。

出售一間附屬公司時，在計算出售所得之溢利或虧損時，要計入尚未撇銷之應佔商譽。

(c) 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。

土地使用權乃按其成本值減累計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 (Continued)

(a) Basis of consolidation (Continued)

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) Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition.

Goodwill arising on acquisitions is capitalised and amortised on a straight-line basis over its useful economic life. Goodwill arising on the acquisition of subsidiaries is presented separately in the balance sheet.

On disposal of a subsidiary or an associate, the attributable amount of unamortised goodwill is included in the determination of the profit or loss on disposal.

(c) Property, plant and equipment

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

Land use right is stated at cost less accumulated amortisation and accumulated 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 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.

3. 主要會計政策 (續)

(c) 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蝕款額撥回損益表。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：

土地使用權	按有關租賃年期
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)

(c) 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:

Land use right	Over the terms of relevant lease
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.

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3. 主要會計政策 (續)

(d) 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。

(e) 附屬公司投資

附屬公司投資乃按成本值減任何可辨認的減值虧損列入本公司之資產負債表內。

(f) 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。

(g) 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。

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(d) 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.

(e) Investments in subsidiaries

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

(f) 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.

(g) Inventories

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

## 3. 主要會計政策(續)

## (h) 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。

## (i) 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。

## (j) 現金及現金等值項目

現金及現金等值項目乃按原值於資產負債表列賬。就現金流量報表而言，現金及現金等值項目包括庫存現金、三個月內到期之銀行存款、投資日起計三個月內或以下到期之現金投資，以及銀行透支。

## (k) 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。

## (l) 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)

## (h) 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.

## (i) Accounts and other receivables

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

## (j) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, cash investments with a maturity of three months or less from date of investment and bank overdrafts.

## (k) Operating leases

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

## (l) 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.

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3. 主要會計政策 (續)

(m) 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)

(m) 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.

**3. 主要會計政策 (續)****(m) 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」）。

**(n) 研究及開發支出**

研究活動之支出已於產生之年度確認為開支。

開發支出產生之內部一般無形資產僅於預期可透過未來商業活動將收回清楚界定項目產生之開發成本時確認。因而產生之資產按其可使用年期以直線法攤銷。

倘並無內部一般無形資產可確認時，開發支出於資產之年度確認為開支。

**(o) 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。

**3. PRINCIPAL ACCOUNTING POLICIES (Continued)****(m) 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").

**(n) Research and development expenditure**

Expenditure on research activities is recognised as expense in the year in which it is incurred.

An internally-generated intangible asset arising from development expenditure is recognised only if it is anticipated that the development costs incurred on a clearly-defined project will be recovered through future commercial activity. The resultant asset is amortised on a straight-line basis over its useful life.

Where no internally-generated intangible asset can be recognised, development expenditure is recognised as expense in the year in which it is incurred.

**(o) Retirement benefit costs**

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

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### 3. 主要會計政策 (續)

#### (p) 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。

#### (q) 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。

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### (p) 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.

#### (q) 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.



**3. 主要會計政策 (續)****(q) 分類資料呈報 (續)**

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。

**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  
(包括高溫陶瓷產品)

**3. PRINCIPAL ACCOUNTING POLICIES (Continued)****(q) Segment reporting (Continued)**

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.

**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 (including high temperature ceramics 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	
		二零零四年	二零零三年	二零零四年	二零零三年	二零零四年	二零零三年
		2004	2003	2004	2003	2004	2003
		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	300,984	208,281	364,336	248,796	665,320	457,077
<b>業績</b>	<b>RESULTS</b>						
分類業績	Segment results	46,534	16,305	104,767	66,817	151,301	83,122
未分類企業費用	Unallocated corporate expenses					(14,524)	(11,268)
利息收入	Interest income					2,049	3,414
其他收入淨額	Other income, net					2,339	1,114
經營溢利	Profit from operations					141,165	76,382
財務成本	Finance costs					(2,117)	(97)
稅項	Taxation					(17,973)	(9,246)
少數股東權益	Minority interests					(1,651)	(461)
本年度溢利淨額	Net profit for the year					119,424	66,578
<b>其他資料</b>	<b>OTHER INFORMATION</b>						
分類資產	Segment assets	651,314	611,500	638,600	475,734	1,289,914	1,087,234
未分類企業資產	Unallocated corporate assets					137,448	3,842
資產總值	Total assets					1,427,362	1,091,076
分類負債	Segment liabilities	54,622	41,933	48,788	33,822	103,410	75,755
未分類企業負債	Unallocated corporate liabilities					4,250	2,642
負債總值	Total liabilities					107,660	78,397
年內產生的資本性支出	Capital expenditure incurred during the year	71,183	63,677	54,737	11,038		
攤銷及折舊	Amortisation and depreciation	25,366	20,693	31,846	15,152		
攤銷及折舊以外的非現金支出	Non-cash expenses other than amortisation and depreciation	-	318	184	-		

