

上工申贝（集团）股份有限公司

2004 年年度报告

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一、重要提示

1、本公司董事会及其董事保证本报告所载资料不存在任何虚假记载、误导性陈述或者重大遗漏，并对其内容的真实性、准确性和完整性承担个别及连带责任。

2、公司全体董事出席董事会会议。

3、上海众华沪银会计师事务所为本公司出具了标准无保留意见的审计报告。

4、公司董事长兼 CEO 张敏先生，副董事长兼 CFO 马民良先生，财务负责人徐晓晖女士声明：保证本年度报告中财务报告的真实、完整。

二、公司基本情况简介

- 1、公司法定中文名称：上工申贝（集团）股份有限公司
公司英文名称：SGSB GROUP CO., LTD.
公司英文名称缩写：SGSB
- 2、公司法定代表人：张敏
- 3、公司董事会秘书：张一枫
联系地址：上海市浦东新区世纪大道 1500 号东方大厦 12 楼
电话：021-68407515
传真：021-63302939
E-mail：zyf@sgsbgroup.com
公司证券事务代表：顾根荣
联系地址：上海市浦东新区世纪大道 1500 号东方大厦 12 楼
电话：021-68407700-617
传真：021-63302939
E-mail：ggr@sgsbgroup.com
- 4、公司注册地址：上海市浦东新区罗山路 1201 号
公司办公地址：上海市浦东新区世纪大道 1500 号东方大厦 12 楼
邮政编码：200122
公司国际互联网网址：<http://www.sgsbgroup.com>
公司电子信箱：sgsb@sgsbgroup.com
- 5、公司信息披露报纸名称：《上海证券报》 香港《商报》
登载公司年度报告的中国证监会指定国际互联网网址：<http://www.sse.com.cn>
公司年度报告备置地点：公司办公室
- 6、公司 A 股上市交易所：上海证券交易所
公司 A 股简称：上工申贝
公司 A 股代码：600843
公司 B 股上市交易所：上海证券交易所
公司 B 股简称：上工 B 股
公司 B 股代码：900924
- 7、其他有关资料
公司首次注册登记日期：1993 年 12 月 16 日
公司首次注册登记地点：上海市工商行政管理局
公司变更注册登记日期：2005 年 2 月 7 日
公司变更注册登记地点：上海市工商行政管理局
公司法人营业执照注册号：企股沪总字第 019029 号
公司税务登记号码：国税沪字 310115132210544
公司聘请的境内会计师事务所名称：上海众华沪银会计师事务所有限公司
公司聘请的境内会计师事务所办公地址：上海市延安东路 550 号海洋大厦 12 楼
公司聘请的境外会计师事务所名称：德豪国际会计师事务所
公司聘请的境外会计师事务所办公地址：上海市延安东路 550 号海洋大厦 12 楼
公司其他基本情况：法律顾问：上海市震旦律师事务所
办公地址：上海市四川北路 1688 号 16 楼

三、会计数据和业务数据摘要

（一）本报告期主要财务数据

单位：元 币种：人民币

利润总额	23,511,143.30
净利润	3,767,743.02
扣除非经常性损益后的净利润	-77,943,352.45
主营业务利润	111,787,205.82
其他业务利润	17,758,328.09
营业利润	-91,760,031.50
投资收益	74,250,899.99
补贴收入	1,748,184.00
营业外收支净额	39,272,090.81
经营活动产生的现金流量净额	15,917,342.47
现金及现金等价物净增加额	-89,644,766.62

（二）国内外会计准则差异

单位：千元 币种：人民币

项目	净利润		股东权益	
	本期数	上期数	期初数	期末数
按中国会计制度	3,768	14,596	859,868	857,321
按国际会计准则调整项目：				
补充确认投资损失	14	-359		
剔除与联营公司交易之未实现之损益	150	-543	-543	-393
冲销资本化之费用		294		
冲销长期待摊费用	-2,115			-2,115
按国际会计准则	1,817	13,988	859,325	854,813

（三）扣除非经常性损益项目和金额

单位：元 币种：人民币

非经常性损益项目	金额
各种形式的政府补贴	2,153,228.29
扣除资产减值准备后的其他各项营业外收入、支出	73,277,867.18
以前年度已经计提各项减值准备的转回	6,280,000.00
合计	81,711,095.47

（四）报告期末公司前三年主要会计数据和财务指标

单位：元 币种：人民币

主要会计数据	2004 年	2003 年		本期比上年增减(%)	2002 年
		调整后	调整前		
主营业务收入	996,246,688.32	866,798,366.22	866,798,366.22	14.93	875,299,752.11
利润总额	23,511,143.30	20,031,894.08	20,031,894.08	17.37	18,050,349.19
净利润	3,767,743.02	14,595,602.55	14,595,602.55	-74.19	13,161,566.40
扣除非经常性损益的净利润	-77,943,352.45	-49,891,385.47	-49,891,385.47	-56.23	5,927,894.46

	2004 年末	2003 年末		本期比上期增减(%)	2002 年末
		调整后	调整前		
总资产	1,786,734,577.34	1,755,205,977.66	1,735,205,977.66	1.80	1,354,455,716.34
股东权益	857,321,016.76	853,350,255.63	859,868,516.39	0.47	514,991,748.36
经营活动产生的现金流量净额	15,917,342.47	-41,963,006.97	-41,963,006.97	137.93	28,288,880.82
主要财务指标	2004 年	2003 年		本期比上期增减(%)	2002 年
		调整后	调整前		
每股收益（全面摊薄）	0.0084	0.0374	0.0374	-77.55	0.0521
最新每股收益	0.0084				
净资产收益率（全面摊薄）（%）	0.4395	1.7104	1.6974	-74.31	2.5557
扣除非经常性损益的净利润的净资产收益率（全面摊薄）（%）	-9.0915	-5.8465	-5.8022	-55.50	1.1511
每股经营活动产生的现金流量净额	0.0355	-0.1075	-0.1075	133.02	0.1121
每股收益（加权平均）	0.0084	0.0489	0.0489	-82.82	0.0521
扣除非经常性损益的净利润的每股收益（全面摊薄）	-0.1736	-0.1278	-0.1278	-35.85	0.0235
扣除非经常性损益的净利润的每股收益（加权平均）	-0.1736	-0.1670	-0.1670	-3.95	0.0235
净资产收益率（加权平均）（%）	0.4404	2.6512	2.6202	-83.19	2.5850
扣除非经常性损益的净利润的净资产收益率（加权平均）（%）	-9.1102	-9.0626	-8.9565	-0.53	1.1643
	2004 年末	2003 年末		本期比上期增减(%)	2002 年末
		调整后	调整前		
每股净资产	1.9099	2.1862	2.2029	-12.64	2.0398
调整后的每股净资产	1.8955	2.1612	2.1779	-12.29	2.0088

（五）按中国证监会发布的《公开发行证券公司信息披露编报规则》第 9 号的要求计算的净资产收益率及每股收益

单位: 元 币种: 人民币

报告期利润	净资产收益率(%)		每股收益	
	全面摊薄	加权平均	全面摊薄	加权平均
主营业务利润	13.04	13.07	0.25	0.25
营业利润	-10.70	-10.73	-0.20	-0.20
净利润	0.439	0.440	0.01	0.01
扣除非经常性损益后的净利润	-9.09	-9.11	-0.17	-0.17

（六）报告期内股东权益变动情况及变化原因

单位: 元 币种: 人民币

项目	股本	资本公积	盈余公积	其中: 法定公益金	未分配利润	股东权益合计
期初数	390,336,328.00	441,976,114.68	14,290,478.50	7,145,239.27	7,073,237.47	853,350,255.63
本期增加	58,550,449.00	189,000.00	11,488,158.22	4,146,121.13		70,241,625.21

本期 减少		58,550,449.00	1,158,003.10	573,753.90	6,556,411.98	66,270,864.08
期末 数	448,886,777.00	383,614,665.68	24,620,633.62	10,717,606.50	510,825.49	857,321,016.76

