



本公司董事會欣然提呈截至二零零一年十二月三十一日止年度本公司董事會報告。

The Board of Directors of the Company is glad to present this Report of the Directors for the year ended December 31, 2001:

(1) 報告期內董事會會議情況和決議內容

(A) BOARD OF DIRECTOR'S MEETING AND RESOLUTIONS

本期內共召開六次董事會議。

During the period, the Board of Directors convened altogether six meetings.

- (1). 第一次會議於3月9日召開,會議批准如下決議:

- (1) The first meeting was convened on March 9, which approved the following resolutions:

選舉項永春先生為董事長;聘任黃平先生任總經理,厲斌先生任副總經理兼董事會秘書;劉永順先生任總會計師;李錦彪先生任總工程師;羅宏先生任董事會秘書。

Electing Mr. Xiang Yongchun as the Chairman; appointing Mr. Huang Ping as the General Manager, Mr. Li Bin as Deputy General Manager and concurrently Secretary of the Board of Directors, Mr. Liu Yongshun as Chief Accountant, Mr. Li Jinbiao as Chief Engineer, and Mr. Luo Hong as Secretary of the Board of Directors.

聘任獨立董事管維立先生、邢玉久先生、康錦江先生、高闖先生為審核委員會成員,管維立先生任委員會主任。

Appointing independent directors Mr. Guan Weili, Mr. Xing Yujiu, Mr. Kang Jinjiang and Mr. Gao Chuang as members of the Examination Committee, with Mr. Guan Weili as chairman of the Committee.

聘任黃平先生、李錦彪先生、劉永順先生、盧明林先生為投資管理委員會成員,黃平先生任委員會主任。

Appointing Mr. Huang Ping, Mr. Li Jinbiao, Mr. Liu Yongshun and Mr. Lu Minglin as members of the Investment Management Committee, with Mr. Huang Ping as chairman of the Committee.

- (2). 第二次會議於4月20日召開,會議批准如下決議:2000年度經審核帳目及核數師報告、董事會報告、淨利潤分配預案,續聘香港摩斯倫會計師事務所及華倫會計師事務所為本公司的境內外核數師,提請召開股東周年大會。該項決議刊登在2001年4月23日指定披露報章上。

- (2) The second meeting was convened on April 20, which approved the following resolutions: the audited accounts and Auditor's Report for 2000, the report of the Board of Directors, the report of the Board of Supervisors, the plan for net profit distribution, deciding to continue inviting Moores Rowland Certified Public Accountants and Hualun Certified Public Accountants as overseas and domestic auditors of the Company, and request for convening of annual meeting of the General Meeting of Shareholders. The resolutions of the meeting were carried on April 23, 2001 on the designated disclosure newspapers.



(1) 報告期內董事會會議情況和決議內容 (續)

- (3). 第三次會議於5月14日召開，會議聽取了4,000萬美元境外銀團貸款還款情況報告，授權董事長全權處理相關事宜。
- (4). 第四次會議於8月17日召開，會議批准了2001年上半年經營情況及下半年經營計劃，中期業績報告。該項決議刊登在2001年8月20日指定披露報章上。
- (5). 第五次會議於9月27日召開，會議批准與阿爾斯通公司合資發起成立東北電阿爾斯通互感器有限公司。其中本公司投資5,699,029美元，佔註冊資本總額11,630,670美元的49%。該項決議刊登在2001年9月28日指定報章上。
- (6). 第六次會議於10月26日召開，會議批准了三季度業績報告，批准高金柱先生因工作調動辭去董事職務，聘任蘇偉國先生為公司副總經理。

(A) BOARD OF DIRECTOR'S MEETING AND RESOLUTIONS (Continued)

