

董事會欣然提呈二零零二年度報告和截至二零零二年十二月三十一日止之年度經審計的財務報表。

### 主要業務

本公司業務為投資控股管理型公司，其主要附屬公司之業務載於財務報表附註15。

本集團之所有業務均以中國為基地，其中約78.9%之集團營業額來自中國。

截至二零零二年十二月三十一日止之年度，本集團產品出口之營業額達9,742.9萬美元，佔總營業額的21.1%。本集團的出口地區主要包括亞洲、非洲及美洲地區。

### 股票發行與上市

本公司H股於一九九四年十二月十六日在香港聯合交易所掛牌交易。

本公司年內概無發行任何股票。

### H股資料摘要

面值

Par value

發行價格

Issue price

上市日期

Date of listing

發行數量

Number of shares issued

年終最後交易日收盤價

Closing price on the last trading day of the year

年內交易最高價

Highest traded price during the year

年內交易最低價

Lowest traded price during the year

The Directors were pleased to submit their 2002 annual report and audited financial statements for the year ended 31st December, 2002.

### PRINCIPLE ACTIVITIES

The Company acts as investment holding Company and the activities of its principal subsidiaries are set out in Note 15 to the financial statements.

All the activities of the Group are based in the PRC, where 78.9% of the Group's turnover is derived from.

The export sales of the Group for the year ended 31st December, 2002 amounted to US\$97.43 million, representing 21.1% of the Group's total turnover for the year. The Group's export markets mainly include Asian, African and American countries.

### NEW ISSUE AND LISTING

The H shares of the Company were listed on the Stock Exchange of Hong Kong Limited ("HKSE") on 16th December, 1994.

The Company did not issue any other shares during the year.

### INFORMATION RELATING TO H SHARES

每股人民幣1.00元

Rmb1.00 per share

每股港幣2.58元

HK\$2.58 per share

一九九四年十二月十六日

16th December, 1994

469,151,000股

469,151,000 shares

每股港幣0.7元

HK\$0.7 per share

每股港幣1.18元

HK\$1.18 per share

每股港幣0.53元

HK\$0.53 per share

**股本結構**

於二零零二年十二月三十一日，本公司總股本為1,189,151,000股，其中發起人持有720,000,000股，佔總股本的60.55%，境外H股股東持有469,151,000股，佔總股本的39.45%。

**股東人數**

於二零零二年十二月三十一日，本公司註冊股東人數及類別如下：

國有法人股股東（由發起人持有）	1
H股股東	198
股東總數	199

**主要股東持股情況**

於二零零二年十二月三十一日，根據證券公開權益條例第十六條(1)之主要股東註冊詳情，下列股東持有本公司之10%或以上股本：

國有法人股—哈爾濱電站設備集團公司持有720,000,000股，約佔總股本的60.55%。

H股—HKSCC Nominees Limited持有454,232,798股，約佔總股本的38.20%，約佔H股的96.82%。

除以上披露資料之外，於二零零二年十二月三十一日，概無任何其他人士持有本公司之10%或以上股本。

**董事、監事**

有關董事及監事的詳情載於本年報《董事、監事及高級管理人員》一節。

**SHARE CAPITAL STRUCTURE**

As at 31st December, 2002, the share capital structure of the Company comprised of 1,189,151,000 shares, of which 720,000,000 shares were held by the promoter (representing 60.55% of the entire share capital) and 469,151,000 shares were held by overseas H shares investors (representing 39.45% of the entire share capital).

**NUMBER OF SHAREHOLDERS**

Details of the Company's registered shareholders as at 31st December, 2002 were as follows:

Holders of State Shares (held by the Promoter)	1
Holders of H Shares	198
Total number of shareholders	199

**SUBSTANTIAL SHAREHOLDERS**

As at 31st December, 2002, the register of substantial shareholders maintained under Section 16(1) of the Securities (Disclosure of Interest) Ordinance ("SDI Ordinance") shows that the following shareholders had an interest of 10% or more of the share capital of the Company.