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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:

		二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
中國	The PRC	501,470	315,022
日本	Japan	90,091	94,393
歐洲	Europe	60,456	43,082
美國	The United States of America	8,901	1,330
其他	Others	4,402	3,250
		665,320	457,077

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

		二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
稀土產品 (包括熒光產品) 及耐火產品 (包括高溫陶瓷產品) 銷售	Sales of rare earth products (including fluorescent products) and refractory products (including high temperature ceramics products)	665,320	457,077

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6. 利息收入

6. INTEREST INCOME

		本集團 The Group	
		二零零四年 2004	二零零三年 2003
		千港元 HK\$'000	千港元 HK\$'000
銀行存款利息收入	Interest income on bank deposits	2,049	3,414

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	
		二零零四年 2004	二零零三年 2003
		千港元 HK\$'000	千港元 HK\$'000
核數師酬金	Auditors' remuneration	1,200	1,200
存貨成本(不包括員工 成本、物業、廠房及 設備之攤銷及折舊、 存貨撥備以及存貨撇銷)	Cost of inventories (excluding staff costs, amortisation and depreciation on property, plant and equipment, provision for inventories and written off of inventories)	421,238	299,752
物業、廠房及設備之 攤銷及折舊	Amortisation and depreciation on property, plant and equipment	50,726	35,929
物業、廠房及設備以及 在建工程之撇銷虧損	Loss on written off of property, plant and equipment and construction-in-progress	–	94
商譽攤銷	Amortisation of goodwill	6,577	–
員工成本(不包括董事 酬金(附註9))	Staff costs (excluding directors' emoluments (Note 9))	17,298	14,844
匯兌虧損淨額	Exchange loss, net	66	39
存貨撥備	Provision for inventories	184	30
存貨撇銷	Written off of inventories	–	56
已租物業之經營租賃支出	Operating lease charges on rented premises	2,344	2,767
處置物業、廠房及設備 (收益)／虧損	(Gain)/loss on disposal of property, plant and equipment	(96)	42
撥回呆壞賬撥備	Written back of provision for bad and doubtful debts	(477)	–
呆壞賬撥備	Provision for bad and doubtful debts	–	160
研究及開發支出	Research and development expenditure	415	341

8. 財務成本

8. FINANCE COSTS

		本集團 The Group	
		二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
利息支出：	Interest expenses on:		
– 承兌匯票	– discounted bills	267	97
– 銀行借款	– bank loan	1,850	–
		2,117	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	
		二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
非執行董事	Non-executive directors		
– 袍金	– fees	101	92
執行董事	Executive directors		
– 薪金及津貼	– salaries and allowance	2,240	2,711
		2,341	2,803

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	
		二零零四年 2004	二零零三年 2003
零 – 1,000,000港元	Nil – HK\$1,000,000	5	6
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三位(二零零三年：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兩位(二零零三年：一位)人士的酬金如下：

		本集團 The Group	
		二零零四年 2004	二零零三年 2003
		千港元 HK\$'000	千港元 HK\$'000
薪金及其他酬金	Salaries and other emoluments	3,098	3,130

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：

		本集團 The Group	
		二零零四年 2004	二零零三年 2003
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

於兩個年度內，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。

9. DIRECTORS' EMOLUMENTS (Continued)

(b) Of the five highest paid individuals of the Group, three (2003 : four) are directors of the Company whose emoluments are included in Note (a) above. Their total emoluments together with the remaining two (2003 : one) individuals are as follows:

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

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 in both years.