- 1、股本变动原因：系资本公积转增股本；
- 2、资本公积变动原因：系股本变动导致资本公积减少；
- 3、盈余公积变动原因：增加数系当年提取数，减少数系合并范围减少转出；
- 4、法定公益金变动原因：增加数系当年提取数，减少数系合并范围减少转出；
- 5、未分配利润变动原因：因本年利润减去提取的盈余公积金和法定公益金后为负数，故未分配利润减少；
- 6、股东权益合计变动原因：系本年盈利转入。

四、股本变动及股东情况

（一）股本变动情况

1、股份变动情况表

单位：股

	期初值	本次变动增减（+，-）						期末值
		配股	送股	公积金转股	增发	其他	小计	
一、未上市流通股份								
1、发起人股份								
其中：								
国家持有股份	124,754,540			18,713,181			18,713,181	143,467,721
境内法人持有股份	20,566,786			3,085,018			3,085,018	23,651,804
境外法人持有股份								
其他								
2、募集法人股份	14,950,000			2,242,500			2,242,500	17,192,500
3、内部职工股								
4、优先股或其他	100,000,000					-100,000,000	-100,000,000	0
未上市流通股份合计	260,271,326			24,040,699		-100,000,000	-75,959,301	184,312,025
二、已上市流通股份								
1、人民币普通股	17,940,002			2,691,000			2,691,000	20,631,002
2、境内上市的外资股	112,125,000			31,818,750		100,000,000	131,818,750	243,943,750
3、境外上市的外资股								
4、其他								
已上市流通股份合计	130,065,002			34,509,750		100,000,000	134,509,750	264,574,752
三、股份总数	390,336,328			58,550,449		0	58,550,449	448,886,777

2、股票发行与上市情况

（1）前三年历次股票发行情况

单位：股 币种：人民币

种类	发行日期	发行价格（元）	发行数量	上市日期	获准上市交易数量	交易终止日期
B 股	2003-11-07	3.54 / 0.428 美元	100,000,000	2004-05-13	100,000,000	

（2）公司股份总数及结构的变动情况

1、经中国证监会证监发行字[2003]133 号文核准，公司向已选定的境外机构投资者发行 10,000 万股 B 股，已获准于 2004 年 5 月 13 日上市流通交易。（详见 2004 年 5 月 10 日《上海证券报》第 28 版和香港《商报》B2 版）

2、公司第一大股东上海轻工控股（集团）公司将其所持本公司部分国家股（13,204,914 股）转让给中国东方资产管理公司，双方于 2004 年 7 月 1 日通过中国证券登记结算有限责任公司上海分公司办理了股票过户手续。

3、公司以 2004 年 7 月 16 日为 A 股股权登记日（B 股股权登记日为 2004 年 7 月 21 日，B 股最后交易日为 2004 年 7 月 16 日），2004 年 7 月 19 日为除权日，实施了公司

2003 年度股东大会审议通过的“以 2003 年末股本总额 390,336,328 股为基数，向全体股东每 10 股资本公积金转增 1.5 股”的议案，公司股本增加至 448,886,777 股。（详见 2004 年 7 月 13 日《上海证券报》C7 版和香港《商报》B4 版）

(3) 现存的内部职工股情况

本报告期末公司无内部职工股。

(二) 股东情况

1、报告期末股东总数为 30,557 户，其中 A 股股东 11,240 户，B 股股东 19,317 户。

2、前十名股东持股情况

单位：股

股东名称(全称)	年度内增减	年末持股情况	比例 (%)	股份类别 股份类别 (已流通 或未流 通)	质押或冻 结情况	股东性质 (国有股 东或外资 股东)
上海轻工控股(集团)公司	2,251,184	118,496,754	26.4	未流通	未知	国有股东
上海国际信托投资有限公司	3,085,018	23,651,804	5.27	未流通	未知	法人股东
HONOUR FORCE INVESTMENTS LTD	-7,324,874	20,712,467	4.61	已流通	未知	外资股东
中国东方资产管理公司	15,185,651	15,185,651	3.38	未流通	未知	国有股东
MAIN FORCE ASSETS LIMITED	1,650,000	12,650,000	2.82	已流通	未知	外资股东
MESABI ASSETS LIMITED	1,575,000	12,075,000	2.69	已流通	未知	外资股东
上海实业资产管理有限公司(香港)	1,395,000	10,695,000	2.38	已流通	未知	外资股东
NORMAL WIN ASSETS LIMITED	-2,093,475	9,906,525	2.21	已流通	未知	外资股东
中国长城资产管理公司	1,276,346	9,785,316	2.18	未流通	未知	国有股东
申银万国证券(香港)有限公司	-10,810,641	8,689,359	1.94	已流通	未知	外资股东

前十名股东关联关系或一致行动的说明

未知前十名股东之间是否存在关联关系及是否属于《上市公司股东持股变动信息披露管理办法》规定的一致行动人。

持有本公司 10%以上股份的股东仅一家，为国家股上海轻工控股（集团）公司，是国有股授权经营单位。

3、控股股东及实际控制人简介

(1) 控股股东情况

公司名称：上海轻工控股(集团)公司

法人代表：吕永杰

注册资本：3,653,300,000 元人民币

成立日期：1995 年 12 月 27 日

主要经营业务或管理活动：市国资委授权范围内的国有资产经营与管理, 实业投资, 国内贸易

(2) 控股股东及实际控制人变更情况

新控股股东名称：上海市浦东新区国有资产管理办公室

负责人：王家桢

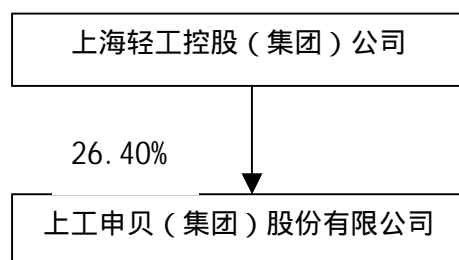
控股股东发生变更的日期：2004-10-18

披露控股股东发生变更相关信息的指定报纸：《上海证券报》和香港《商报》

披露控股股东发生变更相关信息的日期：2004-10-20

根据上海市委、市政府“市区联手，抓大放小”推进国资国企改革的精神，上海轻工控股（集团）公司将其所持有本公司全部国家股无偿划转给上海市浦东新区国有资产管理办公室（其负责人：王家桢；主要职责：受浦东新区政府委托，专司新区国有资产管理），2004 年 10 月 18 日，双方签订了股权划转协议书，有关股权划转手续正在办理之中。

（3）公司与实际控制人之间的产权及控制关系的方框图



控股股东及实际控制人情况

4、其他持股在百分之十以上的法人股东

截止本报告期末公司无其他持股在百分之十以上的法人股东。

5、前十名流通股股东持股情况

股东名称	年末持有流通股的数量	种类（A、B、H 股或其它）
HONOUR FORCE INVESTMENTS LIMITED	20,712,467	B 股
MAIN FORCES ASSETS LIMITED	12,650,000	B 股
MESABI ASSETS LIMITED	12,075,000	B 股
上海实业资产管理有限公司	10,695,000	B 股
NORMAL WINASSETS LIMITED	9,906,525	B 股
SHENYIN WANGUO NOMINEES (H. K) LTD.	8,689,359	B 股
威亚国际实业有限公司	3,996,890	B 股
NAITO SECURITIES CO., LTD.	3,393,743	B 股
王金陵	2,607,200	B 股
国盟投资集团有限公司	1,752,500	B 股