- (3) The third meeting was convened on May 14, which heard the report on repayment of the USD40 million overseas syndicated loan, and authorized the Chairman of the Board of Directors to handle related matters with full power.
- (4) The fourth meeting was convened on August 17, which approved the operating results for the first half of 2001 and the operating plan for the second half, and the interim Performance Report. The resolutions of the meeting were carried on August 20, 2001 on the designated disclosure newspapers.
- (5) The fifth meeting was convened on September 27, which approved the initiation and establishment of the NEMM-Alstom Voltage and Current Transformer Co., Ltd. jointly with Alstom. The Company invested USD5,699,029, or 49% of the total registered capital of USD11,630,670 of the joint venture. The resolution of the meeting was carried on September 28, 2001 on the designated disclosure newspapers.
- (6) The sixth meeting was convened on October 26, which approved the Performance Report for the third quarter, approved the resignation of Mr. Gao Jinzhu from his Director post for change of job, and appointed Mr. Su Weiguo as Deputy General Manager of the Company.



(2) 董事會對股東大會決議的執行情況

本報告期內，董事會認真執行了股東大會的各項決議，及時完成了股東大會交辦的各項任務。

(B) THE BOARD'S EXECUTION OF RESOLUTIONS OF THE GENERAL MEETINGS

During the reporting period, the Board of Directors earnestly implemented all resolutions of the General Meeting of Shareholders and timely fulfilled all tasks assigned by the General Meeting of Shareholders.

(3) 公司董事、監事及高級管理人員名單、持股及年度報酬情況：

(C) NAMES' SHAREHOLDING AND ANNUAL REMUNERATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT:

| 姓名 | 性別 | 年齡 | 職務 | 任期 | 持股數 | 年度報酬(人民幣元) |
|-----------------------|-----------|-----|--|-----------------------|-----------------------|-------------------------|
| Name | Sex | Age | Position | Term of Office | Number of Shares Held | Annual Reward (Rmbyuan) |
| 項永春 Xiang Yongchun | 男 Male | 58 | 董事長 Chairman of Board of Directors | 2001/03/12-2004/03/09 | 2,130 | 24,096 |
| 周寶義 Zhou Baoyi | 男 Male | 40 | 執行董事 Executive Director | 同上 ditto | — | 20,533 |
| 黃平 Huang Ping | 男 Male | 50 | 執行董事兼總經理 Executive Director, General Manager | 同上 ditto | — | 23,000 |
| 劉永順 Liu Yongshun | 男 Male | 56 | 執行董事 Executive Director | 同上 ditto | 2,130 | 23,448 |
| 厲斌 Li Bin | 男 Male | 36 | 執行董事、副總兼董秘 Executive Director, Deputy General Manager, Secretary to the Board | 同上 ditto | — | 15,000 |
| 李錦彪 Li Jinbiao | 男 Male | 36 | 執行董事 Executive Director | 同上 ditto | — | 20,533 |
| 盧明林 Lu Minglin | 男 Male | 59 | 執行董事 Executive Director | 同上 ditto | 2,130 | 23,460 |
| 劉傑 Liu Jie | 男 Male | 38 | 執行董事 Executive Director | 同上 ditto | — | 20,533 |
| 高金柱 Gao Jinzhu | 男 Male | 36 | 執行董事 Executive Director | 同上 ditto | — | 19,224 |
| 高興耀 Gao Xingyao | 男 Male | 63 | 執行董事 Executive Director | 1998/03/12-2001/03/11 | 5,396 | 32,052 |

董事會報告書 (續)
Report of the Directors (Continued)



(3) 公司董事、監事及高級管理人員名單、持股及年度報酬情況：
(續) (C) NAME, SHAREHOLDING AND ANNUAL REWARD OF DIRECTORS, SUPERVISORS AND SENIOR MANagements (Continued)