State Shares-Harbin Power Plant Equipment Group Corporation held 720,000,000 shares, representing approximately 60.55% of the total share capital of the Company.

H shares-HKSCC Nominees Limited held 454,232,798 shares, representing approximately 38.20% of the total share capital of the Company, or approximately 96.82% of the total H share capital.

Other than disclosed above, the Company has not been notified of any other interests representing 10% or more of the Company's issued share capital as at 31st December, 2002.

**DIRECTORS AND SUPERVISORS**

Details of directors and supervisors are set out in the Section "Director, Supervisors and Senior Management" of the annual report.

**董事、監事及高級管理人員之股本權益**

各董事或監事概無任何根據證券公開權益條例（「證券權益條例」）第二十八條須通知本公司及聯交所彼等所擁有本公司及任何聯繫機構（定義見證券權益條例）之本公司股份或債券權益（包括根據證券權益條例第三十一條或附表第一部分被當作或被視為擁有之權益），亦無任何須根據證券權益條例第二十九條規定須立刻列入該條例所指定之登記冊之權益，亦無任何須根據上市公司董事之證券交易規範守則規定，須通知本公司及聯交所之本公司或任何聯繫機構（定義見上文）之認股權證權益，或如為監事，倘彼等曾為董事，須按上文所述知會本公司及聯交所之權益。

**董事及監事之服務合約**

各董事及監事均與本公司訂立有服務合約。本屆董事及監事的服務合約均由二零零零年九月三十日起計，服務期為三年。除此以外，本公司或其他任何附屬公司概無與任何董事或監事訂立或擬訂立服務合約。

**董事及監事之合約權益**

除服務合約外，期內各董事或監事均無在本公司及其附屬公司訂立的任何合約中直接或間接擁有權益。

**董事及監事酬金**

截至二零零二年十二月三十一日止之年度，本公司董事及監事酬金詳情載於本年報財務報表附註10。

**DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S INTERESTS IN THE SHARE CAPITAL OF THE COMPANY**

None of the directors or supervisors had any interest in any shares or debentures of the Company or any of its associated corporation (within the meaning of "SDI Ordinance") which are required to be notified to the Company and the HKSE, pursuant to Section 28 of the SDI Ordinance (including interest which they are taken or deemed to have under Section 31 of, or Part I of the Schedule to, the SDI Ordinance) or which will be required pursuant to Section 29 of the SDI Ordinance, to be entered in the register referred to therein or any interest in warrants to subscribe for shares of the Company or any associated corporation (as so defined) which are required to be notified to the Company and the HKSE, pursuant to Model Code for Securities Transactions by Directors of Listed Companies and in the case of Supervisors, which will be required to be notified as described above if they had been directors.

**DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS**

Each of the executive directors and supervisors has entered into a service contract with the Company. Each such service contract will be valid for three years commencing from 30th September, 2000. Apart from the above, there are no existing or proposed service contracts between the Company or any of its subsidiaries and any of the directors or supervisors.

**DIRECTORS' AND SUPERVISORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE**

Apart from service contracts, no contract of significance, to which the Company or any of its subsidiaries was a party and in which a director or supervisor of the Company had material interests in whether directly or indirectly, existed at the end of the year or at any time during the period.

**REMUNERATION OF DIRECTORS AND SUPERVISORS**

Details of the salaries and bonuses of the directors or supervisors of the Company for the year ended 31st December, 2002 are set out in Note 10 to the financial statements.