未知前十名流通股股东和前十名股东之间是否存在关联关系或属于《上市公司持股变动信息披露管理办法》规定的一致行动人。

五、董事、监事和高级管理人员

（一）董事、监事、高级管理人员情况

1、董事、监事、高级管理人员基本情况

单位：股

姓名	职务	性别	年龄	任期起始日期	任期终止日期	年初持股数	年末持股数	股份增减数	变动原因
张敏	董事长、CEO	男	42	2004-07-30	2006-05-20	0	11,500 (B股)	11,500 (B股)	二级市场买入，资本公积转增
马民良	副董事长、CFO	男	48	2004-07-30	2006-05-20	0	3,450	3,450	二级市场买入，资本公积转增
王立喜	执行董事、总经理、COO	男	45	2003-05-20	2006-05-20	3,450	3,968	518	资本公积转增
张宗明	执行董事	女	47	2003-05-20	2006-05-20	575	661	86	资本公积转增
费方域	独立董事	男	56	2003-05-20	2006-05-20	2,990	3,439	449	资本公积转增
刘向东	独立董事	男	54	2003-05-20	2006-05-20	0	0	0	
刘仁德	独立董事	男	59	2003-05-20	2006-05-20	0	0	0	
王志乐	独立董事	男	56	2004-11-12	2006-05-20	0	0	0	
贾春荣	董事	男	56	2003-05-20	2006-05-20	0	0	0	
沈逸波	董事	男	39	2003-05-20	2006-05-20	0	0	0	
何忠源	监事会主席	男	56	2004-11-12	2006-05-20	5,865	6,745	880	资本公积转增
诸葛惠玲	监事	女	36	2003-05-20	2006-05-20	0	0	0	
王杰	监事	男	45	2004-11-12	2006-05-20	0	0	0	
张恒亮	副总经理	男	58	2003-05-20	2006-05-20	5,290	6,083	793	资本公积转增
陈明其	副总经理	男	50	2004-06-24	2006-05-20	1,725	1,984	259	资本公积转增
蒋金荣	副总经理	男	50	2003-05-20	2005-01-21	0	0	0	
陈长保	副总经理	男	49	2003-05-20	2006-05-20	0	0	0	
徐晓晖	财务负责人	女	51	2003-05-20	2006-05-20	0	0	0	
张一枫	董事会秘书	男	54	2003-05-20	2006-05-20	2,748	3,161	413	资本公积转增

董事、监事、高级管理人员主要工作经历：

(1)张敏，曾任上海冰箱压缩机股份有限公司总经理助理；上海扎努西电气机械有限公司总经理；上海申贝办公机械有限公司党委副书记、总经理、副董事长、董事长。现任本公司党委书记、董事长兼CEO。

(2)马民良，曾任上海梅林正广和（集团）有限公司党委书记、总经理；上海轻工装备（集团）有限公司党委书记、副总经理；上海申贝办公机械有限公司党委书记、副总经理、总经理。现任本公司副董事长兼CFO。

(3)王立喜，曾任本公司副总经理、党委副书记兼工会主席；上海轻工控股（集团）公司工会副主席。现任本公司执行董事、总经理兼COO。

(4)张宗明，曾任上海江湾机械厂党委书记、副厂长；本公司工业缝纫机总厂党委书记；公司党委副书记、纪委书记。现任本公司执行董事。

(5)费方域，曾任上海财经大学金融学院教授，博士生导师。现任上海交通大学安泰管理学院教授、博士生导师。本公司独立董事。

(6)刘向东，曾任中国工商银行上海市分行副行长、中国工商银行总行投资银行部总经理。现任正大国际财务有限公司总裁。本公司独立董事。

(7)刘仁德，曾任本公司总会计师。现任上海东亚会计师事务所有限公司党支部书记、副主任会计师。本公司独立董事。

(8)王志乐，曾任中国人民大学讲师、副教授。现任商务部研究院跨国公司研究中心主任，中国集团公司促进会副会长、中国投资协会外资投资委员会副会长，中国经济体制改革研究会特约研究员，南开大学跨国公司研究中心兼职教授。本公司独立董事。

(9)贾春荣，曾任上投实业公司副总经济师、副总经理，上投投资管理公司副总经理。现任上投投资管理公司总经理。本公司董事。

(10)沈逸波，曾任中国长城资产管理公司上海办事处综合管理部副处长、债权管理部副处长、处长。现任中国长城资产管理公司上海办事处资产经营一部处长。本公司董事。

(11)何忠源，曾任本公司副总经理、总经理、副董事长。现任公司监事会主席。上海永久股份有限公司董事。

(12)诸葛惠玲，曾任本公司团委书记、工会副主席、主席。现任本公司党委副书记、监事。

(13)王杰，曾任上海新沪玻璃厂副厂长，上海申贝办公机械有限公司财务部副经理。现任本公司财务审计部副经理、监事。

(14)张恒亮，曾任本公司缝纫机四厂厂长。现任本公司副总经理、总工程师。

(15)陈明其，曾任上海轻工控股（集团）公司经济运行部副经理、本公司董事。现任本公司副总经理。

(16)蒋金荣，曾任本公司市场部经理、公司党委副书记，2003 年 5 月至报告期内任本公司副总经理。

(17)陈长保，曾任本公司党委副书记、纪委书记。现任本公司副总经理。

(18)徐晓晖，曾任本公司资产管理办公室副主任。现任本公司财务审计部经理。

(19)张一枫，曾任本公司资产管理办公室主任、董事会办公室主任。现任本公司董事会秘书。

2、在股东单位任职情况

姓名	股东单位名称	担任的职务	任期起始日期	任期终止日期	是否领取报酬津贴
贾春荣	上海市上投投资管理有限公司	总经理	2003-08-01		是
沈逸波	中国长城资产管理公司上海办事处资产经营一部	处长	2001-02-01		是

（二）在其他单位任职情况

姓名	其他单位名称	担任的职务	是否领取报酬津贴
刘向东	上海第一医药股份有限公司	独立董事	是
刘向东	中国石化上海石油化工股份有限公司	独立监事	否
费方域	东风电子科技股份有限公司	独立董事	是

费方域	上海三毛企业（集团）股份有限公司	独立董事	是
费方域	中国纺织机械股份有限公司	独立董事	是
费方域	金杯汽车股份有限公司	独立董事	是
王志乐	中国海洋石油总公司	高级顾问	是
贾春荣	上海海立（集团）股份有限公司	董事	否
贾春荣	上海联华合纤股份有限公司	董事	否
贾春荣	上海绅士汽车商城有限公司	董事长	否
贾春荣	北京华南大厦有限公司	董事	否
何忠源	上海永久股份有限公司	董事	否

（三）董事、监事、高级管理人员报酬情况

- 1、董事、监事、高级管理人员报酬的决策程序：经公司薪酬与考核委员会确认。
- 2、董事、监事、高级管理人员报酬确定依据：公司实行基薪和加薪结合生产经营量化指标绩效挂钩的办法，考核发放。

3、报酬情况

单位: 万元 币种: 人民币

董事、监事、高级管理人员年度报酬总额	239.96
金额最高的前三名董事的报酬总额	100.21
金额最高的前三名高级管理人员的报酬总额	47.55
独立董事的津贴	6

4、不在公司领取报酬津贴的董事监事情况

不在公司领取报酬的董事、监事的姓名	是否在股东单位或其他关联单位领取报酬津贴
贾春荣	在股东单位领取报酬
沈逸波	在股东单位领取报酬

经公司股东大会审议通过，本年度公司支付独立董事年度津贴标准调整为每人 6 万元（含税）；经公司执行董事讨论，同意公司按人均 600 元/月标准乘以任职月份计算，在年终一次性支付体外董事、监事交通津贴，独立董事除外。

5、报酬区间

报酬数额区间	人数
10 万元以下	10
10 万元至 15 万元	1
15 万元以上	8

（四）公司董事监事高级管理人员变动情况

姓名	担任的职务	离任原因
倪永刚	董事长、董事	因健康原因辞去公司董事长、董事职务
何忠源	副董事长、董事	因工作变动原因辞去公司副董事长、董事职务
陈明其	董事	因工作变动原因辞去公司董事职务
孙震	监事	因工作变动原因辞去公司监事职务
范伟民	监事会主席、监事	因工作变动原因辞去公司监事会主席、监事职务
蒋金荣	副总经理	因工作变动原因辞去公司副总经理职务