| 姓名 | 性別 | 年齡 | 職務 | 任期 | 持股數 | 年度報酬(人民幣元) |
|-----------------|--------|-----|---------------------------------------|-----------------------|-----------------------|---------------------|
| Name | Sex | Age | Position | Term of Office | Number of Shares Held | Annual Reward (Rmb) |
| 常淑雲 | 女 | 61 | 執行董事 | 同上 | 2,130 | 22,000 |
| Chang Shuyun | Female | | Executive Director | ditto | | |
| 周任勞 | 男 | 54 | 執行董事 | 同上 | 2,130 | 26,200 |
| Zhou Renlao | Male | | Executive Director | ditto | | |
| 管維立 | 男 | 58 | 獨立董事 | 2001/03/12-2004/03/09 | — | 不在本公司領取 none |
| Guan Weili | Male | | Independent Director | | | |
| 邢玉久 | 男 | 62 | 獨立董事 | 同上 | — | 不在本公司領取 none |
| Xing Yujiu | Male | | Independent Director | ditto | | |
| 高 闖 | 男 | 48 | 獨立董事 | 同上 | — | 不在本公司領取 none |
| Gao Chuang | Male | | Independent Director | ditto | | |
| 康錦江 | 男 | 56 | 獨立董事 | 同上 | — | 不在本公司領取 none |
| Kang Jinjiang | Male | | Independent Director | ditto | | |
| 陸燕蓀 | 男 | 67 | 獨立董事 | 1998/03/12-2001/03/11 | — | 不在本公司領取 none |
| Lu Yansun | Male | | Independent Director | | | |
| 翟 鋒 | 男 | 55 | 獨立董事 | 同上 | 1,420 | 不在本公司領取 none |
| Zhai Feng | Male | | Independent Director | ditto | | |
| 吳慶煒 | 男 | 45 | 監事會主席 | 2001/03/12-2004/03/09 | 2,130 | 8,147 |
| Wu Qingwei | Male | | Chairman of the Supervisory Committee | | | |
| 柳 重 | 女 | 49 | 監事 | 同上 | 1,775 | 12,648 |
| Liu Chong | Female | | Supervisor | ditto | | |
| 梁 傑 | 女 | 49 | 獨立監事 | 同上 | — | 不在本公司領取 none |
| Liang Jie | Female | | Independent Supervisor | ditto | | |
| 羅貴良 | 男 | 45 | 監事 | 同上 | — | 20,533 |
| Luo Guiliang | Male | | Supervisor | ditto | | 20,533 |
| 張鴻良 | 男 | 58 | 監事 | 同上 | — | 19,224 |
| Zhang Hongliang | Male | | Supervisor | ditto | | 19,224 |
| 潘海林 | 男 | 58 | 監事 | 1998/03/12-2001/03/11 | 2,130 | 19,224 |
| Pan Hailin | Male | | Supervisor | | | |
| 李新春 | 女 | 38 | 監事 | 同上 | 1,420 | 10,080 |
| Li Xinchun | Female | | Supervisor | ditto | | |
| 張 平 | 男 | 38 | 監事 | 2000/06/13-2001/03/11 | — | 10,080 |
| Zhang Ping | Male | | Supervisor | | | |
| 羅 宏 | 男 | 38 | 董事會秘書 | 2001/03/12-2004/03/09 | — | 15,000 |
| Luo Hong | Male | | Secretary to the Board | | | |
| | | | | | 24,921 | |



(3) 公司董事、監事及高級管理人員名單、持股及年度報酬情況：
(續)

註：

1. 在本報告期內，高興耀、常淑雲、周任勞、陸燕蓀、翟鋒五位董事和潘海林、李新春、張平三位監事均於2001年3月11日屆滿離任。
2. 報告期內，本公司董事、監事及高級管理人員共計持A股31,311股，持股情況並無變動。
3. 現任董事、監事和高級管理人員2001年度報酬總額為38.3萬元。
4. 根據工作變動需要和本人申請，2002年1月28日董事會會議同意項永春先生、周寶義先生、黃平先生辭去董事職務，同意盧明林先生由於年齡原因辭去董事職務；2002年2月25日董事會會議同意厲斌先生因工作變動辭去董事、副總經理和董事會秘書職務。
5. 2002年3月15日臨時股東大會選舉時延平先生、張殿軍先生、瞿林先生、唐小江先生、李丕學先生為增補的董事。任期均為2002/03/15-2004/03/09。