**獲最高酬金的前五名人士**

獲最高酬金的前五名人士均為本公司董事及監事。

**員工退休及福利計劃**

員工退休及福利計劃詳情載於本年報財務報表附註34。

**醫療保險**

本公司所在的哈爾濱市從二零零一年四月一日起開始實行《哈爾濱市城鎮職工醫療保險暫行辦法》，本公司的一家子公司——哈爾濱汽輪機廠有限責任公司於二零零三年一月一日起開始實施該辦法。根據該辦法規定，職工基本醫療保險在福利費中列支，因此，實施該辦法對公司的資產損益及資產負債表不會產生任何重大影響。

**附屬公司**

於二零零二年十二月三十一日，本公司主要附屬公司和聯營公司詳情載於本年報財務報表附註15和16。

**業績及分配**

本集團截至二零零二年十二月三十一日止之年度業績載於本年報第46頁的綜合損益表中。

董事會建議本公司於二零零二年度稅後溢利分配如下：

1. 提取法定盈餘公積金人民幣339萬元。
2. 提取法定公益金人民幣339萬元。
3. 董事會建議派發二零零二年度股息為每股派發人民幣0.006元，合共派發股息人民幣713萬元。

**HIGHEST PAID PERSONNEL**

The five highest paid personnel of the Company during the year are all directors and supervisors.

**RETIREMENT BENEFIT SCHEME**

Details of the retirement benefit scheme are set out in Note 34 to the financial statements.

**MEDICAL INSURANCE**

The city of Harbin, where the Company is located, has carried out the policy "The Temporary Measures of Medical Insurance for the Staff in the City or Countries of Harbin" since 1st April, 2001. One subsidiary of the Company - Harbin Turbine Company Limited, adopted this policy at 1st January, 2003. According to the policy, the cost of staff's foundational medical insurance will be outlaid in the benefit fee, therefore, the implement of this policy will not make significant influence on the Company's "Balance Sheet" and "Income Statement".

**SUBSIDIARIES AND ASSOCIATED COMPANIES**

Details of the Company's principal subsidiaries and associate as at 31st December, 2002 are set out in Note 15 and Note 16 to the financial statements respectively.

**FINANCIAL RESULTS AND APPROPRIATIONS**

The results of the Group for the year ended 31st December, 2002 are set out in the consolidated income statement on page 46 of the annual report.

The Directors recommend the appropriation of profit after taxation for 2002 as follows:

1. To transfer Rmb3.39 million to the statutory surplus reserve.
2. To transfer Rmb3.39 million to the statutory public welfare fund.
3. The Directors recommend that the dividend for 2002 is Rmb0.006 per share, payment of dividends is totally amounted to Rmb7.13 million.

**固定資產**

本集團固定資產的變動詳情載於本年報財務報表附註14。

**財務摘要**

本集團過去五年之財務摘要載於本年報《財務摘要》一節。

**借款及利息資本化**

本集團銀行借款和其他借貸細節載於本年報財務報表附註26。

本集團期間內在建工程的利息資本化金額為人民幣1,485萬元。

**董事、監事及高級管理人員購買股份及債券之權利**

期內本公司或其附屬公司之董事、監事及高級管理人員概無優先認購本公司及有關公司之股份或債券之權利。

**購買、出售及贖回本公司之上市證券**

期內本公司或其附屬公司概無購買、出售及贖回任何本公司之上市證券。

**優先購買權**

根據本公司之章程或中國法律，並無優先購買權規定本公司須按持股比例向現有股東提呈發售新股之建議。

**FIXED ASSETS**

Details of the movements in fixed assets of the Group are set out in Note 14 to the financial statements.

**FINANCIAL HIGHLIGHTS**

The financial highlights of the Group for the last five years are set out in the Section “Financial Highlights” to the annual report.

**BORROWINGS AND INTEREST COSTS CAPITALISED**

Details of bank loans and other borrowings of the Group are set out in Note 26 to the financial statements.

Interest capitalized by the Group during the year amounted to Rmb14.85 million in respect of construction-in-progress.

**DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S RIGHT TO ACQUIRE SHARES OR DEBENTURES**

At no time during the period was the Company or its subsidiaries or parties to any arrangement to enable its directors, supervisors or senior management to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

**PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

No purchase, sale or redemption of the Company's listed securities has been made by the Company or any of its subsidiaries during the period.

**PRE-EMPTIVE RIGHTS**

According to the Article of Association of the Company and the laws of the PRC, there are no provisions for pre-emptive rights requiring the Company to offer new shares to the existing shareholders in proportion to their shareholdings.

