

**1. 重大訴訟、仲裁事項**

本年度公司無重大訴訟、仲裁事項。

**2. 報告期內收購及出售資產事項、重大關聯交易及重大合同**

本公司於2001年11月12日訂立了以下資產重組協定：

- (i) 以總代價人民幣約54,351,000元向西安交大思源科技股份有限公司收購自動機器事業部資產、智慧電器事業部資產和西安賽爾機泵成套設備有限公司80%的權益；
- (ii) 以總代價人民幣約6,108,000元向陝西通智慧型機器有限公司現有股東收購該公司90%的權益；
- (iii) 以總代價人民幣約26,360,000元向西安交通大學產業(集團)總公司收購專有技術；
- (iv) 以總代價人民幣約91,581,000元向雲南省政府出售資產。

資產重組協議刊登在2001年11月15日《上海證券報》、香港《經濟日報》和《HONG KONG iMAIL》上。

資產重組協議已於2001年12月31日經本公司臨時股東大會批准生效。臨時股東大會決議公告刊登在2002年1月4日《上海證券報》、香港《經濟日報》和《HONG KONG iMAIL》上。

資產收購與出售的交割及過戶手續正在辦理之中，預計於2002年4月底可辦理完畢，但本公司出售給雲南省人民政府的土地使用權和房屋產權的過戶完成日期要視政府相關機關的核准日而定。

**1. MAJOR LITIGATION**

The Group was not involved in any major litigation during the year.

**2. CONNECTED TRANSACTIONS**

On 12th November, 2001 that the Company entered into the Asset Restructuring Agreements pursuant to which:

- (i) the Company acquired from Xian Jiada Resources Technology Joint Stock Company Limited the Automatic Machinery Department Assets, the Intelligence Electrical Department Assets and an 80% equity interest in Xian Ser Turbo Machinery Equipment Company Limited at an aggregate consideration of approximately RMB54,351,000 ;
- (ii) the Company acquired from the individual shareholders of Shanxi Hengtong Intelligence Machine Company Limited (“Hengtong”) a 90% equity interest in Hengtong at a consideration of approximately RMB6,108,000;
- (iii) the Company acquired from Jiaotong Group certain technical knowhow at a consideration of RMB26,360,000; and
- (iv) the Company disposed to Yunnan Government the land use rights for a parcel of land together with 43 buildings erected thereon and certain inventories including spare parts and components at a total consideration of RMB91,581,000.

Details of the Assets Restructuring were set out in the announcement of the Company dated 15th November, 2001 published on Shanghai Securities Daily in the PRC and Hong Kong Economic Times and Hong Kong iMail in Hong Kong.

The ordinary resolutions in relation to the Assets Restructuring Agreement, the Settlement Agreement and the Ongoing Connected Transactions were approved and passed by the shareholders of the Company passed in an extraordinary general meeting of the Company held on 31st December, 2001 were set out in the announcement of the Company dated 4th January, 2002 published on Shanghai Securities Daily in the PRC and Hong Kong Economic Times and Hong Kong iMail in Hong Kong.

The Company is performing the formalities in respect of the acquisition, disposal and the assignment of the assets. It is expected that the majority of which will be completed before 30th April 2002. However, the disposal of the land use rights and premises to the Yunnan Provincial People’s Government shall be subject to the approval by the relevant land and housing administrative authorities of Yunnan Province. As such, the completion date of the transactions will depend on the approval of the relevant government authorities.

**2. 報告期內收購及出售資產事項、重大關聯交易及重大合同 (續)**

資產重組交易的實行使本集團出售若干附屬生產設施及非核心存貨，以及購入若干新業務包括設計、開發、生產及銷售電腦繡花機、智慧電器、渦輪機械、製造模具及機器和其他高科技產品。資產重組交易完成後，本集團將繼續從事設計、開發、生產和銷售數碼操作機床、電腦控制機床、精密測量設備及精密位移感測器的現有業務，並會將本集團現有的生產線擴展至生產其他先進科技機器。