(C) NAMES SHAREHOLDING AND ANNUAL REMUNERATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (Continued)

Notes:

1. During the reporting period, the five directors of Gao Xingyao, Chang Shuyun, Zhou Renlao, Lu Yansun and Zhai Feng, and the three supervisors of Pan Hailin, Li Xincun and Zhang Ping all left office upon expiration of their terms of office on March 11, 2001.
2. In the reporting period, directors, supervisors and senior managers of the Company altogether held 31,311 A-shares of the Company, and their shareholdings did not change.
3. Total remuneration of the current directors, supervisors and senior management amounted to Rmb383,000 for the year of 2001.
4. At its meeting on January 28, 2002, the Board of Directors agreed to the resignation of Mr. Xiang Yongchun, Mr. Zhou Baoyi and Mr. Huang Ping from their Director posts for the need of change of job and at their application, and to the resignation of Mr. Lu Minglin from his Director post for age cause. At its meeting on February 25, 2002, the Board of Directors agreed to the resignation of Mr. Li Bin from his posts of Director, Deputy General Manager and Board Secretary for change of job.
5. The interim meeting of the General Meeting of Shareholders on March 15, 2002 elected Mr. Shi Yanping, Mr. Zhang Dianjun, Mr. Qu Lin, Mr. Tang Xiaojiang and Mr. Li Pixue as supplemented directors. Their terms of office are all from March 15, 2002 to March 9, 2004.



(4) 董事及監事酬金

(D) REWARDS TO DIRECTORS AND SUPERVISORS

| | | 2001 人民幣千元 Rmb'000 | 2000 人民幣千元 Rmb'000 |
|----------|-------------------------------------|--------------------------|--------------------------|
| 工資及津貼 | Salary and subsidy | 296 | 251 |
| 獎金 | Bonus | 66 | 56 |
| 非執行董事之費用 | Expenses of non-executive directors | — | — |
| 合計 | Total | 362 | 307 |

董事及監事的服務合約的細節在所有重大方面均相同，茲列如下：

The details of service contracts for directors and supervisors are largely identical, and are elaborated as follows:

- | | |
|--|---|
| <p>(1) 每項服務合約由二零零一年三月十二日起計，為期三年，而其後可由雙方按照公司章程續約；</p> | <p>(1) Each service contract starts from March 12, 2001 and is valid for three years. Upon expiration, the two sides may renew contract according to the Articles of Association of the Company.</p> |
| <p>(2) 由二零零一年三月十二日至二零零四年三月九日，執行董事及監事將分別收取年薪合共約人民幣 31 萬元及人民幣 9.8 萬元，及不多於合共分別為人民幣 67 萬元和人民幣 24.5 萬元的年度獎金。根據上述的服務合約，直至其各自卸任前其薪金和最高獎金皆為定額；</p> | <p>(2) From March 12, 2001 to March 9, 2004, the executive directors and supervisors will respectively get a total of about Rmb310,000 and Rmb98,000 in annual salary and a total of no more than Rmb670,000 and Rmb245,000 in annual bonus. In accordance with the above service contract, their salary and maximum bonus both are quotas for the period till they leave office.</p> |
| <p>(3) 根據本公司之公司章程，自受任之日起計算，四位獨立董事的任期為三年，可連選連任。</p> | <p>(3) In accordance with the Articles of Association of the Company, starting from the date of taking office, the term of office of the four independent directors is three years, and they may be reelected.</p> |

除以上所述外，本公司或任何附屬公司與各董事或監事之間概無訂立現行或擬議訂立於一年內終止而須作出賠償(一般法定賠償除外)之服務合約。

Except for the above-mentioned ones, the Company or any of its subsidiaries has not made nor is to make any service contract that shall make compensation (excluding general statutory compensation) in case of termination within one year.



