

## 關連交易

年內，本集團訂立下列關連交易：

### 收購寧波經濟技術開發區震寧塑料機械有限公司額外49%股權

在二零零二年四月二十四日，本集團之全資附屬公司豐盛熱處理有限公司（「豐盛」）與順德市南寶冷氣工程有限公司（「南寶」）及泰克液壓設備（深圳）有限公司簽訂股權轉讓協議（「震寧股權轉讓協議」），以總現金代價約人民幣4,356,000元（折合約為港幣4,105,000元）收購南寶所持有之寧波經濟技術開發區震寧塑料機械有限公司（「震寧」）註冊資本中之49%股權。收購價之釐定是以震寧於二零零一年十二月三十一日之資產淨值為基礎，並經公平磋商後達成。

於震寧股權轉讓協議簽訂日，震寧為本集團之附屬公司，本公司擁有其51%股權權益，南寶為震寧之主要股東，擁有49%震寧股權權益。因此，根據上市規則，南寶為本公司之關連人士及震寧股權轉讓協議屬於關連交易。

於二零零二年五月二十四日，震寧股權轉讓協議成為無附帶條件並根據該等條款完成，此收購引致之負商譽約為港幣3,854,000元。

### 出售廣州震高機械有限公司之全部51%股權

於二零零三年一月二十八日，本集團之全資附屬公司震雄（廣州）投資有限公司（「震雄廣州」）與廣州機械科學研究院（「廣州科研院」）、徐文強先生（「徐先生」）、陳兆宇先生（「陳先生」）及廣州天河高新技術產業開發區廣研科技開發公司（「天河高新技術」）簽訂股權轉讓協議（「震高股權轉讓協議」），據此，震雄廣州以總代價人民

## CONNECTED TRANSACTIONS

During the year, the Group entered into the following connected transactions:

### Acquisition of an additional 49% equity interest in Chen Ning Plastics Machinery Company, Limited

On 24 April 2002, Productive Heat Treatment Company Limited ("Productive Heat"), a wholly-owned subsidiary of the Group, entered into a share transfer agreement ("Chen Ning Share Transfer Agreement") with Nanbao Air-Conditioning Engineering Company Limited ("Nanbao") and Taike Hydraulic Equipment (Shenzhen) Co., Ltd., under which Productive Heat acquired from Nanbao a 49% equity interest in the registered capital of Chen Ning Plastics Machinery Company, Limited ("Chen Ning"), for a total consideration of approximately RMB4,356,000 (equivalent to approximately HK\$4,105,000). The consideration was determined based on the net asset value of Chen Ning as at 31 December 2001 and was arrived at after arm's length negotiations.

As at the date of the Chen Ning Share Transfer Agreement, Chen Ning was a 51% owned subsidiary of the Group and Nanbao held the remaining 49% equity interest in Chen Ning. Accordingly, Nanbao was a connected party of the Company and the Chen Ning Share Transfer Agreement constituted a connected transaction of the Company under the Listing Rules.

On 24 May 2002, the Chen Ning Share Transfer Agreement became unconditional and was completed in accordance with the terms thereof. Negative goodwill arising from the acquisition thereof amounted to approximately HK\$3,854,000.

### Disposal of the entire 51% equity interest in Guangzhou Chen Gao Machinery Company, Limited

On 28 January 2003, Chen Hsong (Guangzhou) Investment Company Limited ("Chen Hsong Guangzhou"), a wholly-owned subsidiary of the Group, entered into an equity transfer agreement ("Chen Gao Equity Transfer Agreement") with Guangzhou Mechanical Engineering Research Institute ("Guangzhou Research Institute"), Mr. Xu Wayne Qiang ("Mr. Xu"), Mr. Chen Robin Zhao Yu ("Mr. Chen") and Guangzhou Tian He Hi-New Tech Product Development Zone Guang Yan Technology Development Company ("Tian He Hi-Tech"), under which Chen Hsong Guangzhou disposed of its entire 51% interest (of which 26% was to be transferred to Guangzhou Research

幣6,500,000元（約相等於港幣6,124,000元）出售其於廣州震高機械有限公司（「震高」）之全部51%的註冊資本及相關權益（其中26%轉讓予廣州科研院、15%予徐先生及10%予陳先生）。該代價乃是買賣各方經公平磋商後達成。

於震高股權轉讓協議簽訂日，震高乃是本集團持有51%權益之附屬公司而廣州科研院則為持有震高餘下49%權益之天河高新技術之聯繫人。故此，廣州科研院為本公司之關連人士，根據上市規則，震高股權轉讓協議構成本公司之一項關連交易。

於二零零三年六月十六日，震高股權轉讓協議成為無附帶條件並根據該等條款完成。據此之出售虧損共約港幣483,000元。

## 最佳應用守則

董事局認為在本年報所包括會計期間，本公司一直遵守上市規則附錄十四所載之最佳應用守則（「該守則」），惟本公司之非執行董事並無按該守則第七段之規定訂出特定任期，彼等須按照本公司之公司細則輪值告退。

## 核數師

安永會計師事務所依章告退，本公司將於應屆股東周年大會上提呈決議案，續聘彼等為本公司核數師。

承董事局命

**蔣震**  
主席

香港，二零零三年七月十五日

Institute, 15% to Mr. Xu and 10% to Mr. Chen) in the registered capital and related rights of Guangzhou Chen Gao Machinery Company, Limited ("Chen Gao"), at a total consideration of RMB6,500,000 (equivalent to approximately HK\$6,124,000). The consideration was arrived at after arm's length negotiations among the parties.

As at the date of the Chen Gao Equity Transfer Agreement, Chen Gao was a 51% owned subsidiary of the Group and Guangzhou Research Institute was an associate of Tian He Hi-Tech which held the remaining 49% interest in Chen Gao. Accordingly, Guangzhou Research Institute was a connected party of the Company and the Chen Gao Equity Transfer Agreement constituted a connected transaction of the Company under the Listing Rules.

On 16 June 2003, the Chen Gao Equity Transfer Agreement became unconditional and was completed in accordance with the terms thereof. The loss on disposal thereof amounted to approximately HK\$483,000.

## CODE OF BEST PRACTICE

In the opinion of the directors, the Company complied with the Code of Best Practice (the "Code"), as set out in Appendix I4 of the Listing Rules, throughout the accounting period covered by the annual report, except that the non-executive directors of the Company are not appointed for specific term as required by paragraph 7 of the Code but are subject to retirement by rotation in accordance with the Company's bye-laws.

## AUDITORS

Ernst & Young retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

**Chen CHIANG**  
Chairman

Hong Kong, 15 July 2003