

(一) 董事會日常工作情況

報告期內公司共召開了11次董事會會議。

- (1) 2002年1月28日召開三屆七次董事會會議，會議批准改聘岳華會計師事務所為境內核數師；接納項永春先生、周寶義先生、黃平先生、盧明林先生辭去董事職務，黃平先生辭去總經理職務；同意張殿軍先生、時延平先生、瞿林先生、唐小江先生、李丕學先生為增補的董事候選人；聘任時延平先生為公司總經理，瞿林先生為副總經理，李丕學先生為總工程師。
- (2) 2002年3月15日召開三屆八次董事會會議，會議選舉時延平先生擔任公司董事長，兼任總經理。
- (3) 2002年3月27日召開三屆九次董事會會議，會議選舉劉杰先生任副董事長；接納時延平先生辭去總經理職務；聘任瞿林先生任總經理，蘇偉國先生、羅宏先生任副總經理。
- (4) 2002年4月18日召開三屆十次董事會會議，會議批准2001年度業績及利潤分配預案；批准岳華會計師事務所及香港摩斯倫會計師事務所為本公司境內外核數師；批准獨立董事薪酬；聘任劉永順先生任副總經理，王國華女士任總會計師。

(1) OPERATIONS OF THE BOARD OF DIRECTORS

During the reporting period, the Board of Directors convened 11 meetings.

- (1) The 7th meeting of the third Board of Directors was held on 28 January 2002. At the meeting, Yuehua Certified Public Accountants as the domestic auditor of the Company was appointed; Mr. Xiang Yongchun, Mr. Zhou Baoyi and Mr. Huang Ping, and Mr. Lu Ming Lin resigned from their positions of directors; Messrs Zhang Diaojun, Shi Yanping, Qulin, Tang Xiaojiang and Li Pixue were additional candidates for directors; Mr. Huang Ping resigned from his position of General Manager; Mr. Shi Yanping was appointed as General Manager of the Company. Mr. Qulin was appointed as Deputy General Manager and Mr. Li Pixue was appointed as Chief Engineer.
- (2) The 8th meeting of the third Board of Directors was held on 15 March 2002. At the meeting, Mr. Shi Yanping was elected as the chairman and the general manager of the Company.
- (3) The 9th meeting of the third Board of Directors was held on 27 March 2002. At the meeting, Mr. Liu Jie was elected as Vice Chairman of the Company; the resignation tendered by Mr. Shi Yanping from the position of General Manager was accepted, and the appointment of Mr. Qu Liu as General Manager and Messrs. Su Weiguo and Luo Hong as Deputy General Manager of the Company was approved.
- (4) The 10th meeting of the third Board of Directors was held on 18 April 2002. At the meeting, the profit appropriation plan for the year 2001 was approved; the resolution regarding the reappointment of Yuehua Certified Public Accountants and Moores Rowland Certified Public Accountants as domestic auditors and overseas auditors of the Company was approved; the remuneration for independent directors was approved; the appointment of Mr. Liu Yongshun as Deputy General Manager and the appointment of Mr. Wang Guohua as Chief Accountant were approved.



(一) 董事會日常工作情況 (續)

- (5) 2002年4月24日召開三屆十一次董事會會議，會議批准出售瀋陽變壓器有限責任公司100%股權的議案。
- (6) 2002年4月26日召開三屆十二次董事會會議，會議批准2002年一季度業績報告。
- (7) 2002年6月17日召開三屆十三次董事會會議，會議批准《建立現代企業制度現狀自查報告》；聘任唐小江先生任副總經理，李錦彪先生任總工程師。
- (8) 2002年8月27日召開三屆十四次董事會會議，會議批准2002年上半年經審核的業績報告及利潤分配方案，批准恢復上市工作報告及申請恢復上市決議。
- (9) 2002年10月25日召開三屆十五次董事會會議，會議批准2002年三季度業績報告；選舉瞿林先生任公司副董事長，聘任李洪良先生任副總經理。
- (10) 2002年11月10日召開三屆十六次董事會會議，會議批准出售瀋陽華康餐飲娛樂有限公司60%股權的議案。
- (11) 2002年12月25日召開三屆十七次董事會會議，會議通過決議，接受遼寧省瀋陽市中級人民法院判決，同意廣州羅蘭德房地產有限公司、香港德奧投資有限公司以物抵債。

(1) OPERATIONS OF THE BOARD OF DIRECTORS
(Continued)