（五）公司员工情况

至 2004 年末，公司在册员工总数为 4,715 人，除各种原因离岗外，实际在岗人数为 2,512 人。全公司现有退休人员 5,250 人，其退休工资、医疗费由社会统筹解决。

员工的结构如下：

1、专业构成情况

专业构成的类别	专业构成的人数
生产人员	1,520
销售人员	147
工程技术人员	183
财务人员	88
其他人员	574

2、教育程度情况

教育程度的类别	教育程度的人数
研究生及本科生	105
大专	332
中专	257
高中及以下	1,818

六、 公司治理结构

（一）公司治理的情况

报告期内，公司严格按照《公司法》、《证券法》和中国证监会有关法律法规的要求，规范公司运作，公司法人治理基本符合《上市公司治理准则》的要求。

1、关于股东与股东大会：公司能够按照《股东大会规范意见》的要求及公司制定的《股东大会议事规则》，召集召开股东大会，并根据审议议案的性质分别实施类别表决制度、累积投票制度。公司能够平等对待所有股东，特别是尊重中小股东的权益。

2、关于控股股东与上市公司的关系：公司具有独立的业务及自主经营能力，公司控股股东能自觉规范自己的行为，公司与控股股东进行的关联交易活动，能遵循商业原则，定价依据充分披露，关联方股东在表决时，放弃表决权。

3、关于董事和董事会：公司按照《章程》规定的选聘的程序选举董事，报告期内，公司新增了一名独立董事，使董事会人数和人员构成均符合法律法规要求；同时对董事会下设的四个专门委员会进行了调整，为提高董事会运作质量和效率创造了条件。各专业委员会能开展活动，公司各位董事能够依据《董事会议事规则》等制度，认真出席董事会召开的会议。

4、关于监事与监事会：公司监事会能依据《章程》的规定，认真履行自己的职责，对公司财务以及董事、总经理和其他高级管理人员履行职责的合法合规性进行监督，并能独立发表意见。

5、关于绩效评价与激励约束机制：公司管理人员实行竞聘上岗，高级管理人员定期向董事会报告工作，并接受评议。公司不断修订和完善绩效评价与激励约束机制，并由人事部门组织日常考核与测评，年末由薪酬考核委员会进行考核评定，并确定其报酬情况。

6、关于利益相关者：公司重视社会责任，能够充分尊重和维护相关利益者的合法权益，实现股东、员工、社会等各方利益的协调平衡，共同推动公司持续、健康、稳定发展。

7、关于信息披露与透明度：公司指定董事会秘书负责信息披露工作、接待股东来访和咨询，公司指定《上海证券报》和香港《商报》为公司信息披露的报纸；公司按照有关法律法规的规定，真实、准确、及时、完整地披露有关信息，并确保所有股东有平等的机会获得信息。

（二）独立董事履行职责情况

1、独立董事参加董事会的出席情况

独立董事姓名	本年应参加董事会次数	亲自出席（次）	委托出席（次）	缺席（次）	备注
刘向东	12	9	1	2	
费方域	12	11		1	
刘仁德	12	11		1	
王志乐	1	1			

报告期内，公司四位独立董事按照《独立董事工作制度》等法规要求，认真履行诚信和勤勉义务，切实维护公司的整体利益及中小股东的合法权益，认真参加公司的董事会及股东大会，积极了解公司的经济运行情况，对公司的高层管理人士变动、互为担保、关联交易等事项发表了专业性的意见，并出具了独立董事意见书，为董事会实施客观科学的决策创造了良好的条件。

2、独立董事对公司有关事项提出异议的情况

报告期内，公司 4 位独立董事未对公司本年度的董事会议案及其他非董事会议案提出异议。

（三）公司相对于控股股东在业务、人员、资产、机构、财务等方面的独立情况

1、业务方面：本公司拥有独立的生产系统、辅助生产系统和配套实施，拥有独立的采购和销售系统，业务结构完整，独立自主经营，与控股股东之间无同业竞争，控股股东不存在直接或间接干预公司经营运作的情况。

2、人员方面：本公司制定了独立的劳动、人事及工资管理规章和制度，公司的高级管理人员均在本公司领取报酬，未在控股股东单位担任行政职务。

3、资产方面：本公司资产独立、完整，拥有独立的土地使用权及知识产权。

4、机构方面：本公司设立了独立的组织机构体系，不存在与控股股东合署办公的情况。

5、财务方面：本公司拥有独立的财务管理部门，建立了独立的财务核算体系和财务管理制度，在银行独立开户，独立依法纳税。

（四）高级管理人员的考评及激励情况

公司制定了《关于经营者激励目标的考核办法》，公司高级管理人员和分公司、子公司的高级管理人员收入由基薪和加薪两部份组成，前者为高级管理人员在经营活动中无重大失误前提下的固定收入，后者根据风险承包目标考核，根据经营业绩确定。

公司对高管人员的绩效评价由公司人事部门进行日常考核和测评，年末由薪酬委员会综合评定，并确定报酬情况。

公司拟从实际出发，进一步修改年薪考核制度，修订和完善对全体高级管理人员的激励机制。

七、股东大会情况简介

（一）年度股东大会情况

股东大会的通知、召集、召开情况：

2004 年 5 月 22 日公司在《上海证券报》和香港《商报》上公告了召开 2003 年度股东大会的通知。公布了会议召开时间、地点、会议议程等事项。

2004 年 6 月 22 日，公司召开年度股东大会，出席的股东及委托代理人有 103 名，代表股份数 173,966,581 股，占公司股份总数 44.57%，其中 B 股股东及委托代理人 20 名，代表股份数 32,695,245 股。

经大会审议，通过了《董事会工作报告》、《监事会工作报告》、《财务工作报告》、《2003 年利润分配预案》、《2003 年度资本公积金转增股本的预案》、《支付会计师事务所 2003 年度审计报酬的议案》、《调整独立董事津贴标准的议案》、《转让长沙华日生化实业有限公司 90%股权的议案》、《关于放弃向上海申贝办公机械有限公司增资的议案》、《关于转让土地使用权的议案》。

有关本次股东大会决议公告于 2004 年 6 月 24 日刊登在《上海证券报》、香港《商报》上。

（二）临时股东大会情况

1、第 1 次临时股东大会的通知、召集、召开情况：

2004 年 6 月 30 日公司在《上海证券报》和香港《商报》上公告了召开 2004 年第一次临时股东大会的通知。公布了会议召开时间、地点、会议议程等事项。

公司 2004 年第一次临时股东大会于 2004 年 7 月 30 日在上海影城召开，出席会议的股东及委托代理人有 75 名，代表股份数为 156,962,156 股，占公司股份总数的 34.97%，其中 B 股股东及委托代理人 9 名，代表股份数 35,470,478 股。

经大会审议，通过了《关于公司董事会成员变动的议案》、《关于公司“章程”修正的议案》、《关于公司与上海建筑材料（集团）公司、上海华源企业发展股份有限公司调整互为贷款担保额度的议案》。

公司 2004 年第一次临时股东大会审议通过倪永刚先生、陈明其先生辞去公司董事职务；选举张敏、马民良先生为公司董事会董事。

有关本次股东大会决议公告于 2004 年 8 月 3 日刊登在《上海证券报》、香港《商报》上。

2、第 2 次临时股东大会的通知、召集、召开情况：

2004 年 10 月 12 日公司在《上海证券报》和香港《商报》上公告了召开 2004 年第二次临时股东大会的通知。公布了会议召开时间、地点、会议议程等事项。

2004 年第二次临时股东大会于 2004 年 11 月 12 日在上海影城召开，出席会议的股东及委托代理人有 87 名，代表股份数 169,298,395 股，占公司股份总数的 37.72%，其中 B 股股东及委托代理人 14 名，代表股份数 22,246,312 股。

