

SIGNIFICANT EVENTS

1. MAJOR LITIGATION

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

2. ACQUISITION AND DISPOSAL OF ASSETS, MAJOR TRANSACTIONS AND MAJOR CONTRACTS

The Company held its 2002 Annual General Meeting on 31st May, 2003 to approve the set up of Winko Machines company Limited and Xian Jiaotong University Siyuan Intelligent Electric Apparatus Company Limited .

The above investments constituted major transactions of the Company during the reporting period. Except for the above, there was no other major transactions and contracts during the year.

During the reporting period, there was no significant guarantee provided by the Company.

3. CONNECTED PARTIES TRANSACTIONS

During the reporting period, the Company has not entered into any significant connected parties transactions.

4. GUARANTEE GIVEN BY THE COMPANY TO ITS SUBSIDIARIES

During the reporting period, the Company has not made any guarantees to its subsidiaries.

5. DESIGNATED ARRANGEMENT AND SECURITY INVESTMENT

During the reporting period, the Company had no designated arrangement and security investment.

6. UNDERTAKINGS MADE BY JIAOTONG GROUP

In accordance to the undertakings made by Jiaotong Group on "Related Party Transaction 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 future operating activities.

7. AUDITORS

Messrs. Deloitte Touche Tohmatsu has acted as the auditors for the Company's financial statements prepared in accordance with Hong Kong accounting standards since its incorporation.

At the 2002 second Shareholders' Meeting held on 31st May, 2003, the shareholders of the Company has resolved to re-appoint Xian Xigema Certified Public Accountants and Messrs. Deloitte Touche Tohmatsu as its statutory auditors of the Group for 2003.

The audit fee of 2002 paid to Messrs. Deloitte Touche Tohmatsu and Xian Xigema Certified Public Accountants were HK\$1,280,000 and RMB240,000 (including disbursements), respectively.

The audit fee of 2003 for Messrs. Deloitte Touche Tohmatsu and Xian Xigema Certified Public Accountants are HK\$1,180,000 and RMB300,000 (including disbursements), respectively.

8. CONVERTIBLE SECURITIES, OPTIONS, WARRANTS OR SIMILAR RIGHTS

As at 31st December, 2003, the Company had no outstanding convertible securities, options, warrants or similar rights during the reporting period.

9. 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 reporting period.

10. PRE-EMPTIVE RIGHTS

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

11. COMPLIANCE OF CODE OF BEST PRACTICE

Except the four Directors, Mr. Yue Huafeng, Mr. Jiang Zhuangde, Mr. Guo Shangwu and Mr. Fong Yunhuan, who failed to attend the meeting of the Board of Directors once, the Directors of the Company have complied throughout the reporting period with the Code of Best Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

12. ANNUAL GENERAL MEETING

The 2004 Annual General Meeting will be held on 9th June, 2004.

13. The summary of the annual results for 2003 will be published in Chinese and English simultaneously on 20th April, 2004 in "China Securities Daily" and "Shanghai Securities Daily" in the PRC, "Wen Wei Po" and "China Daily" in Hong Kong. The annual results for 2003 will also be 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 addresses are <http://www.sse.com.cn> and <http://www.hkex.com.hk> respectively.