- (5) The 11th meeting of the third Board of Directors was held on 24 April 2002. At the meeting, the disposal of 100% equity interest in Shenyang Transformers Ltd. was approved.
- (6) The 12th meeting of the third Board of Directors was held on 26 April 2002. At the meeting, the 2002 first quarterly report was approved.
- (7) The 13th meeting of the third Board of Directors was held on 17 June 2002. At the meeting, the establishment of "Self-inspection Report on Corporate Modern Corporate System"; the appointment of Mr. Tang Xiaojiang as the Deputy General Manager; the appointment of Mr. Li Jinbiao as Chief Engineer were approved.
- (8) The 14th meeting of the third Board of Directors was held on 27 August 2002. At the meeting, the 2002 audited interim report and the profit distribution plan were approved; the report on resumption of listing its shares and the resolution for resumption of listing its shares were approved.
- (9) The 15th meeting of the third Board of Directors was held on 25 October 2002. At the meeting, the 2002 third quarterly report was approved; the election of Mr. Qu Lin as the Deputy Chairman and the appointment of Mr. Li Hongliang as the Deputy General Manager were approved.
- (10) The 16th meeting of the third Board of Directors was held on 10 November 2002. At the meeting, the disposal of 60% equity interest in Shenyang Hua Kong Food & Entertainment Ltd. was approved.
- (11) The 17th meeting of the third Board of Directors was held on 25 December 2002. At the meeting, the acceptance of the ruling by the Intermediate People's Court of Shenyang, Liaoning Province was approved. According to the ruling, Guangzhou Laureland Property Co., Ltd. and Hong Kong Deao Investment Ltd. should use assets owned by them to set off the debt due to the Company.

(二) 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。

(三) 財務摘要

財務摘要詳見於本報告會計數據和業務數據摘要第(一)項。

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183頁。

(四) 儲備

儲備變化詳情載於第56頁至57頁，第102頁至103頁及第157頁至第158頁。

(五) 銀行貸款及其它借款

銀行貸款及其它借款詳情載於第101頁，148頁及第151頁至第154頁。

(六) 固定資產

固定資產變化詳情載於第85頁至86頁及第145頁至第146頁。

(七) 退休福利

本公司於本年度採納會計事務準則第34號「員工福利」，此準則對公司的職工福利政策，如退休福利計劃等進行了規範。由於本公司只參加國家規定的職工養老保險制度，此34號準則的應用並未對其財務狀況造成重大影響。

(2) 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) FINANCIAL HIGHLIGHTS

The financial summary highlights is shown on section 1 of accounting date and business statistics highlights.

Major differences between the PRC accounting standards and accounting principles generally accepted in Hong Kong are set out on page 183.

(4) RESERVES

Details of the changes to reserves are shown on the pages 56 to 57, 102 to 103 and 157 to 158.

(5) BANK LOANS AND OTHER BORROWINGS

Details of the bank loans and other borrowings are shown on the pages 101, 148 and 151 to 154.

(6) FIXED ASSETS

Details of the changes to fixed assets are shown on the pages 85 to 86 and 145 to 146.

(7) RETIREMENT BENEFITS

The Company adopts No. 34 of the PRC Accounting Standards: "Employee benefit" for the year, which regulates the retirement policy and retirement plan for its employees. Since the Company only participates in the retirement insurance system for employees as stipulated by the State, the implementation of No.34 has no significant effect on the financial position of the Company.

(八) 股本

股本變化詳情載於第102頁及第155頁至第156頁及本報告股本結構及股東情況第(一)、(二)、(三)項。

(九) 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。

(十) 購買、出售和贖回股份

本公司及附屬子公司在本年度內概無購買、出售和贖回本公司之股份。

(十一) 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。

因1999年度本公司與原控股股東東北輸變電設備集團公司發生支付退休福利費用、安排貸款、租賃協議等三項關聯交易時，未經股東會批准和履行及時披露義務，2002年6月17日香港聯合交易所有限公司對公司和當時任期內執行董事發出公開譴責聲明。

(8) SHARE CAPITAL

Details of the changes to share capital are shown on pages 102, 155 to 156 and sections (1), (2) and (3) of “Share Capital and Shareholders” in this Report.

(9) 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.

(10) PURCHASE, SALE OR REDEMPTION OF SHARES

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

(11) 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.

In 1999, the Company and Northeast Electrical Transmission and Transformation Equipment Group Corporation Limited (“NET”), original controlling shareholder of the Company, executed 3 connected transactions regarding retiring benefit expense, arrangement of loans and leasing without the prior approval from shareholders at the general meeting and disclosure on such transactions. As a result, on 17 June 2002, the Stock Exchange of Hong Kong Limited made a public condemnation statement against the Company and executive directors on duty at that period.

(十二) 本年度利潤分配預案

公司本年度實現淨利潤為人民幣69,002,412元,全部用於彌補以前年度虧損,本年末累計可供股東分配的利潤為-1,209,429,407元,故本年度不進行分配,也不進行資本公積金轉增股本。

承董事會命
時延平

中國,瀋陽
二零零三年四月十四日

(12) PROFIT DISTRIBUTION PLAN FOR THE CURRENT YEAR

During the year, the Company recorded net profit of RMB69,002,412, all of which was used to cover loss record in the previous year. Accumulation of distributable profit to shareholders amounted to RMB-1,209,429,407. Therefore, the Board of Directors resolved not to make any profit appropriation for the year 2002, nor transfer any reserves to increase the share capital of the Company.

By Order of the Board of Directors
Shi Yanping

Shenyang, PRC
14 April 2003