经大会审议，通过了《关于公司董事会人选变动的议案》、《关于公司监事会人选变动的议案》、《关于公司与上海轻工控股（集团）公司进行资产置换的议案》、《关于公司运用募集资金收购德国 DA 公司股权的议案》。

公司 2004 年第二次临时股东大会审议通过何忠源先生辞去公司董事职务、范伟民先生、孙震先生辞去公司监事职务；选举王志乐先生为公司独立董事、何忠源先生、王志乐先生为公司监事会监事。

有关本次股东大会决议公告于 2004 年 11 月 16 日刊登在《上海证券报》、香港《商报》上。

3、第 3 次临时股东大会的通知、召集、召开情况：

2004 年 11 月 30 日公司在《上海证券报》和香港《商报》上公告了召开 2004 年第三次临时股东大会的通知。公布了会议召开时间、地点、会议议程等事项。

2004 年第三次临时股东大会于 2004 年 12 月 30 日在上海影城召开，出席会议的股东及委托代理人有 76 名，代表股份数 173,021,823 股，占公司股份总数的 38.54%，其中 B 股股东及委托代理人 13 名，代表股份数 26,204,201 股。

经大会审议，通过了《关于公司名称变更的议案》、《关于公司章程修正案》、《关于公司控股子公司上海申贝办公机械有限公司将全资企业上海新沪玻璃厂 80%股权转让给上海浦东国有资产投资管理有限公司的议案》。

有关本次股东大会决议公告于 2004 年 12 月 31 日刊登在《上海证券报》、香港《商报》上。

八、董事会报告

（一）报告期内整体经营情况的讨论与分析

报告期内，公司在董事会的领导下，克服了一系列困难，坚持以发展指导调整，以发展凝聚人心，在理顺企业内外关系和理清发展思路的基础上，为公司长远发展进行了必要的思想准备和力量积聚，较好地完成了各项工作，公司经营管理、项目建设等方面取得了一定的成绩。

- 1、跨国并购取得实质性推进，国际化经营格局初现轮廓；
- 2、资产整合实现预定目标，集团型管理框架基本形成；
- 3、内部管理体制逐步理顺，结构性调整措施有序推进；
- 4、生产经营力度继续加强，拓展内外贸市场势头开始趋好。

（二）报告期公司经营情况

1、公司主营业务的范围及其经营情况

（1）公司主营业务经营情况的说明

1）公司属缝纫设备机械制造行业，主营生产销售缝制设备及零部件、缝纫机专用设备、技术开发与咨询。

2）报告期内，公司实现主营业务收入 99,625 万元，同比增长 14.93%；实现主营业务利润 11,179 万元，同比增长 2.55%，实现净利润 376.77 万元，同比下降 74.19%。

报告期内公司生产和销售各类工业缝纫机分别为 86,065 台 93,500 台，生产和销售各类家用缝纫机分别为 114,165 台和 118,693 台。全年公司产品出口创汇 5,875.84 万美元，其中缝纫机出口创汇为 3,624.32 万美元。

（2）主营业务分行业情况表

单位：万元 币种：人民币

分行业	主营业务收入	占主营业务收入比例(%)	主营业务利润	占主营业务利润比例(%)
缝制设备	46,881.00	47.06	5,229.00	45.79
玻璃制品	12,096.00	12.14	3,394.00	29.72
外贸商品	20,518.00	20.60	616.00	5.39
办公机械	12,069.00	12.11	1,128.00	9.88
生化产品	2,811.00	2.82	252.00	2.21
胶片业务	4,175.00	4.19	283.00	2.48
其他	1,075.00	1.08	517.00	4.53
其中：关联交易				
合计	99,625.00	100	11,419.00	100

（3）主营业务分地区情况表

单位：万元 币种：人民币

分地区	主营业务收入	占主营业务收入比例(%)	主营业务利润	占主营业务利润比例(%)
境内	50,373	50.56	8,848	77.48
境外	49,252	49.44	2,571	22.52

2004 年公司缝制设备产品市场占有率为 3.10%。

(4) 占主营业务收入或主营业务利润总额 10%以上的主要产品

单位: 万元 币种: 人民币

分行业或分产品	主营业务收入	主营业务成本	毛利率(%)
缝制设备	46,881.00	41,652.00	11.15
玻璃制品	12,096.00	8,702.00	28.06
外贸商品	20,518.00	19,902.00	3.00
办公机械	12,069.00	10,941.00	9.35

2、主要控股公司及参股公司的经营情况及业绩

(1) 主要控股公司的经营情况及业绩

单位: 万元 币种: 人民币

公司名称	业务性质	股权	注册资本	资产规模	净利润
上海宝灵工程设备成套有限公司	贸易	90%	55	192.5	3.5
上海永德经济发展有限公司	贸易	80%	200	528.4	-53.3
上海富华轻机有限公司	贸易	55%	576	913.7	-12
上海工业缝纫机物产总公司	贸易	100%	465	450.2	-21.1
南通上工缝纫机有限公司	贸易	65%	80	337.7	0.8
无锡上工缝纫机有限公司	贸易	80%	50	65.1	0.1

(2) 公司未有达到本公司净利润 10%的参股公司

3、主要供应商、客户情况

单位: 万元 币种: 人民币

前五名供应商采购金额合计	1,950.47	占采购总额比重 (%)	41
前五名销售客户销售金额合计	5,811.62	占销售总额比重 (%)	12.40

4、在经营中出现的问题与困难及解决方案

2005 年, 公司面临巨大的挑战, 缝纫机主要原材料生铁、钢材的价格呈现上涨的趋势, 加上历史形成的人员偏多等因素, 使得成本与费用过高, 国内同行业的竞争更趋激烈, 对海外的投资项目实施后, 资金的压力也十分沉重, 这一切将对公司的生产经营和业绩的提升产生负面影响。对此, 公司将加快国际并购的步伐, 加速落实欧亚两地的业务整合计划, 通过市场、产品、技术、质量、成本等方面的整合和互补, 力求产生良好的协同效应; 同时公司将依靠大股东的大力支持, 努力改善公司资产结构, 并在内部继续进行深化改革和调整结构计划, 逐步剥离辅业, 安置富裕人员, 以集中精力, 集聚资源, 确保主业快速发展。

(三) 公司投资情况

1、募集资金使用情况

公司于 2003 年 11 月通过增发募集资金 32,264 万元人民币。

2004 年 10 月 29 日, 公司与德国 FAG Kugel fischer AG(以下简称“FAG 公司”)就本公司收购 FAG 公司所持 Durkopp Adler AG(以下简称“DA 公司”)94.98%股份签定了

正式协议。协议主要条款见公司第四届董事会第十四次会议决议公告（刊登于 2004 年 10 月 12 日《上海证券报》和香港《商报》）。

2004 年 11 月 1 日，国家发改委以发改外资[2004]2403 号文批复，核准公司在德国投资收购 DA 公司股权项目调整方案。

2004 年 12 月 21 日，上海市对外经济贸易委员会以沪经贸外经[2004]835 号文批复，同意公司在德国独资设立“上工（欧洲）控股有限责任公司”，注册资本为 1,000 万欧元，项目总投资为 1,700 万欧元。据此公司在德国设立了“上工（欧洲）控股有限责任公司”，以此作为收购 DA 公司平台，对 DA 公司进行整合和管理。

2004 年 11 月 25 日，国家外汇管理局上海市分局就收购 DA 公司股权项目进行外汇资金来源审查向总局请示，并获准同意。公司本次股权收购共涉及外汇投资 1,700 万欧元以增发 B 股所募集资金全额出资。根据国家外汇管理局上海市分局 2005 年 3 月 22 日核准，公司于 3 月 25 日将 1,000 万欧元注册资金划入上工（欧洲）控股有限责任公司。

根据《股份买卖协议》，交易完成的重要条件是公司需要完成为 DA 公司在美国子公司的房屋租赁合同提供 530 万美元的履约担保和为 DA 公司提供 500 万欧元的授信额度和 400 万欧元的业务担保手续。目前解决上述担保事项的方案已经完成，已提交外汇管理部门审批之中。