### 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17%–20% (2003 : 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。截至於二零零四年十二月三十一日止年度，退休計劃供款額約為1,029,000港元 (二零零三年 : 1,932,000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。截至二零零四年十二月三十一日止年度，本集團向強積金供款約43,000港元(二零零三年 : 66,000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

企業所得稅  
— 中國附屬公司

Enterprise Income Tax ("EIT")  
— The PRC subsidiaries

本集團	
The Group	
二零零四年	二零零三年
2004	2003
千港元	千港元
HK\$'000	HK\$'000

17,973	9,246
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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。

### 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 17% to 20% (2003 : 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 2004, the retirement plan contributions amounted to approximately HK\$1,029,000 (2003 : HK\$1,932,000).

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 2004, the Group's contributions to the MPF were approximately HK\$43,000 (2003 : HK\$66,000). The assets of the fund are held separately from those of the Group and are managed by independent professional fund managers.

### 11. TAXATION

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.

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11. 稅項 (續)

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%。

於本年內有兩家中國附屬公司獲減免第三年企業所得稅50%及兩家中國附屬公司獲減免第一年企業所得稅50%。

本年度內稅項與綜合損益表之溢利調節如下：

11. TAXATION (Continued)

Tax payable and recoverable comprised PRC VAT and PRC 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, two PRC subsidiaries are entitled to 50% reduction of EIT in the third year and two PRC subsidiaries are entitled to 50% reduction of EIT in the first year.

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

		二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
除稅前溢利	Profit before taxation	139,048	76,285
按國內所得稅率24%計算 稅項 (二零零三年：24%)	Tax at the domestic income tax rate of 24% (2003：24%)	35,946	18,492
稅務寬減的影響	Effect of tax relief	(17,973)	(9,246)
本年度稅項	Taxation for the year	17,973	9,246

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。

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



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12. 股息

12. DIVIDENDS

		二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
建議派發的末期股息每股 0.02港元(二零零三年： 0.02港元)	Proposed final dividend : HK\$0.02 per share (2003 : HK\$0.02) per share	19,739	19,739

13. 每股盈利

13. EARNINGS PER SHARE

每股基本及攤薄盈利乃根據本集團之本  
年度溢利淨額合共119,424,000港元(二  
零零三年：66,578,000港元)及以下數  
據計算：

The calculation of the basic and diluted earnings per share is  
based on the Group's net profit for the year of  
HK\$119,424,000 (2003: HK\$66,578,000) and the following  
data:

		二零零四年 2004	二零零三年 2003
用以計算每股基本盈利的 普通股加權平均數	Weighted average number of ordinary shares for the calculation of basic earnings per share	973,756,338	814,453,059
被視為無須代價而發行的 普通股	Deemed issue of ordinary shares at no consideration	152,488	—
用以計算每股攤薄盈利的 普通股加權平均數	Weighted average number of ordinary shares for the calculation of diluted earnings per share	973,908,826	814,453,059

由於二零零三年並無潛在攤薄的普通  
股，故並無就該年度呈報每股攤薄盈  
利。

No diluted earnings per share was shown for 2003 as there  
was no dilutive potential ordinary share for that year.

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14. 商譽

14. GOODWILL

本集團及本公司  
The Group and  
the Company  
千港元  
HK\$'000

原值	COST	
於二零零四年一月一日	At 1 January 2004	–
收購附屬公司所產生	Arising on acquisition of subsidiaries	143,495
於二零零四年十二月三十一日	At 31 December 2004	143,495
<b>累計攤銷</b>	<b>ACCUMULATED AMORTISATION</b>	
於二零零四年一月一日	At 1 January 2004	–
本年度攤銷	Charge for the year	6,577
於二零零四年十二月三十一日	At 31 December 2004	6,577
<b>賬面淨值</b>	<b>NET BOOK VALUE</b>	
於二零零四年十二月三十一日	At 31 December 2004	136,918
於二零零三年十二月三十一日	At 31 December 2003	–

商譽所採用的攤銷年期為20年。

The amortisation period adopted for goodwill is 20 years.