(5) 員工的數量、專業結構、教育程度及退休職工情況。

截止2001年12月31日，公司在崗職工9,487人，其中管理人員1,561人，技術人員2,381人，財務、銷售人員833人，生產及其他人員4,712人。員工中大學本科以上學歷1,123人，大專學歷1,750人，中專及高中學歷2,820人。現有退休職工5,128人。

(6) 財務數據摘要

財務摘要載於第2頁至第11頁。

有關中國會計制度與香港普遍採納之會計準則的重大差異請詳見第199頁。

(7) 儲備

儲備變化詳情載於第107頁至第109頁，及第178頁至第179頁。

(8) 銀行貸款及其它借款

銀行貸款及其它借款詳情載於第105頁，110頁至115頁，及第174頁至第176頁。

(9) 固定資產

固定資產變化詳情載於第89頁至第90頁，第166頁至第167頁。

(10) 退休福利

退休福利詳情載於第81頁及第200頁。

(E) NUMBER, PROFESSIONAL STRUCTURE AND EDUCATIONAL BACKGROUND OF THE STAFF, AND RETIRED STAFF MEMBERS

By December 31, 2001, the Company had an in-service staff of 9,487, comprising 1,561 management personnel, 2,381 technical personnel, 833 financial and sales personnel, and 4,712 productive and other personnel. Staff members with undergraduate and above level educational background numbered 1,123, those with college educational background numbered 1,750, and those with technical school and senior middle school educational background numbered 2,820. There were 5,128 retired staff members.

(F) FINANCIAL HIGHLIGHTS

The financial summary highlights is shown on the pages 2 to 11.

For details of the significant differences according to the Chinese accounting system and the accounting standards widely accepted in Hong Kong, please see the page 199.

(G) RESERVES

Details of the changes to reserves are shown on the pages 107 to 109, and 178 to 179.

(H) BANK LOANS AND OTHER BORROWINGS

Details of the bank loans and other borrowings are shown on the pages 105, 110 to 115, and 174 to 176.

(I) FIXED ASSETS

Details of the changes to fixed assets are shown on the pages 89 to 90, and 166 to 167.

(J) RETIREMENT BENEFITS

Details of retirement welfare are shown on the page 81 and 200.



(11) 股本

股本變化詳情載於第106頁，及第177頁至178頁。

股本變化及股本結構情況詳見載於本報告第12頁至第15頁之“股本變動及股東情況介紹”。

(12) 優先認股權

根據本公司章程及中國法例，並無優先認股權之條款。

(13) 購買、出售和贖回股份

本公司及附屬子公司在二零零一年內，概無購買、出售和贖回本公司之股份。

(14) 主要供應商及客戶

於本年度內，本公司及其附屬公司自五大供應商採購金額佔本年度本集團採購總額比率低於30%，至於向五大客戶銷售貨品之營業額佔本集團總營業額比率亦低於30%。

本公司董事、監事及其關聯人士等在本年度任何時候均沒有在本集團五大供應商及五大客戶中佔有任何權益。

(K) SHARE CAPITAL

Details of the changes to share capital are shown on the page 196, and 177 to 178.

Details of the changes in share capital and the share capital structure are shown on the pages 12 to 15 in this Report under the item "Share Capital and Shareholders"

(L) PRE-EMPTIVE RIGHTS

According to the articles of association of the Company and the laws of the PRC, no pre-emptive right exists requiring the Company to offer new share to the existing shareholders in proportion to their shareholdings.

(M) PURCHASE, SALE OR REDEMPTION OF SHARES

During the year of 2001, the Company or its subsidiaries did not buy, sell or buy back any shares of the Company.

(N) PRINCIPAL SUPPLIERS AND CUSTOMERS

During the current year, the Company and its subsidiaries' purchase from the top five suppliers accounted for less than 30% of the Group's total purchases in the year, and the turnover of sales to the top five customers also accounted for less than 30% of the Group's total turnover.

The directors and supervisors of the Company and their connected persons did not get any right or interest from the top five suppliers and top five clients of the Group in any time during the current year.



