

董事會欣然提呈其截至2001年12月31日止年度之年度報告及經審核財務報表。

### 主營業務的範圍及其經營狀況

#### 主營業務的範圍

本公司原來的營業務為：開發、設計、生產、銷售機床系列產品及配件。開發、生產、銷售電子零部件、機電產品及配件、開發高科技產品、進行自有技術轉讓、技術服務及技術諮詢等業務。經資產重組後，從2002年3月29日起公司的營業務變更為：開發、設計、生產和銷售機床系列產品及配件，電腦資訊產品、高效節能產品、光機電一體化產品，開發高科技產品，進行自有技術轉讓、技術服務及技術諮詢等業務。

#### 經營情況

本年度經公司全體員工的共同努力，截止2001年12月31日，共生產各類機床21個品種，236台，完成主營業務收入人民幣102,494千元，比上年同期增長12.5%，實現利潤人民幣2,051千元，比上年同期減少42.6%。

#### 按行業劃分的銷售情況

##### 行業

Industries

軍工(航太、航空、兵器、船舶等)  
冶金(鋼鐵、有色金屬)  
鍛壓機械  
電力  
工程、施工機械  
鐵路、機車  
家電  
汽車、摩托車  
紡織機械  
其他

The directors present their annual report and the audited financial statements for the year ended 31st December, 2001.

### REVIEW OF OPERATIONS

#### Overview of principal activities

The Group is originally engaged in the design, development, manufacture and sale of machine tools, precision measuring equipment and precision transducers. The products mainly include horizontal boring machines, jig boring machines, copy milling machine, machining centers, precision measuring equipment, precision transducers and fully automatic coin wrapping machine and precision machining and different types of iron casting to outsiders. Subsequent to 29th March, 2002, upon the completion of the Assets Restructuring, the Group's core business has shifted to the design, development, production and sales of digital machine tools, information technology products, precision measuring equipment and precision transducers and technology services.

#### Review of operations

As at 31st December, 2001, the Company produced 21 types machine tools in a total of 236 sets machine tools. Revenue from principal operations amounted to approximately RMB102,494,000, representing an increase of 12.5% over that of 2000. Net profit was approximately RMB2,051,000, representing a decrease of 43% in the same period last year.

### THE SALES SITUATION ACCORDING TO DIFFERENT PRODUCTS

銷售額(人民幣千元)

Sales (RMB'000)

Military (aerospace, weapons, ships etc)	16,760
Metallic Copper (copper, coloured metal)	8,820
Metal forming machineries	7,070
Electricity supply	5,320
Engineering and construction machineries	6,770
Railway	2,290
Hone appliances	4,280
Motor vehicles, Motor Bikes	4,550
Gear and thread cutting machineries	2,240
Others	53,530

按產品劃分的銷售情況

THE SALES SITUATION ACCORDING TO DIFFERENT PRODUCTS

產品類型	銷售額	佔機床 銷售額 (%) % on total sales of boring machines	其中 數控銷售額 Sales of CNC machines	(人民幣千元)	
				(RMB'000) 佔同類機床 的銷售額 % % of sales of CNC on the same kind product	
Product types	Sales				
臥式鏜床	Horizontal boring machines	72,490	69.3	673	9.3
落地鏜床	Ground boring machine	12,580	12	493	39.2
座標鏜床	Jig boring machines	11,790	11.3	637	54
立、臥式加工中心	Vertical and precision horizontal machining centres	6,370	6.5	637	100

註：數控機床銷售額佔機床銷售額的23.8%

Note: The sales of Computer numerical controlled machines accounted for 23.8% of the total sales of boring machines.

市場佔有率

% of Market share

產品類型	按銷售額計算的市場佔有率	
Type of machines	% of Market share by turnover	
臥式鏜床	Horizontal boring machines	30%
落地鏜床	Ground boring machine	10%
座標鏜床	Jig boring machines	95%
臥式加工中心	Precision horizontal machining centres	2.3%

主要供應商、客戶情況介紹

Major suppliers and customers

(1) 五大供應商情況

本公司前五大供應商，全年採購金額佔全年之採購總額的20.60%。

(1) Top 5 suppliers

During the year, the aggregate purchases attributable to the Group's five largest suppliers accounted for 20.6% of the Group's total purchases for the year.

(2) 五大客戶

本公司前五大客戶之營業額之總和佔全年之營業額總和的26.5%。

(2) Top 5 customers

During the year, the aggregate sales attributable to the Group's five largest customers accounted for 26.5% of the Group's total sales for the year.