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## 15. 物業、廠房及設備以及在建工程

 15. PROPERTY, PLANT AND EQUIPMENT AND  
 CONSTRUCTION-IN-PROGRESS

## 本集團

## The Group

		樓宇及以十六至 三十年租約持有 之土地使用權 Buildings and land use right with leases between 16 to 30 years 千港元 HK\$'000	機器及 設備 Machinery and equipment 千港元 HK\$'000	辦公室設備 及裝置 Office equipment and fixtures 千港元 HK\$'000	汽車 Motor vehicles 千港元 HK\$'000	在建工程 Construction- in-progress 千港元 HK\$'000	總額 Total 千港元 HK\$'000
<b>成本或估值</b>	<b>COST OR VALUATION</b>						
於二零零四年一月一日	At 1 January 2004	139,131	274,572	5,022	4,762	65,563	489,050
收購附屬公司	Acquisition of subsidiaries	37,842	73,028	76	-	-	110,946
添置	Additions	-	23,570	203	692	101,598	126,063
由在建工程轉入	Transfer from construction-in-progress	7,631	122,783	-	-	(130,414)	-
處置	Disposals	-	-	(157)	(175)	-	(332)
於二零零四年十二月三十一日	At 31 December 2004	184,604	493,953	5,144	5,279	36,747	725,727
包括：	Comprising:						
按成本	At cost	167,397	493,953	5,144	5,279	36,747	708,520
按估值	At valuation	17,207	-	-	-	-	17,207
		184,604	493,953	5,144	5,279	36,747	725,727
<b>累計攤銷及折舊</b>	<b>ACCUMULATED AMORTISATION AND DEPRECIATION</b>						
於二零零四年一月一日	At 1 January 2004	27,105	65,570	1,731	2,746	-	97,152
收購附屬公司	Acquisition of subsidiaries	4,299	14,002	8	-	-	18,309
本年度計提	Charge for the year	9,019	39,842	1,039	826	-	50,726
處置撥回	Written back on disposals	-	-	(154)	(104)	-	(258)
於二零零四年十二月三十一日	At 31 December 2004	40,423	119,414	2,624	3,468	-	165,929
<b>賬面淨值</b>	<b>NET BOOK VALUE</b>						
於二零零四年十二月三十一日	At 31 December 2004	144,181	374,539	2,520	1,811	36,747	559,798
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

截至二零零四年十二月三十一日止年度  
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15. 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3,320,000港元(二零零三年：3,516,000港元)。

於資產負債表日，假約以成本值列賬，被重估為17,207,000港元之樓宇之賬面值應為17,342,000港元(二零零三年：18,768,000港元)。

本公司

15. 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\$3,320,000 (2003 : HK\$3,516,000) in respect of land use right were included in the net book value of buildings of the Group.

At the balance sheet date, the carrying amount of certain buildings with revalued amount of HK\$17,207,000 would have been HK\$17,342,000 (2003 : HK\$18,768,000) have they been stated at cost.

The Company

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

成本	COST	
於二零零四年一月一日	At 1 January 2004	354
添置	Additions	143
處置	Disposals	(157)
於二零零四年十二月三十一日	At 31 December 2004	340
累計折舊	ACCUMULATED DEPRECIATION	
於二零零四年一月一日	At 1 January 2004	192
本年度計提	Charge for the year	91
處置撥回	Written back on disposals	(153)
於二零零四年十二月三十一日	At 31 December 2004	130
賬面淨值	NET BOOK VALUE	
於二零零四年十二月三十一日	At 31 December 2004	210
於二零零三年十二月三十一日	At 31 December 2003	162

截至二零零四年十二月三十一日止年度  
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16. 附屬公司權益

16. INTERESTS IN SUBSIDIARIES

		本公司 The Company	
		二零零四年 2004	二零零三年 2003
		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	705,022	489,143
		856,729	640,850

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.

於二零零四年十二月三十一日本公司的主要附屬公司詳情如下：

Details of the Company's principal subsidiaries as at 31 December 2004 are as follows:

附屬公司名稱 Name of subsidiary	註冊成立/ 營運之地點及日期 Place and date of incorporation/ operations	註冊及 已繳足資本 Registered and fully paid capital	已發行及 繳足股本 Issued and fully paid capital	本公司應佔權益/ 有投票權股本百分比 Effective percentage of equity interests/voting rights held by the Company		主營業務 Principal activities
				直接 Directly %	間接 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

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For the year ended 31 December 2004

16. 附屬公司權益 (續)