**重大訴訟事項**

期內本公司無任何重大訴訟事項。

**重大合約**

本集團年內簽訂的重大合約詳情載於本年報《管理層論述與分析》一節。

**主要供應商和客戶**

1. 期內本集團首五大供應商合共應佔採購百分比為28.6%。
2. 期內本集團首五大客戶合共應佔營業額百分比為44.63%。其中最大的客戶為蘇丹工程，佔總營業額的14.87%。
3. 本公司董事、監事及其聯繫人等及任何股東（根據董事會所知擁有5%或以上本公司股本者）在上述供應商或客戶中概無任何權益。

**H股所得款項之運用**

期內本公司募集資金的運用詳情載於本年報《管理層論述與分析》一節。

**出售員工宿舍**

截至二零零二年十二月三十一日，本集團無員工宿舍，亦未出售員工宿舍。

**委託存款及逾期定期存款**

於二零零二年十二月三十一日，本公司在商業銀行或非銀行金融機構未有委託存款，亦未有逾期未取回的存款。

**MAJOR LITIGATION**

The Company was not engaged in any major litigation of material importance during the year.

**MATERIAL CONTRACTS**

The material contracts of the Group for the year are detailed in the Section "Management Discussion and Analysis" of the annual report.

**MAJOR SUPPLIERS AND CUSTOMERS**

1. The aggregate amount of purchases during the period attributable to the Group's five largest suppliers represented 28.6% of the Group's total purchases.
2. 44.63% of the total turnover of the Group during the period was attributable to the Group's five largest customers. Amongst which the Sudan Project was the largest customer, accounting for 14.87% of the total turnover.
3. None of the directors, supervisors, their associates or any shareholders of the Company (which to the knowledge of the directors own more than 5% of the Company's share capital) has any interest in above mentioned suppliers or customers.

**PROCEEDS FROM THE H SHARES ISSUE**

The use of listing proceeds of the Company for the period details in the Section "Management Discussion and Analysis" of the annual report.

**SALES OF STAFF QUARTERS**

For the year ended 31st December, 2002, the Group did not sell any staff quarters and it did not have any during the period under review.

**ENTRUSTED DEPOSITS AND OVERDUE TIME DEPOSITS**

As at 31st December, 2002, the Company had no entrusted deposits in commercial banks or non-bank financial institutions and had no due deposits that had not been withdrawn.



**出口退稅**

根據財政部和國家稅務總局財稅字〔1999〕17號文件之規定，本集團之出口產品執行17%的出口退稅率。

**統一所得稅率及取消地方退稅優惠**

根據中國財政部及中國國家稅務局於一九九四年三月二十九日發出之《關於企業所得稅若干優惠政策的通知》中關於「國務院批准的高新技術產業開發區內的高新技術企業，減按15%稅率徵收所得稅」之規定，本集團一直執行15%的所得稅率，概無享受地方退稅優惠。因此，取消地方退稅優惠之政策對本集團不會產生不利影響。本公司董事會認為：由於本集團符合國家有關法律、法規之規定，因此，本集團仍應執行15%企業所得稅率。

**關聯交易**

有關關聯交易詳情載於本年報財務報表附註35。

**獨立董事對關聯交易的確認**

作為本公司非執行董事及獨立董事，已經審核了載於本年報財務報表附註35中的關聯交易（定義見上市規則），並且確認：

1. 這些交易是本公司按照其業務一般通常過程達成的；及
2. 這些交易是(I)按照通常商業條款（運用此條款時須參考中國境內由類似的企業達成的類同性質的交易）達成的或(II)（如無可比較的例子）按照對本公司的股東而言，為公平和合理的條款達成的；以及
3. 這些交易是(I)按照與相關的協議條款達成的或(II)（如無這類協議）按照不比第三方可取得的條件差的條款達成的。

**EXPORT VAT REBATE**

Pursuant to the stipulations in the document Cai Shui Zi [1999] No.17 of the PRC Ministry of Finance and the State Tax Bureau, the export VAT rebate applicable to the Group export products is 17%.