此外，公司为做好欧亚两地的业务整合已专门成立了项目协调小组，与 DA 公司人员一起，就双方合作生产、经营、开发、采购等具体事务，做了大量的准备工作。

单位：万元 币种：人民币

承诺项目名称	拟投入金额	是否变更项目	实际投入金额	预计收益	实际收益	是否符合计划进度	是否符合预计收益
1. 收购 DA 公司项目	20,096	否	858.8	--	--	--	--
2. 利用德国 DA 公司技术建设电脑特种工业缝纫机项目	19,500	否	--	--	--	--	--
合计	39,596	--	858.8	--	--	--	--

2、非募集资金项目情况

(1). 报告期内，公司出资 1,613.74 万元，购买位于浦东新区世纪大道 1500 号东方大厦 1,341.62 平方米的产权房作为公司办公用房。

(2). 经 2003 年股东大会审议通过，公司出资 8,957.9 万元受让上海轻工控股(集团)公司持有、由本公司使用的面积为 73,855 平方米的十幅土地使用权。（详见本报告“第十节重要事项”“三. 报告期内发生的重大关联交易事项”）

（四）报告期内公司财务状况经营成果分析

单位：元 币种：人民币

项目名称	期末数	期初数	增减额	增减幅度（%）
总资产	1,786,734,577.34	1,755,205,977.66	31,528,599.68	1.80
主营业务利润	111,787,205.82	109,010,168.83	2,777,036.99	2.55
净利润	3,767,743.02	14,595,602.55	-10,827,859.53	-74.19
现金及现金等价物净增加额	545,965,518.03	635,610,284.65	-89,644,766.62	-14.10
股东权益	857,321,016.76	853,350,255.63	3,970,761.13	0.47

1、净利润同比下降 74.19%的主要原因是：

- (1) 同比净增加主营业务收入增利 277.7 万元；
- (2) 同比增加租赁收入 404.8 万元；
- (3) 同比增加股权转让净收益 3,620 万元；
- (4) 同比增加处理固定资产净收入 207 万元；
- (5) 同比增加计提资产减值准备减少利润 1,969 万元；
- (6) 同比减少土地补偿净收入减利 2,967 万元。

2、现金及现金等价物变化的主要原因是出资 8,957.9 万元受让上海轻工控股（集团）公司持有、由本公司使用面积为 73,855 平方米的十幅土地使用权；出资 1,613.74 万元购买位于浦东新区世纪大道 1500 号东方大厦 1,341.62 平方米的产权房作为公司办公用房。

（五）生产经营环境以及宏观政策、法规产生重大变化的影响说明

1、自 2004 年 1 月起，公司产品缝纫机及零件的出口退税率调整为 13%；银行贷款利率的上升，人民币汇率的变化，对公司财务费用的支出有较大的影响；

2、主要原材料生铁、钢材的价格上涨，将对公司业绩产生负面影响；

3、公司注册地为上海浦东新区，根据浦东开发区的税收政策，公司 2005 年度实际所得税税率仍为 15%；

4、公司受让德国 FAG 公司控股子公司 DA 公司 94.98%股权，拟利用 DA 公司的技术，实现缝纫机产业升级，该计划实施的结果，将对公司的生产经营产生极其重大的影响。

（六）新年度经营计划

2005 年，公司将以增强企业核心竞争力为目的，重点抓好以下工作：

- 1、抓好跨国并购工作，加快产业升级步伐；
- 2、全面推行预算目标，确保主业大幅减亏；
- 3、强化采购、质量管理，提升企业竞争实力；
- 4、整合公司有效资源，推进对外合资合作，实现公司持续发展。

（七）董事会日常工作情况

1、董事会会议情况及决议内容

(1)、四届六次董事会议于 2004 年 3 月 26 日以通讯方式举行，应参加表决的董事 10 名，实际参加表决的董事 10 名，审议通过了《募集资金管理办法》、《参与国债投资的议案》。决议公告于 2004 年 3 月 27 日的《上海证券报》和香港《商报》。

(2)、四届七次董事会议于 2004 年 4 月 15 日召开，应到董事 10 名，实到董事 10 名，审议通过了《总经理工作报告》、《财务工作报告》、《2003 年度利润分配预案》、《2003 年度资本公积金转增股本的预案》、《2003 年度报告和年报摘要》、《支付会计师事务所 2003 年度审计报酬的议案》、《调整独立董事津贴标准的议案》、《将公司所持长沙华日生化实业有限公司 90%股权转让给湖南银海石油化工有限公司的议案》、《关于放弃向上海申贝办公机械有限公司增资的议案》、《关于召开公司 2003 年度股东大会的议案》。决议公告于 2004 年 4 月 17 日的《上海证券报》和香港《商报》。

(3)、四届董事会第一次临时会议于 2004 年 4 月 26 日以通讯方式举行，应参加表决的董事 10 名，实际参加表决的董事 7 名，审议通过了公司 2004 年第一季度报告。

(4)、四届八次董事会议于 2004 年 6 月 10 日以通讯方式举行，应参加表决的董事 10 名，实际参加表决的董事 9 名，审议通过了将上海轻工控股（集团）公司临时提案列入公司 2003 年度股东大会议程。决议公告于 2004 年 6 月 11 日的《上海证券报》和香港《商报》。

(5)、四届九次董事会议于 2004 年 6 月 24 日召开，应到董事 10 名，实到董事 8 名，审议通过了《关于公司董事及高级管理人员职务变动的议案》、《公司“章程”修正案》、《公司与上海建筑材料（集团）公司、上海华源企业发展股份有限公司调整互为贷款担保额度的议案》、《关于召开 2004 年第一次临时股东大会的议案》。决议公告于 2004 年 6 月 26 日的《上海证券报》和香港《商报》。

(6)、四届十次董事会议于 2004 年 7 月 30 日召开，应到董事 10 名，实到董事 9 名，审议通过了《增补公司董事会执行董事》、《选举公司董事长》、《选举公司副董事长》、《调整公司董事会专业委员会人选名单》。决议公告于 2004 年 8 月 3 日的《上海证券报》和香港《商报》。

(7)、四届十一次董事会议于 2004 年 8 月 19 日召开，应到董事 10 名，实到董事 10 名，审议通过了《关于公司董事人员变动的议案》、《2004 年半年度报告及摘要》。决议公告于 2004 年 8 月 21 日的《上海证券报》和香港《商报》。

(8)、四届十二次董事会议于 2004 年 9 月 7 日以通讯方式举行，应参加董事 10 名，实际参加表决的董事 10 名，审议通过了《公司与上海华源企业发展股份有限公司继续签订互为贷款担保协议的议案》。决议公告于 2004 年 9 月 8 日的《上海证券报》和香港《商报》。

(9)、四届十三次董事会议于 2004 年 9 月 27 日召开，应到董事 10 名，实到董事 10 名，审议通过了《增补独立董事人选的议案》、《公司与上海轻工控股（集团）公司进行资产置换的议案》。决议公告于 2004 年 9 月 29 日的《上海证券报》和香港《商报》。

(10)、四届十四次董事会议于 2004 年 10 月 11 日召开，应到董事 10 名，实到董事 10 名，审议通过了《公司运用募集资金收购 DA 公司股权的议案》、《关于召开公司 2004 年第二次临时股东大会的议案》。决议公告于 2004 年 10 月 12 日的《上海证券报》和香港《商报》。

(11)、四届十五次董事会议于 2004 年 10 月 21 日以通讯方式举行，应参加表决的董事 10 名，实际参加表决的董事 10 名，审议通过了公司 2004 年第三季度报告。