16. INTERESTS IN SUBSIDIARIES (Continued)

附屬公司名稱 Name of subsidiary	註冊成立/ 營運之地點及日期 Place and date of incorporation/ operations	註冊及 已繳足資本 Registered and fully paid capital	已發行及 繳足股本 Issued and fully paid capital	本公司應佔權益/ 有投票權股本百分比 Effective percentage of equity interests/voting rights held by the Company		主營業務 Principal activities
				直接 Directly %	間接 Indirectly %	
宜興新威利成稀土 有限公司 Yixing Xinwei Leeshing Rare Earth Company Limited	中國 一九九三年七月十七日 The PRC 17 July 1993	15,660,000美元 US\$15,660,000	—	—	95	製造及銷售 稀土產品 Manufacture and sales of rare earth products
宜興新威利成耐火材料 有限公司 Yixing Xinwei Leeshing Refractory Materials Company Limited	中國 一九九九年七月三十日 The PRC 30 July 1999	17,000,000美元 US\$17,000,000	—	—	100	製造及銷售 耐火產品 Manufacture and sales of refractory products
無錫新威熒光材料 有限公司 Wuxi Xinwei Fluorescent Materials Company Limited	中國 二零零一年十二月二十日 The PRC 20 December 2001	8,520,000美元 US\$8,520,000	—	—	100	製造及銷售 熒光產品 Manufacture and sales of fluorescent products
中國稀土貿易有限公司 China Rare Earth Trading Limited	香港 二零零一年二月十六日 Hong Kong 16 February 2001	—	2港元 HK\$2	—	100	貿易 Trading
無錫泛亞高溫陶瓷 有限公司 Wuxi Pan-Asia High Temperature Ceramics Co., Ltd.	中國 二零零二年四月一日 The PRC 1 April 2002	30,000,000港元 HK\$30,000,000	—	—	100	製造及銷售高溫 陶瓷產品 Manufacture and sales of high temperature ceramics products

17. 存貨

17. INVENTORIES

		本集團 The Group	
		二零零四年 2004	二零零三年 2003
		千港元 HK\$'000	千港元 HK\$'000
原材料	Raw materials	54,341	43,251
在製品	Work in progress	66,330	66,528
產成品	Finished goods	118,581	108,351
		239,252	218,130
減：存貨撥備	Less : Provision for inventories	(14,015)	(13,831)
		225,237	204,299

於資產負債表日，存貨中包括可變現淨值列賬的存貨約為25,599,000港元（二零零三年：17,828,000港元）。

At the balance sheet date, approximately HK\$25,599,000 (2003 : HK\$17,828,000) of the inventories of the Group were carried at net realisable value.

18. 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。

18. 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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18. 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：

18. ACCOUNTS AND OTHER RECEIVABLES (Continued)

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

		本集團 The Group	
		二零零四年 2004	二零零三年 2003
		千港元 HK\$'000	千港元 HK\$'000
應收賬款	Accounts receivable	201,124	131,753
其他應收款	Other receivables	10,644	15,216
		211,768	146,969
減：呆壞賬撥備	Less : Provision for bad and doubtful debts	(8,212)	(8,689)
		203,556	138,280

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	
		二零零四年 2004	二零零三年 2003
		千港元 HK\$'000	千港元 HK\$'000
本期至六個月內	Current to less than 6 months	180,549	112,556
六個月至一年內	6 months to less than 1 year	6,785	9,896
一至兩年內	1 to less than 2 years	7,581	4,058
兩年以上	Over 2 years	6,209	5,243
		201,124	131,753



19. 已抵押存款

該存款抵押予銀行作為根據一份有關供應耐火材料合同所訂明的條款的業務擔保。

19. PLEDGED DEPOSITS

The deposits were pledged to a bank as business guarantee according to the terms specified in a contract of supplying refractory materials.

20. 現金及銀行結存

於二零零四年十二月三十一日，本集團以人民幣結算的現金及銀行結存約為人民幣227,458,000元（二零零三年：人民幣262,911,000元）。人民幣是不可自由兌換成外幣，其匯率由中國政府釐定。

20. CASH AND BANK BALANCES

At 31 December 2004, cash and bank balances of the Group denominated in Renminbi amounted to approximately RMB227,458,000 (2003 : RMB262,911,000). Renminbi is not freely convertible into foreign currencies and its exchange rate is determined by the government of the PRC.