(15) 董事及監事之合約利益

於本報告期內，本公司及其附屬公司或其控股公司之董事及監事概無獲享任何直接或間接特殊待遇。

(16) 獨立董事就有關關聯交易之確認見載於本年報重大事項第5項。

(17) 核數師

本公司1999年年度之H股及A股財務報表分別由羅兵咸永道會計師事務所及普華大華會計師事務所審計。經二零零零年六月十三日股東大會批准，本公司聘任香港摩斯倫會計師事務所為境外核數師及華倫會計師事務所有限公司為境內核數師，聘期一年。

關於本報告期續聘香港摩斯倫會計師事務所及改聘岳華會計師事務所有限責任公司分別為境外、內核數師，事項見本年報重大事項第8項。

(18) 董事及監事購買股份或債券之權利

本公司或其附屬公司或其控股公司或同系附屬公司概無於本年度內任何時間參與任何安排，以致本公司之董事或監事可以購入本公司或其他法人團體之股份或債券而獲益。

(19) 最佳應用守則

本年度內，本公司全體董事、監事均嚴格遵守了香港聯合交易所有限公司的上市規則附錄14之最佳應用守則。

(O) DIRECTORS' AND SUPERVISORS' INTERESTS IN CONTRACTS

During the reporting period, none of directors and supervisor of the Company and its subsidiaries or its holding company has any director or indirect beneficial treatment.

(P) Confirmation by independent directors on connected transactions. Please refer to No. 5 of Significant Events.

(Q) AUDITORS

The Company's 1999 H share and A share financial statements were audited by PricewaterhouseCoopers and Price Waterhouse Da Hua respectively. During the annual general meeting held on 13 June 2000, the Company appointed Moores Rowland, Hong Kong Certified Public Accountants, and Hualun Certified Public Accountants as international and domestic auditors of the Company respectively for a year.

With respect to the Company's appointing Moores Rowland Certified Public Accounts and YueHua Certified Public Accountants Co., Ltd as its overseas and domestic auditors respectively during the reporting period, please refer to No. 8 of Significant Events.

(R) DIRECTORS' AND SUPERVISORS RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year was the Company or any of its subsidiaries, its fellow subsidiaries or its holding company a party to any arrangement to enable the directors or supervisors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

(S) CODE OF BEST PRACTICE

During the year, all directors and supervisors of the Company strictly complied with the Code of Best Practice, as set out in Appendix 14 to the Listing Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.



(20) 根據香港聯交所上市規則第19項
應用指引的規定所作說明：

關於銀團貸款，詳見董事會報告書第2(2)4a項。於二零零一年十二月三十一日，應收控股公司及其關聯公司欠款計人民幣237,598千元，扣除計提的壞帳準備101,134千元後，應收的淨值計人民幣136,464千元(2000年：人民幣217,341,565元)約為本集團淨資產的41%(2000年：19%)。

(21) 在報告期內，本公司分別於2001年4月23日和2001年8月20日在指定披露報章刊登了《2000年度業績報告》及《2001年度中期業績報告》。

(22) 重大合同

以下為東北輸變電設備集團公司(東北電公司)與本公司所簽訂之重大合同仍然有效：

A、根據本公司及其附屬公司與東北電公司於一九九五年六月十三日所簽署之重組協定，東北電公司曾就東北電公司注入之資產，向本公司作出若干促使雙方訂立契約之陳述、承諾、保證及補償。

(T) DISCLOSURE PURSUANT TO PRACTICE NOTE 19
ISSUED BY THE STOCK EXCHANGE OF HONG
KONG LIMITED:

With regard to the syndicated loan, see details in the 2(2)4a item in the Report of the Board of Directors. On December 31, 2001, the gross amounts due from NET and other related parties was Rmb237.598 million. After deducting a provision for doubtful debt of Rmb101.134 million, the net value receivable was Rmb136,464,000 (Rmb217,341,565 for 2000), representing about 41% of the Group's net assets (19% for 2000).

(U) During the reporting period, the Company publicized the Performance Report for 2000 and the Interim Performance Report for 2001 on the designated disclosure newspapers respectively on April 23, 2001 and August 20, 2001.