### 在經營中出現的困難及解決方案

2001年公司在經營中出現的困難：

1. 隨著市場的復蘇，部分產品供不應求，公司的生產能力略顯不足，個別工序成為生產配套中的瓶頸，制約了公司擴大生產規模；
2. 作為單件、小批生產方式的企業公司現有的生產組織方式，有待於在工藝專業化原則下實現生產組織科學化；
3. 歷史上開發的產品品種較多，佔用的資金較多，存貨量較大，需進一步加快商品化的進程；
4. 由於市場競爭激烈，銷售回款困難，應收帳款上升幅度較大；
5. 公司的經營方式和管理模式具現代化企業的要求尚有差距。

2001年公司採取了以下解決方案：

1. 在2002年技術改造方案中提出了相應的對策，解決提升產品質量和生產配套中的瓶頸問題，擴大公司整體生產規模；
2. 通過對產品零部件工藝、工時及生產期量標準的分析，逐步明確不同產品的生產周期，加速生產組織向科學化等方向發展；
3. 調整產品結構，對現有產品進行升級換代，加大數控機床比例，開發非機床產品市場，擴大營銷力度；
4. 加強應收帳款的回收力度；
5. 轉變思想觀念、紮實內部改革，加強內部管理，推進制度創新。

### OPERATING DIFFICULTIES AND SUGGESTED SOLUTIONS

The major problems and difficulties encountered by the Group during 2001 were as follows:

1. The Company's productivity is inadequate to meet the demands from the customers following the market recovery. There is bottle-neck problem appears in certain production process, which limits the expansion of production capability and prompt delivery to customers;
2. Difficulties in modernization of the production process as the Company's production process is a batch production mode;
3. Inventories obsolescence because of the product development in the previous years which lead to a significant inventory balances;
4. The account receivables have increased significantly due to keen competition in the market.
5. Traditional practices and management of a state-owned enterprise.

During the year, the Company has adopted the following solutions:

1. Under the proposal in relation to the Company's technology reform for 2002, the Company will focus on resolution of the bottleneck problem appears in certain production process in order to expand its production capability;
2. To speed up the development on the scientific measures in production through the product analysis to ensure periodically complete of different types of products;
3. The Company will adjust its product mix, promote new products to meet current demand, increase the percentage of digital control machine tool sales, develop products in non-machine tools markets and make efforts to increase selling activities;
4. To improve the recoverability of account receivables;
5. Intensifying internal reform and takes its operation to the highest standard according to the requirement of a modern enterprise system.

## 公司的投資情況

### 募集資金的使用情況

本公司於1993年通過發行新股募集資金之後，沒有再通過發行新股或配股募集資金。本公司募集資金的使用情況與上市文件所披露的用途相符。實際使用詳情(主要項目)如下：

- A. 進口設備款港幣57,304千元；
- B. 購買國產設備款人民幣28,380千元；
- C. 新建大型基礎廠房款人民幣73,260千元；
- D. 補充營運資金人民幣115,000千元。

剩餘未用資金港幣37,000千元存在國內銀行。目前本公司尚無剩餘募集資金的具體使用計劃。

### 股權投資

本公司於1994年投資人民幣2,000千元籌建雲南省澄江機床附件有限責任公司，並佔其權益的40%，1995年底完成了廠房建築工程。由於市場情況的變化，雙方決定將合資企業的業務由生產經營機床附件更改為生產經營銅材，並把合資公司更名為雲南澄江銅材廠。目前該廠處於停產狀態。本公司並不能參與澄江之業務決策並對其作出重大影響。

## INVESTMENT ACTIVITIES

### The use of listing proceeds

The Company has not issued any new shares since its public offer of new shares in 1993. The use of the listing proceeds has been in accordance with the purposes disclosed in the Company's listing documents. The listing proceeds have been utilised for the following major purposes:

- a. Purchase of imported equipment amounted to HK\$57,304,000;
- b. Acquisition of equipment within the PRC amounted to RMB28,380,000;
- c. Construction of a large-scale plant amounted to RMB73,260,000;
- d. Reimbursement of operating capital amounted to RMB115,000,000.

The balance of the unused listing proceeds, amounted to HK\$37,000,000 is deposited with the banks in China. The Company has not yet decided the plan for the use of unutilised listing proceeds.