21. 應付賬款

應付賬款之賬齡分析如下：

21. ACCOUNTS PAYABLE

An ageing analysis of accounts payable is as follows:

		本集團 The Group	
		二零零四年 2004	二零零三年 2003
		千港元 HK\$'000	千港元 HK\$'000
本期至六個月內	Current to less than 6 months	50,768	35,439
六個月至一年內	6 months to less than 1 year	4,549	5,678
一至兩年內	1 to less than 2 years	491	2,120
兩年以上	Over 2 years	74	18
		55,882	43,255

截至二零零四年十二月三十一日止年度  
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22. 股本

22. SHARE CAPITAL

		本集團及本公司 The Group and the Company	
		股本數目	千港元
每股面值0.10港元之普通股	Ordinary shares of HK\$0.10 each	Number of shares	HK\$'000
法定：	Authorised:		
於二零零四年一月一日	At 1 January 2004	1,000,000,000	100,000
本年度新增(附註a)	Increase during the year (Note a)	1,000,000,000	100,000
於二零零四年十二月三十一日	At 31 December 2004	2,000,000,000	200,000
已發行及繳足：	Issued and fully paid:		
於二零零四年一月一日	At 1 January 2004	814,453,059	81,445
發行股份 (附註b)	Issue of shares during the year (Note b)	172,500,000	17,250
於二零零四年十二月三十一日	At 31 December 2004	986,953,059	98,695

(a) 於二零零四年一月二十九日，本公司之法定股本以新增每股面值0.10港元的普通股1,000,000,000股已由100,000,000港元增加至200,000,000港元。

(a) On 29 January 2004, the authorised share capital of the Company was increased from HK\$100,000,000 to HK\$200,000,000 by the creation of an additional 1,000,000,000 ordinary shares of HK\$0.10 each in the capital of the Company.

(b) 於二零零四年一月二十九日，本公司已發行172,500,000股每股面值0.10港元的普通股。

(b) On 29 January 2004, 172,500,000 ordinary shares of HK\$0.10 each were issued.

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 For the year ended 31 December 2004

## 23. 儲備

## 本集團

## 23. 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
於二零零三年一月一日	At 1 January 2003	412,485	32,837	41,684	8,144	3,597	358,233	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 及二零零四年一月一日	At 31 December 2003 and 1 January 2004	412,485	32,837	46,574	19,739	3,597	400,182	915,414
本年度發行股份	Issue of shares during the year	189,750	-	-	-	-	-	189,750
股份發行費用	Share issue expenses	(1,313)	-	-	-	-	-	(1,313)
本年度溢利淨額	Net profit for the year	-	-	-	-	-	119,424	119,424
轉往法定儲備	Appropriations to statutory reserves	-	-	10,400	-	-	(10,400)	-
撥出之股息 (附註12)	Dividends set aside (Note 12)	-	-	-	19,739	-	(19,739)	-
已付二零零三年 末期股息	Dividends paid for 2003 final dividend	-	-	-	(19,739)	-	-	(19,739)
於二零零四年十二月三十一日	At 31 December 2004	600,922	32,837	56,974	19,739	3,597	489,467	1,203,536

截至二零零四年十二月三十一日止年度  
 For the year ended 31 December 2004

## 23. 儲備(續)

本公司

## 23. 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
於二零零三年一月一日	At 1 January 2003	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及 二零零四年一月一日(附註b)	At 31 December 2003 and 1 January 2004 (Note b)	562,435	19,739	(26,441)	555,733
本年度發行股份	Issue of shares during the year	189,750	-	-	189,750
股份發行費用	Share issue expenses	(1,313)	-	-	(1,313)
本年度溢利淨額 (附註c及d)	Net profit for the year (Notes c & d)	-	-	25,082	25,082
撥出之股息 (附註12)	Dividends set aside (Note 12)	-	19,739	(19,739)	-
已付二零零三年 末期股息	Dividends paid for 2003 final dividend	-	(19,739)	-	(19,739)
於二零零四年十二月三十一日 (附註b)	At 31 December 2004 (Note b)	750,872	19,739	(21,098)	749,513

**23. 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。於二零零四年十二月三十一日，本公司可供分派給股東的儲備約749,513,000港元(二零零三年：555,733,000港元)。
- (c) 股東應佔溢利包括約25,082,000港元(二零零三年：7,676,000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1,453,000港元(二零零三年：1,258,000港元)已計入於本公司的本年度溢利淨額。

**24. 銀行融資**

於二零零四年十二月三十一日，本集團沒有銀行融資作為貿易融資。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，並未提用該融資金額。該貿易融資是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。

**23. 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 2004, the reserves of the Company available for distribution to shareholders amounted to approximately HK\$749,513,000 (2003 : HK\$555,733,000).
- (c) The Group's profit attributable to shareholders included profit of approximately HK\$25,082,000 (2003 : HK\$7,676,000) 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 a subsidiary of the Company on behalf of the Company. During the year, the relevant operating lease charges and building management fee totalling HK\$1,453,000 (2003 : HK\$1,258,000) in respect of the arrangement were included in the net profit for the year of the Company.