(V) SIGNIFICANT CONTRACTS

The following significant contracts signed between the Company and the Northeast Electrical Transmission & Transformation Equipment Group Company (Northeast Electrical Company) are still valid:

A. According to the reshuffle agreement signed between the Company and its subsidiaries and the Northeast Electrical Company on June 13, 1995, the Northeast Electrical Company used to make to the Company some statements, commitments, guarantees and compensations that facilitate the making of the contract between the two sides with regard to the assets injected by the Northeast Electrical Company.



(22) 重大合同 (續)

- B、根據本公司與東北電公司於一九九五年六月十三日所簽訂之服務協定，東北電公司同意為本公司提供服務，其中包括提供職工宿舍及各種有關設施，以及宿舍、康樂設施及職工渡假屋之維修及保養。根據該協定，本公司與東北電公司同意彼此每年就上述提供之每項服務付予對方一項服務費用，其金額乃參考提供該等服務所需之實際成本而定。
- C、根據本公司及其附屬公司與東北電公司於一九九五年六月十三日所簽訂之商標特許權協定，東北電公司授權本公司及該等附屬公司只須付出象徵性費用人民幣五元，便可取得使用DBD商標之特許權，用以製造及銷售電力輸變電產品。
- D、為了解決應收關聯方欠款，於一九九九年四月九日和二零零零年十二月二十二日，本公司同東北電公司簽定《債務償還協定》，詳情載於本年報第110頁至第112頁。根據此協定，東北電公司以其金都飯店資產淨值人民幣344,843,000元抵償債務，剩餘欠款將用其他有效資產償還。

(V) SIGNIFICANT CONTRACTS (Continued)

- B. According to the service agreement signed between the Company and NET on June 13, 1995, NET agreed to provide services to the Company, which included the supply of staff dormitories and various related facilities and the maintenance of the dormitories, body-building and amusement facilities and vacation houses for staff members. According to the said agreement, the Company and NET agreed that a service fee should be paid to the other side annually for the supply of every service mentioned above, and the amount should refer to the actual cost needed for the supply of the said service.
- C. According to the trademark royalty agreement signed between the Company and its subsidiaries and NET on June 13, 1995, NET empowered the Company and its subsidiaries to get the royalty for the use of the DBD trademark in manufacturing and selling electrical transmission and transformation products only by paying a token fee of Rmb5.
- D. In order to solve the arrears receivable from related parties, the Company and NET signed the Debt Repayment Agreement on April 9, 1999 and December 22, 2000. The related details are carried on the pages 110 to 112 in this Annual Report. According to this agreement, NET used the net assets of its Kingdom Hotel valued at Rmb344,843,000 to offset the debts, and the remaining arrears will be repaid by using other valid assets.



(23) 本年度利潤分配預案：

本公司董事會建議就截至二零零一年十二月三十一日止期間之股東權益作如下分配：

二零零一年度除稅及少數股東權益淨利潤為人民幣-803,807千元，加上期初未分配利潤-458,578千元；另提取一家有盈利的子公司的盈餘公積金1,209千元；當年可供股東分配利潤合計為-1,263,594千元。因公司出現虧損，董事會建議不進行利潤分配，提請股東大會審議通過。

承董事會命
時延平

中國 瀋陽
二零零二年四月十八日

(W) PROFIT DISTRIBUTION PLAN FOR THE CURRENT YEAR

The Board of Directors of the Company proposes to make the following distribution of shareholders' equity ended December 31, 2001:

The net profit after taxation and deduction of minority interests for 2001 is Rmb-803.807 million. Plus the initial undistributed profit of Rmb-458.578 million and transfer of surplus reserve of Rmb1.209 million to a profitable subsidiary. The profit attributable to shareholders for the current year totals Rmb-1,263,594,000. Due to the loss, the Board of Directors proposes not to distribute the profit. The proposal will be submitted to the General Meeting of Shareholders for deliberation and adoption.

By Order of the Board of Directors
Shi Yanping

Shenyang, PRC
April 18, 2002