上述收購及出售資產事宜為本公司報告期內的重重大關聯交易事項，所涉及協定屬重大合同。除此之外，本公司無其他重大關聯交易和重大合同。

本報告期內亦無重大擔保事項。

**3. 委託現金資產管理事項**

1. 委託國信證券公司管理人民幣1,000萬元，委託期限為2000年8月24日至2001年8月23日。到期日期收回本金人民幣1000萬元，獲得收益人民幣100萬元。
2. 委託國泰君安證券公司管理人民幣5,000萬元，委託期限為2001年3月9日至2001年12月25日。到期及收回本金人民幣5000萬元，獲得收益人民幣450萬元。
3. 委託北京華鑫嘅加投資顧問有限公司和江蘇靈豐(集團)管理人民幣5,000萬元，委託期限為2000年9月25日至2001年9月25日。2001年獲得投資收益人民幣350萬元。

2001年8月，雙方經協商簽訂了終止執行此項委託合同的協定(當時委託理財總資產為5,016萬元)，此項投資由公司直接管理。本報告期內公司就此項投資計提減值準備人民幣572.6萬元。

**2. CONNECTED TRANSACTIONS (CONTINUED)**

Implementation of the Assets Restructuring will result in the disposal of certain ancillary production facilities and non core inventories of the Group and the acquisition of certain new business of the design, development, production and sales of computerised embroidery machines, intelligent electrical appliances, turbo-machinery and other high-technology products. Upon completion of the Assets Restructuring, the Group will continue to engage in its existing business in the design, development, production and sales of digital control machine tools, digital scanning machine tools, precision measuring equipment and precision transducers and the existing product lines of the Group will be expanded to cover other technologically advanced machinery.

The Assets Restructuring constitutes discloseable and connected transactions of the Company under the Listing Rules. Other than this, no contract of significance between the Company and its connected parties existed.

As at 31st December, 2001, there was no significant guarantee provided by the Company.

**3. DESIGNATED ASSETS MANAGEMENT**

1. Designated investments have been arranged with Guo Xin Securities Company to manage an amount of RMB10,000,000. The designated period being 24th August, 2000 to 23rd August, 2001. Upon maturity, the principal amount of RMB10,000,000 and an investment income of RMB1,000,000 had been received.
2. Designated investments have been arranged with Guo Tai Jun An Securities Company to manage RMB50,000,000. The designated period being 9th March, 2001 to 25th December, 2001. Upon maturity, the principal amount of RMB50,000,000 and an investment income of RMB4,500,000 had been received.
3. Designated investments have been arranged with Beijing Hua Xin Hui Ja Investment Consultancy Company Limited and Jiangsu Nin Feng (Group) Incorporation Company Limited to manage RMB50,000,000. The designated period being 25th September, 2000 to 25th September, 2001. During the year ended 31st December, 2001, an investment income of RMB3,500,000 had been received.

In August 2001, to maintain the investment market value of RMB50,160,000, both the Company and Guo Tai Jun An Securities Company agree to terminate the designated management agreement. (At that time, the designated assets amounted to RMB50,160,000), such investment project was directly managed by the Company. As at 31st December, 2001, an amount of unrealised holding losses of RMB5,726,000 has been provided for these investments securities.

### 3. 委託現金資產管理事項 (續)

上述委託理財行為均是在公司董事會批准公司進入證券市場的投資行為。

### 4. 西安交通大學產業(集團)總公司承諾

根據西安交通大學產業(集團)總公司出具的「關於規範關聯交易及避免同業競爭」的承諾函，交大產業集團將不從事公司從事的相關業務，並避免自身及下屬公司在將來的業務活動中與公司之間構成同業競爭。

### 5. 審計師

自本公司成立日起，德勤·關黃陳方會計師行及滬江德勤會計師事務所一直為本公司審計師。本公司將於股東年會上提呈決議案，續聘其為本公司2002年度審計師。2000年與2001年本公司分別支付審計費共計78萬及128萬港幣。

6. 2001年本公司第一次臨時股東大會決議公告及董事會決議公告、監事會決議公告分別於2001年7月30日及2001年8月1日刊登在《上海證券報》和香港《經濟日報》、《HONG KONG iMAIL》上；重大資產收購、出售及關聯交易公告、董事會決議公告、監事會決議公告分別於2001年11月14日刊登在《上海證券報》和香港《經濟日報》、《HONG KONG iMAIL》上；2001年本公司第二次臨時股東大會決議公告於2002年1月4日刊登在《上海證券報》和香港《經濟日報》、《HONG KONG iMAIL》上。

### 3. DESIGNATED ASSETS MANAGEMENT (CONTINUED)

The above designated investments and the participation in the securities market have been approved by the Board of directors.