**24. BANKING FACILITIES**

At 31 December 2004, the Group had no banking facilities for trade finance. At 31 December 2003, the Group had banking facilities of approximately HK\$18,448,000 with the same unused amount for trade finance. The trade finance facility is secured by a first charge over a time deposit amount held with a bank in an amount not less than the utilised facility amount. All of the above facilities bear interest at commercial rates.

截至二零零四年十二月三十一日止年度  
For the year ended 31 December 2004

25. 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：

25. 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	
		二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
已授權及已訂約	Authorised and contracted for	45,434	60,124

- (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	
		二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
一年內	Within one year	1,264	2,920
第二至第五年 (包括首尾兩年)	In the second to fifth year inclusive	3,063	3,394
五年後	Over five years	10,898	11,452
		15,225	17,766

## 26. 購股權計劃

於二零零四年六月四日舉行之股東週年大會上，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」）及採納新購股權計劃（「新計劃」）。

根據新計劃，董事可酌情邀請對本集團有所貢獻或將有貢獻之本集團全職僱員（包括本公司及其附屬公司之董事）、任何股東、供應商、客戶、專家顧問、顧問及合作伙伴或業務聯盟在新計劃條款及條件之規限下接受購股權認購本公司股份。合資格參與者將就每次授出之購股權支付象徵式代價。購股權可於董事在提出要約時所釐定及指定予各承授人之期間內任何時間行使，惟不得超過各購股權授出日起計十年之期間，惟可遵照新計劃予以提早終止。於本年內，本公司並無根據舊計劃及新計劃授出購股權。

## 26. SHARE OPTION SCHEME

At the annual general meeting of the Company held on 4 June 2004, the shareholders of the Company approved the termination of the Company's share option scheme adopted on 14 October 1999 (the "Old Scheme") and the adoption of a new share option scheme (the "New Scheme").

Under the New Scheme, the directors may, at their discretion, invite full-time employees of the Group, including directors of the Company and its subsidiaries, any of its shareholders, suppliers, customers, consultants, advisers and joint venture partners or business alliance who have contributed or will contribute to the Group to take up options to subscribe for shares in the Company subject to the terms and conditions stipulated therein. A nominal consideration will be paid by the eligible participants for each lot of share options granted. An option may be exercised at any time during a period to be determined and identified by the directors to each grantee at the time of making the offer, but in any event, shall not exceed the period of ten years from the date of grant of the particular option, subject to early termination of the New Scheme. No option has been granted by the Company under the Old Scheme and the New Scheme during the year.

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26. 購股權計劃(續)

於二零零三年內授出了13,000,000購股權及其中6,500,000購股權於該年內失效。於本年度內授出及失效之購股權及於二零零四年十二月三十一日尚未行使之購股權詳情如下：

26. SHARE OPTION SCHEME (Continued)

Options of 13,000,000 shares issuable were granted of which 6,500,000 shares issuable were lapsed in 2003. Particulars of the share options granted and lapsed during the year and outstanding as at 31 December 2004 are as follows:

		可發行股份數目 Number of shares issuable
於二零零四年一月一日	Balance at 1 January 2004	6,500,000
於本年內授出	Granted during the year	-
於本年內失效	Lapsed during the year	-
於二零零四年十二月三十一日	Balance at 31 December 2004	6,500,000

於二零零四年十二月三十一日，根據購股權計劃條款，購股權可於下列期限內行使：

According to the terms of the share option scheme, share options as at 31 December 2004 were exercisable within the following period:

授出日期 Date of grant	可發行股份數目 Number of shares issuable	每股行使價 Exercise price per share	行使期限 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)
23 January 2003		HK\$1.10	27 January 2003 to 26 January 2013 (Provided that 50% of the options granted shall not be exercised prior to 27 January 2004)