### Investment securities

In 1994, the Company made an initial investment of RMB2,000,000 to establish the Cheng Jiang Machine Tool Accessories Plant ("Cheng Jiang"), representing a 40% interest in Cheng Jiang's capital. The factory premises were completed in 1995. Due to the changes of market conditions, the joint venture partners decided to change the principal business of Cheng Jiang from production of spare parts for machine tools to copper products and renamed the joint venture to Cheng Jiang Copper Products Plant. The Group did not participate in Cheng Jiang's financial and operating decision and Cheng Jiang has ceased production. Such investment had been fully written off in previous years.

公司的財務狀況

本公司按中國會計準則，各項主要財務指標變動情況如下：

項目	2001年	2000年	增(減) (%)	主要原因
	2001 人民幣 RMB	2000 人民幣 RMB	Increase (decrease) (%)	Reasons
總資產 Total Assets	774,442	666,040	16.28	銀行借款增加、利潤增加 Bank borrowings increased and profit increased
長期負債 Long-term liabilities	52,530	44,214	18.80	售後租回交易形成融資租賃，未實現售後租回收益 prior year adjustment on retain earning bought forward due to the charge of accounting policy
股東權益 Shareholder's equity	499,034	505,943	(1.40)	會計政策變更調整期初未分配利潤 prior year adjustment on retained earning brought forward due to the change of accounting policy
主營業務利潤 Principal operating income	24,968	22,235	12.30	銷售收入增加 Turnover increased
淨利潤 Net income	2,051	3,576	(42.60)	財務費用增加 Finance expenses increased during the year

FINANCIAL CONDITION OF THE GROUP

In accordance with PRC accounting standards, the major change of the financial indicator is as follows:

公司新年度業務發展計劃

1. 公司提出以市場為導向、以結構調整為主線、以改革為動力、以強化管理為基礎，通過資產重組，使公司的業務由單一機床產品向非機床項目如電腦繡花機、全可控渦詳能離心壓縮機、智慧電器、鐳射快速成型機等多元化產品方向發展；
2. 堅持有為，有所不為。以「大型、數控、精密、高效、成套」作為機床產品的發展方向，堅持高起點，重點發展臥式銑鏜床、大型落地銑鏜床、加工中心等高附加值產品；
3. 對傳統普通鏜床產品進行升級換代，尋求國內廠商聯合開發簡易數控系統，對普通型機床進行數控化改造；
4. 對引進的四個非機床項目進行技術改造，加大投入，擴大生產規模，加強銷售力度，使之儘快從小批量生產提高到規模化批量生產；

THE BUSINESS DEVELOPMENT PLAN IN YEAR 2002

- (1) With the assets restructuring, the Group will adjust its product mix and diversify its business in the design, development, production and sales of digital control machine tools, digital scanning machine tools etc. and the existing product lines of the Group will be expanded to cover other technologically advanced machinery.
- (2) Keeping high level of product quality and improving the product quality. The production of Horizontal boring machine and the vertical and precision horizontal machine center and jig boring machine will become an important production base of the Group in the future.
- (3) The Group enhancing development of digital control machine tools products through cooperation with other local manufacturers.
- (4) The Group will develop non machine tool products technology and to expand the production scale and capacity.

### 公司新年度業務發展計劃(續)

5. 應對加入WTO後的新形勢，堅持走「合作、引進、消化、吸收、創新」的道路，繼續加強「產學研」力度；
6. 不斷推進三個創新(制度創新、管理創新、技術創新)、調整三個結構(資產結構、組織結構、產品結構)、提高三個質量(員工質量、工作質量、產品質量)，加大三項制度改革(分配制度、人事制度、用工制度)，最大限度地調動幹部、職工的工作積極性；
7. 加強公司內部管理工作，做好2000版ISO9000質量體系轉版工作，進一步提升產品質量，加大銷售力度，實現銷售收入2億。
8. 積極貫徹《上市公司治理準則》，提高上市公司治理有效性。

### 董事會日常工作情況

#### 董事會會議情況及決議內容

本報告期內共召開了12次董事會。討論通過了本公司2000年年度報告、2001年中期報告；討論通過了本公司收購西安交通大學產業(集團)總公司相關資產的方案、收購協定和因收購資產而發生的關聯交易的協定及本公司向雲南省人民政府出售相關資產的方案、出售協定和因出售資產而發生的關聯交易的協定；選舉產生了董事長、副董事長；聘任了總經理、副總經理、財務負責人、財務總監、總工程師、總經濟師及董事會秘書等。