### 4. CONFIRMATION OF XIAN JIAOTONG UNIVERSITY INDUSTRIAL (GROUP) INCORPORATION ("JIAOTONG GROUP")

In accordance to the confirmation made by the Jiaotong Group on "Related party transactions and the avoidance of similar industry competition", the Jiaotong Group did not engage in any similar industry or businesses and to avoid itself and its subsidiaries to engage in any similar industry or businesses of the Company in the future operating activities.

### 5. AUDITORS

Messrs. Deloitte Touche Tohmatsu Shanghai Certified Public Accountants and Messrs. Deloitte Touche Tohmatsu have acted as auditors of the Group since its incorporation. A resolution will be submitted to the Annual General Meeting of the Group to re-appoint them as auditors of the Group for the year ended 31st December, 2002. During 2000 and 2001, the Company has paid audit fees amounted to RMB780,000 and RMB1,280,000 respectively.

6. The Company's 1st extraordinary general meeting announcement and the Board's resolutions announcement in 2001, Supervisory Committee resolutions announcement have been published in "Shanghai Securities Daily" in the PRC and "Hong Kong Economic Times" and "Hong Kong iMail" on 30th July 2001 and 1st August 2001 respectively; the assets restructuring, discloseable and connected transactions announcement, Board resolutions announcement, Supervisory Committee resolutions announcement has been published in "Shanghai Securities Daily", "Hong Kong Economic Times" and "Hong Kong iMail" on 14th November 2001. The Company's 2nd extraordinary general meeting announcement has been published in "Shanghai Securities Daily" in the PRC and "Hong Kong iMail" and "Hong Kong Economic Times" on 4th January, 2002.

**7. 可轉換證券、購股權、認股權證或相類似權利**

本公司於截至2001年12月31日止報告期內並未發行任何可轉換證券、購股權、認股權證或相類似權利。

**8. 購買、出售或贖回本公司之上市證券**

本公司於本報告期內並無購買、出售、贖回或登出本公司之上市證券。

**9. 優先購股權**

本公司之公司章程及中國法律並無有關優先購股權之條款，規定公司需按持股比例向現有股東呈請發售新股之建議。

**10. 最佳應用守則**

本公司於報告期內，除梁文選、李明德、孫效良、董娟四位董事各一次未能親身出席董事會例行會議外，已遵守香港聯合交易所發出之上市規則附錄十四有關最佳應用守則之要求。

**11. 股東年會**

股東年會召開日期將另行公告。

- 12.** 本公司2001年年度報告摘要，分別用中文和英文同時於2002年4月10日刊登在《上海證券報》和香港《經濟日報》、《HONG KONG iMAIL》上。本公司2001年年度報告並同時登載在中國證監會指定的國際互聯網網站上，其網址為：<http://www.sse.com.cn>和香港聯合交易所指定的國際互聯網網站上，其網址為：<http://www.hkex.com.hk>

**7. CONVERTIBLE SECURITIES, OPTIONS, WARRANTS OR SIMILAR RIGHTS**

As at 31st December, 2001, the Company has no outstanding similar rights and there has been no exercise of convertible securities, options, warrants or similar rights during the year.

**8. PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

There was no purchase, sale, redemption or cancellation of the Company's listed securities by the Company during the year ended 31st December, 2001.

**9. PRE-EMPTIVE RIGHTS**

There are no provisions for pre-emptive rights under the Company's Articles of Association or the laws of the PRC which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

**10. COMPLIANCE OF CODE OF BEST PRACTICE**

Except the four directors, Mr. Liang Wenxuan, Mr. Li Ming de, Mr. Sun Xiaoliang and Ms Dong Juan, whose once failed to attend the meeting of the Board of Directors by themselves, the director of the Company has complied throughout the reporting period with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

**11. ANNUAL GENERAL MEETING**

The Board of Directors will make a separate announcement on the date of the annual general meeting to be held.

- 12.** The summary of annual results for 2001 were published in Chinese and English simultaneously on Shanghai Securities Daily in the PRC and Hong Kong Economic Times and Hong Kong iMail in Hong Kong on 10th April, 2002. The annual results for 2001 were also simultaneously published on the internet website designated by China Securities Supervision and Administration Committee and on the internet website designated by the Stock Exchange of Hong Kong Limited. The internet address is <http://www.sse.com.cn> and <http://www.hkex.com.hk> respectively.