27. 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	二零零四年 2004			二零零三年 2003		
	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	-	(8,713)	-	46	-	50
無錫泛亞高溫陶瓷 有限公司*						
Wuxi Pan-Asia High Temperature Ceramics Co., Ltd.*	-	-	-	-	(46)	-
	-	(8,713)		46	(46)	

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。

\* 無錫泛亞高溫陶瓷有限公司於二零零四年一月二十九日成為本集團全資擁有附屬公司。

27. RELATED PARTY TRANSACTIONS

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

The Group

Name of related company	二零零四年 2004			二零零三年 2003		
	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	-	(8,713)	-	46	-	50
Wuxi Pan-Asia High Temperature Ceramics Co., Ltd.*	-	-	-	-	(46)	-
	-	(8,713)		46	(46)	

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.

\* Wuxi Pan-Asia High Temperature Ceramics Co., Ltd. has become a wholly-owned subsidiary of the Group since 29 January 2004.

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27. 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12,695,000港元（二零零三年：1,746,000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（二零零三年：204,000港元）的租金予蔣泉龍。

(iii) 本集團已支付約46,000港元（二零零三年：無）的租金予無錫泛亞環保科技有限公司。

董事認為上述交易是一般的普通業務往來及基於普通的商業交易條件或有關交易的協議進行的。以上均得到非執行董事確認。

(c) 應付董事款項詳情如下：

27. 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\$12,695,000 (2003 : HK\$1,746,000). 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 (2003 : HK\$204,000) to Jiang Quanlong.

(iii) The Group paid rent of approximately HK\$46,000 (2003 : Nil) to Wuxi Pan-Asia Environmental Protection Technologies Limited.

The directors are of the opinion that the above transactions were entered into in the normal course of business and on normal commercial terms or in accordance with the agreements governing such transactions, and this has been confirmed by the non-executive directors.

(c) Particulars of amounts due to directors are as follows:

		本集團		本公司	
		The Group		The Company	
		二零零四年	二零零三年	二零零四年	二零零三年
		2004	2003	2004	2003
		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	7,445	6,612	5,372	4,186
錢元英	Qian Yuanying	2,165	1,561	2,402	1,622
范亞軍	Fan Yajun	457	263	878	684
		10,067	8,436	8,652	6,492

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.

## 28. 收購附屬公司

於二零零四年一月二十九日，本集團以每股1.20港元之價格發行172,500,000股合共207,000,000港元的股份，作為收購持有無錫泛亞高溫陶瓷有限公司全部權益的Dynamic Goal Worldwide Inc.的全部已發行股份之非現金代價。該交易已採用收購會計法列賬。

收購之影響簡列如下：

## 28. ACQUISITION OF SUBSIDIARIES

On 29 January 2004, the Group acquired the entire issued share capital of Dynamic Goal Worldwide Inc. which in turn owns the entire equity interest in Wuxi Pan-Asia High Temperature Ceramics Co., Ltd. for a non-cash consideration of HK\$207,000,000 by means of issuing 172,500,000 shares at HK\$1.20 per share. This transaction has been accounted for using the purchase method of accounting.

The effect of the acquisition is summarised as follows:

		千港元 HK\$'000
收購所得的資產淨值	Net assets acquired	
物業、廠房及設備以及 在建工程	Property, plant and equipment and construction-in-progress	92,638
存貨	Inventories	1,983
應收賬款及其他應收款	Accounts and other receivables	29,360
現金及銀行結存	Cash and bank balances	3,405
應收集團公司款項	Amount due from a group company	46
應付賬款	Accounts payable	(1,224)
預提費用及其他應付款	Accruals and other payables	(4,030)
應付關聯公司款項	Amount due to a related company	(11,340)
銀行借款	Bank loan	(47,170)
應付稅項	Tax payable	(163)
		63,505
收購所產生的商譽	Goodwill arising on acquisition	143,495
非現金代價總額	Total non-cash consideration	207,000
收購所產生的現金流入淨額：	Net cash inflow arising on acquisition:	
收購所得的現金及銀行結存	Cash and bank balances acquired	3,405

## 29. 比較數據

為符合本年度的呈報方式，若干比較數據已重新編列。

## 29. COMPARATIVE FIGURES

Certain comparative figures had been reclassified in conformity to the presentation of the financial statements for the year.