(12)、四届十六次董事会议于 2004 年 11 月 29 日以通讯方式举行，应参加表决的董事 10 名，实际参加表决的董事 10 名，审议通过了《公司名称变更的议案》、《公司“章程”修正案》、《公司控股的上海申贝办公机械有限公司将其全资企业上海新沪玻璃厂 80%股权转让给上海浦东国有资产投资管理有限公司的议案》、《关于召开公司 2004 年第三次临时股东大会的议案》。决议公告于 2004 年 11 月 30 日的《上海证券报》和香港《商报》。

2、董事会对股东大会决议的执行情况

报告期内，公司董事会严格执行股东大会的各项决议，及时完成股东大会交办的各项工作。

（1）根据公司 2003 年度股东大会决议，“以 2003 年末股本总额 390,336,328 股为基数，向全体股东每 10 股资本公积金转增 1.5 股，2004 年 7 月 13 日公司于《上海证券报》和香港《商报》刊登转增股本实施公告，以 2004 年 7 月 16 日为 A 股股权登记日（B 股股权登记日为 2004 年 7 月 21 日，B 股最后交易日为 2004 年 7 月 16 日），2004 年 7 月 19 日为除权日，实施了以上方案。

（2）根据法律、法规的有关规定，2004 年 12 月 30 日，公司召开第三次临时股东大会，就公司更名、经营范围调整等事项，审议通过了《公司“章程”修正案》。按照股东大会决议，公司办理了相关手续，2005 年 2 月 7 日，公司正式更名为“上工申贝（集团）股份有限公司”。

（八）利润分配或资本公积金转增预案

1、本报告期公司不进行利润分配或资本公积金转增。

2、本报告期盈利但未提出现金利润分配预案的原因：经上海众华沪银会计师事务所有限公司按中国会计制度审计，2004 年度公司实现合并净利润为 3,767,743.02 元（德豪国际会计师事务所按国际会计制度审计净利润为 181.7 万元），母公司净利润为 3,228,402.50 元。

根据公司章程规定，以母公司净利润为基准，提取 10%法定盈余公积金 322,840.25 元，提取 10%法定公益金 322,840.25 元，“两金”合计提取 645,680.50 元。母公司当期可供股东分配的利润为 2,582,722 元，加上 2004 年初未分配利润余额 15,602,248.04 元，母公司累计可供股东分配利润为 18,184,970.04 元。

由于目前本公司的母公司处于微利状态，当期净利润加上累计未分配利润，折合每股为 0.04 元；2005 年又是公司实施国际并购及技术改造的重要时期，资金需求量大，根据公司实际情况，提议 2004 年度不进行派发现金和送红股，也不进行资本公积金转增股本。

3、独立董事对公司 2004 年度盈利但未提出分配预案的专项说明及独立意见

2004 年度，公司虽然实现盈利，但是公司的主营业务利润仍处于亏损状态，按照公司“章程”规定，提取法定盈余公积金和法定公益金后，母公司累计未分配利润折合每股仅为 0.04 元，分配现金红利能力甚微；2005 年公司正逢国际并购及技术引进、技术改造的关键时期，资金需求量较大，因此 2004 年不进行现金分红或送红股以及资本公积金转增股本的做法是符合公司的实际情况。

希望公司集中精力，抓紧抓好国际并购项目及技术引进、技术改造项目，积极拓展市场，尽快提升主业盈利能力，实现向广大投资者分配现金红利的承诺。

（九）注册会计师对公司控股股东及其他关联方占用资金情况的专项说明

上工申贝(集团)股份有限公司董事会：

我们接受委托，依据《中国注册会计师独立审计准则》审计了上工申贝（集团）股份有限公司(以下简称“上工申贝公司”)2004 年度的会计报表，并于 2005 年 4 月 25 日出具了沪众会字(2005)第 0063 号《审计报告》。

根据中国证券监督管理委员会及国务院国有资产监督管理委员会《关于规范上市公司与关联方资金往来及上市公司对外担保若干问题的通知(证监发[2003]56 号文)》和中国证监会上海监管局《关于对上市公司与关联方资金往来及对外担保情况出具专项审计意见的通知（沪证监公司字[2005]21 号）》的要求，上工申贝公司编制了后附的截至

2004 年 12 月 31 日止年度上工申贝公司的《资金占用情况汇总表》和《违规担保情况汇总表》（以下简称“情况汇总表”）。

如实编制和对外披露情况表并确保其真实、合法及完整是贵公司管理当局的责任，我们对情况表所载资料与上工申贝公司 2004 年度已审的会计报表及相关资料的内容进行了对比和复核，在所有重大方面未发现不一致之处。

本专项审计意见仅作为上工申贝公司向有关证券监管部门说明 2004 年度与关联方资金往来及对外担保情况之用，不用作任何其他目的。

上海众华沪银会计师事务所

关联方资金占用及偿还情况

单位：万元 币种：人民币

资金占用方	与上市公司关系	期初时点金额	借方累计发生金额	贷方累计发生金额	期末时点金额	占用方式	相对应的会计报表科目	占用原因	备注
上海轻工控股（集团）公司	控股股东		19,711	19,711		拆借	其他应收款	资金周转困难	
上海缝纫机螺丝厂	控股股东的子公司		13	13		拆借	其他应收款	资金周转困难	
上海工缝电器有限公司	控股股东的子公司		35	35		拆借	其他应收款	资金周转困难	
上海华强缝制设备厂	控股股东的子公司	154	7,370	7,524		拆借	其他应收款	资金周转困难	
上海浦江金属品厂	控股股东的子公司		10	10		拆借	其他应收款	资金周转困难	
上海上工华莘精密机械有限公司	控股股东的子公司		508	508		拆借	其他应收款	资金周转困难	
上海上工针业有限公司	控股股东的子公司	656	6,981	6,333	1,304	拆借	其他应收款	资金周转困难	
上海永德经济发展有限公司	控股子公司	1,063		668	395	拆借	其他应收款	资金周转困难	
上海工业缝纫机物产总公司	控股子公司					拆借	其他应收款	资金周转困难	其他应付款 197 万

担保情况汇总表

单位: 万元 币种: 人民币

担保人	被担保对象名称	被担保对象与上市公司的关系	担保金额(万元)	担保开始日	担保结束日	担保方式	备注
上市公司	上海建筑材料(集团)总公司	其他企业	3,000	2004-12-15	2005-07-11	连带责任保证担保	对外担保无反担保
上市公司	上海建筑材料(集团)总公司	其他企业	4,000	2004-06-30	2005-06-30	连带责任保证担保	对外担保无反担保
上市公司	上海上工针业有限公司	控股股东的子公司	157	2004-10-22	2005-01-26	连带责任保证担保	对外担保无反担保
上市公司	上海上工针业有限公司	控股股东的子公司	112	2004-10-22	2005-01-26	连带责任保证担保	对外担保无反担保
上市公司	上海上工针业有限公司	控股股东的子公司	255	2004-12-17	2005-03-17	连带责任保证担保	对外担保无反担保
上市公司	上海上工针业有限公司	控股股东的子公司	477	2004-12-17	2005-03-17	连带责任保证担保	对外担保无反担保
上市公司	上海上工针业有限公司	控股股东的子公司	900	2004-06-28	2005-06-27	连带责任保证担保	对外担保无反担保
上市公司	上海华源企业发展股份有限公司	其他企业	2,000	2004-07-30	2005-07-29	连带责任保证担保	对外担保无反担保
上市公司	上海华源企业发展股份有限公司	其他企业	2,000	2004-09-29	2005-09-29	连带责任保证担保	对外担保无反担保
上市公司	上海华源企业发展股份有限公司	其他企业	3,000	2004-06-07	2005-06-06	连带责任保证担保	对外担保无反担保
上市公司	上海华源企业发展股份有限公司	其他企业	3,000	2004-07-15	2005-07-14	连带责任保证担保	对外担保无反担保
上市公司	上海华源企业发展股份有限公司	其他企业	1,000	2004-09-27	2005-05-26	连带责任保证担保	对外担保无反担保
上市公司	上海华源企业发展股份有限公司	其他企业	3,000	2004-11-11	2005-11-09	连带责任保证担保	对外担保无反担保
上市公司	中国华源集团有限公司	其他企业	3,000	2004-06-30	2005-06-08	连带责任保证担保	对外担保无反担保
上市公司子公司	上海新沪玻璃厂	其他企业	115	2004-07-01	2005-06-30	连带责任保证担保	对外担保无反担保
上市公司子公司	中国经济技术投资担保有限公司	其他企业	425	2004-07-01	2005-06-30	连带责任保证担保	对外担保无反担保
上市公司	上海上工进出口有限公司	控股子公司	270	2004-08-18	2005-03-18	连带责任保证担保	对外担保无反担保
上市公司	上海上工进出口有限公司	控股子公司	800	2004-03-03	2005-03-02	连带责任保证担保	对外担保无反担保
上市公司	上海上工进出口有限公司	控股子公司	3,000	2004-04-07	2005-04-07	连带责任保证担保	对外担保无反担保
上市公司	上海上工进出口有限公司	控股子公司	700	2004-11-23	2005-11-23	连带责任保证担保	对外担保无反担保