本報告期內董事會充分行使股東大會賦予的權利，股東大會的決議全部付諸實施。

### THE BUSINESS DEVELOPMENT PLAN IN YEAR 2002 (CONTINUED)

- (5) The Group will take advantage of China's accession to WTO and focus on its objective "cooperation, absorption, adoption, innovation" and continue to enforce its productivity;
- (6) Further speeding up the system innovation, management innovation and technology innovation; to reorganize the asset structures, organization structure and product structure; to improve the quality of the staffs and products and to enhance the organization reform in order to improve the operation economic efficiency;
- (7) Strengthening the internal management on the basis of 2000 version ISO9001, the Group will increase performance quality of each department, increase quality of its manufacturing products, increase quality of services provided to its customers in order to achieve RMB200,000,000 sales revenue;
- (8) Accelerating compliance of "Rules for Corporate Governance of the Listed Companies" in order to improve the effectiveness of the corporate governance of the Company.

### DAY TO DAY OPERATION OF THE BOARD OF DIRECTORS

#### Resolutions of the Board of Directors Meetings

During the reporting period, the Board of Directors of the Company held twelve meetings. The purpose of these meetings were to approve the 2000 annual report, 2001 interim report, to approve those discloseable connected transactions arose from the assets restructuring entered between the Company and Xian Jiaotong University Industrial (Group) Incorporation, the acquisition agreement, the disposal agreement entered between the Company and the Yunnan Provincial People's Government and the appointment of the Company's Chairman, Vice-chairman, General Manager, Deputy General Manager, Financial Officer, Chief Engineer, Chief Economist and the Secretary of the Board of Directors.

During the reporting period, the Board of Directors had acted their statutory power and duties carefully as provided in the Shareholder's Meeting.

**董事會日常工作情況 (續)**

**董事會會議情況及決議內容 (續)**

**利潤分配預案或資本公積金轉增股本預案**

經上海滬江德勤會計師事務所及香港德勤·關黃陳方會計師行審計，根據中國會計準則，公司2001年度實現淨利潤人民幣2,051千元，而根據香港會計準則，公司2001年度實現淨利潤人民幣8,236千元，用於彌補虧損，不派發現金也不送紅股，不用資本公積金轉增股本。

**本次利潤分配預案或資本公積金轉增股本預案**

根據中國會計準則，本公司2001年實現主營業務利潤及淨利潤分別為人民幣24,968千元和人民幣2,051千元。根據香港會計準則，公司2001年度實現淨利潤人民幣8,236千元，該利潤用於彌補虧損，故不進行利潤分配，不用資本公積金轉增股本。

**2002年利潤分配預案或本公積金轉增股本預案**

建議2002年本公司不進行利潤分配，也不進行資本公積金轉增股本。

**損贈**

本公司於報告期內共作出慈善及其他損贈共計人民幣約7,000。

**DAY TO DAY OPERATION OF THE BOARD OF DIRECTORS (CONTINUED)**

**Resolutions of the Board of Directors Meetings (Continued)**

**Proposed Appropriation Scheme and Transfer to Statutory Surplus Reserve and Statutory Public Welfare Fund**

According to the audited results by Messrs. Deloitte Touche Tohmatsu Shanghai Certified Public Accountants and Messrs. Deloitte Touche Tohmatsu Certified Public Accountants, the Group has a profit of RMB2,051,000 in accordance with PRC Accounting Standards and a profit of RMB8,236,000 in accordance with Hong Kong Accounting Standards. The profit for the year 2001 is used to offset losses brought forward. No appropriation, cash dividend or scrip dividend was proposed by the directors for the year. No transfer was made to statutory surplus reserve and statutory public welfare fund.

**CURRENT APPROPRIATION SCHEME AND TRANSFER TO STATUTORY SURPLUS RESERVE AND STATUTORY PUBLIC WELFARE FUND**

In accordance to the PRC Accounting Standards, the Group has a profit from principle operation for the year of RMB24,968,000 and a net profit of RMB2,051,000. In accordance to the HK Accounting Standards, the Group has a profit for the year of RMB8,236,000. In accordance to the Company's Article of Association, the profit for the year will be used to set off losses brought forward. Thus no appropriation and no transfer were made to statutory surplus reserve and statutory public welfare fund.

**2002 PROPOSED APPROPRIATION SCHEME AND TRANSFER TO STATUTORY SURPLUS RESERVE AND STATUTORY PUBLIC WELFARE FUND**

No profit appropriation in 2002 and no transfer to statutory surplus reserve and statutory public welfare fund were suggested.

**DONATIONS**

During the year, the Group made charitable and other donations totalling approximately RMB7,000.