**INCOME TAX UNIFICATION AND ABOLITION OF LOCAL PREFERENTIAL REBATE POLICIES**

Pursuant to the regulation of the Notice on Several Preferential Income Tax Policies issued by the PRE Ministry of Finance and the State Tax Bureau on 29th March, 1994, the high technological enterprises in the high technological development zones approved by the PRC State Council enjoy an income tax rate of 15%, so the taxable income earned by the Group are subject to a rate of 15%. The Group does not enjoy any local preferential rebate policies. So the abolition of local preferential rebate policies did not have negative impact on the Group. So the Board of Directors of the Company holds that, according to the relevant regulations of PRC laws, the Group still enjoys an income tax rate of 15%.

**CONNECTED TRANSACTIONS**

For the connected transactions, see the details in Note35 to the financial statements of the annual report.

**CONFIRMATION BY INDEPENDENT DIRECTORS ON CONNECTED TRANSACTIONS**

The non-executive directors and independent directors of the Company have, in such capacity, reviewed the connected transactions referred to in Note35 to the financial statements and confirmed that:

1. Such transactions have been entered into by the Company in the ordinary and usual course of its business; and
2. Such transactions have been entered into either (I) on normal commercial terms (which expression will be applied by reference to transactions of a similar nature and to be made by similar entities with PRC) or (II) (where there is no available comparison) on terms that are fair and reasonable so far as the shareholders of the Company are concerned; and
3. Such transactions have been entered into either (I) in accordance with the terms of the relevant agreements governing such transactions or (II) (where there is no such agreement) on terms no less favorable than terms available to third parties.

**最佳應用守則**

本公司尚未根據上市規則附錄14《最佳應用守則》(最佳應用守則)之第14段,成立一個旨在檢討及監察本公司的財務匯報程序及內部控制的審核委員會(審核委員會)。本公司自成立以來,本公司的組織架構內已設立一個職能與之相近的監事會,監事會成員由股東大會選舉產生及罷免並向股東大會負責,而非向董事會負責。而審核委員會的成員主要由公司的獨立非執行董事組成;除此之外,董事會概無知悉任何有合理迹象顯示本公司在現時或在會計期間內任何時間未有遵守最佳應用守則的資料。

**核數師**

自本公司成立日始,德勤·關黃陳方會計師行及德勤華永會計師事務所有限責任公司已獲聘任為核數師。

本公司將於股東大會上提呈議案,續聘德勤·關黃陳方會計師行作為按香港普遍接納之會計準則編製之財務報表之核數師和續聘德勤華永會計師事務所有限責任公司為按中國會計準則編製之財務報表之核數師。

承董事會命  
董事長  
耿雷

於中國哈爾濱,二零零三年四月二十日

**CODE OF BEST PRACTICE**

The Company has not established an audit committee, whose principle duties should be the review and supervision of the Company's financial reporting process and internal controls in accordance with the 14th paragraph in the Code of Best Practice as set out in Appendix 14 of the Rules governing the Listing of Securities. Since the establishment of the Company, the Company has set up a supervisory committee with the similar functions to those of audit committee in its organization. The members of the supervisory committee shall be elected and removed by the shareholders' general meeting and shall be accountable to the shareholders' general meeting, but not the board of directors. However, the members of audit committee shall mainly consist of independent non-executive directors. Other than the above-mentioned, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing Securities in the Stock Exchange of Hong Kong Limited through the year.

**AUDITORS**

Messrs. Deloitte Touche Tohmatsu and Deloitte Touche Tohmatsu Certified Public Accountants Limited have acted as auditors of the Company since its date of incorporation.

A resolution will be submitted to the Annual General Meeting of the Company to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company for the financial statements prepared under the accounting principles generally accepted in Hong Kong and Deloitte Touche Tohmatsu Certified Public Accountant Limited as auditors of the Company for the financial statements prepared under the accounting principles generally accepted in the PRC.

On behalf of the Board of Directors  
Chairman  
Geng Lei

Harbin, the People's Republic of China, 20th April, 2003