（十）公司独立董事关于对外担保的专项说明及独立意见

根据《关于规范上市公司与关联方资金往来及上市公司对外担保若干问题的通知》（证监发[2003]56号）和上海证监局落实该通知的要求、公司的自查报告以及审计机构出具的专项审计说明，我们作为公司独立董事，本着对全体股东特别是广大中小股东负责的态度，对公司 2004 年与关联方资金往来及对外担保的情况进行了必要的核查，相关说明及独立意见如下：

1、关于关联方资金往来。公司为解决托管企业人员分流、安置及确保社会稳定，支付了有关费用，由此形成了公司与控股股东及其关联企业之间的资金往来，截止报告期末，控股股东已实现了自己的承诺，向公司付清了全部关联款项，使公司的关联欠款金额下降幅度达到了规定的要求。希望公司继续努力，通过国家股权的划转工作，力争在 2005 年彻底解决公司与大股东及其关联方之间的欠款问题。

2、关于担保情况。经查验，公司按照《章程》的要求，制订了《关于对外提供担保的有关规定》。截止报告期末，公司对外担保总额为 33,451 万元，未超过 2004 年末合并报表净资产的 50%，且各被担保单位履行协议的情况良好，未出现融资逾期情形。因历史原因形成的关联担保余额在报告期末比 2003 年末减少 1,665 万元，同比下降 47%。因此，公司总体对外担保的情况处于可控制状态。

但我们也注意到，公司担保贷款的控股子公司（进出口公司）在担保期间出现资产负债率上升、超过 70% 的上限控制值，存在潜在风险。公司应进一步加强对中国证监会和国资委联合发布的[2003]56 号文件的执行力，更好地减少和控制企业潜在的风险。

独立董事：费方域、刘向东、刘仁德、王志乐

九、监事会报告

（一）监事会的工作情况

报告期内，监事会共召开了 8 次会议。

1、四届六次监事会议于 2004 年 4 月 15 日召开，审议通过了《公司 2003 年度监事会工作报告》、《2003 年年度报告和年报摘要》。决议公告于 2004 年 4 月 17 日的《上海证券报》和香港《商报》。

2、四届七次监事会议于 2004 年 6 月 10 日召开，审议通过了将上海轻工控股（集团）公司临时提案列入公司 2003 年股东大会议程。决议公告于 2004 年 6 月 11 日的《上海证券报》和香港《商报》。

3、四届八次监事会议于 2004 年 6 月 24 日召开，审议通过了《关于公司董事及高级管理人员职务变动的议案》、《公司“章程”修正案》、《公司与上海建筑材料（集团）公司、上海华源企业发展股份有限公司调整互为贷款担保额度的议案》。决议公告于 2004 年 6 月 26 日的《上海证券报》和香港《商报》。

4、四届九次监事会议于 2004 年 8 月 19 日召开，审议通过了《关于公司监事人员变动的议案》、《2004 年半年度报告及摘要》。决议公告于 2004 年 8 月 21 日的《上海证券报》和香港《商报》。

5、四届十次监事会议于 2004 年 9 月 27 日召开，审议通过了《公司监事人员变动的议案》、《公司与上海轻工控股（集团）公司进行资产置换的议案》。决议公告于 2004 年 9 月 29 日的《上海证券报》和香港《商报》。

6、四届十一次监事会议于 2004 年 10 月 11 日召开，审议通过了《公司运用募集资金收购德国 DA 公司股权的议案》。决议公告于 2004 年 10 月 12 日的《上海证券报》和香港《商报》。

7、四届十二次监事会议于 2004 年 11 月 12 日召开，审议通过了选举何忠源先生为监事会主席。决议公告于 2004 年 11 月 16 日的《上海证券报》和香港《商报》。

8、四届十三次监事会议于 2004 年 11 月 29 日召开，审议通过了《公司名称变更的议案》、《公司“章程”修正案》、《公司控股的上海申贝办公机械有限公司将其全资企业上海新沪玻璃厂 80%股权转让给上海浦东国有资产投资管理有限公司的议案》。决议公告于 2004 年 11 月 30 日的《上海证券报》和香港《商报》。

（二）监事会对公司依法运作情况的独立意见

公司根据国家有关法律、法规和公司章程，召开股东大会、董事会议和监事会议，本年度公司决策程序合法，公司建立了较完善的内部控制制度。公司董事、总经理在执行公司职务时，无违反法律、法规、公司《章程》及损害公司、股东利益的行为。

（三）监事会对检查公司财务情况的独立意见

上海众华沪银会计师事务所有限公司对本公司 2004 年度财务报告出具了标准无保留意见的审计报告，客观、公正、真实地反映了公司的财务状况和经营成果。

（四）监事会对公司最近一次募集资金实际投入情况的独立意见

公司募集资金使用符合有关程序，且实际投资使用情况与计划用途一致。

（五）监事会对公司收购出售资产情况的独立意见

公司收购出售资产交易时，价格合理，是在公平、互利的基础上进行的，没有发现内幕交易和损害公司及股东权益的情况。

（六）监事会对公司关联交易情况的独立意见

报告期内，公司与控股股东之间的关联交易均按公平交易原则进行，无损害公司和股东利益的行为。

十、重要事项

（一）重大诉讼、仲裁事项

关于本公司因 3,000 万元投资国债被质押诉德恒证券有限责任公司（下称“德恒证券”）一案已经法院审理，判决胜诉。（见 2004-029 公告，刊登于 2004 年 9 月 17 日《上海证券报》和香港《商报》）

经公司申请，法院于 2004 年 10 月 11 日立案执行，因德恒证券涉案众多，财产均被相关法院查封，目前尚无其他财产可变现抵偿本案债务，法院裁定民事判决书中止执行。

根据中国证监会（证监机构字[2004]109 号）规定，公司已于 2004 年 9 月 15 日向中国华融资产管理公司德恒证券有限公司托管经营组（下称“经营组”）办理了债权申报登记手续（见公司 2004 年第三季度报告，刊登于 2004 年 10 月 22 日的《上海证券报》和香港《商报》）。据经营组“德恒证券有限责任公司债务登记公告”，对经确认的债务，按照国家有关法律、法规和政策进行偿付，具体办法另行公告。

（二）报告期内公司收购及出售资产、吸收合并事项

1、收购资产情况

2004 年 6 月 25 日，公司出资 1,613.74 万元，向长江经济联合发展(集团)股份有限公司购买位于浦东新区世纪大道 1500 号东方大厦 1,341.62 平方米的产权房作为公司办公用房(该处原系租赁使用)，并完成了相关手续。

2、出售资产情况

本公司第四届董事会第七次会议及 2003 年度股东大会审议通过，将公司所持长沙华日生化实业有限公司（下称“华日生化”）90%股权转让给湖南银海石油化工有限公司，本次股权转让，有利于改善公司资产质量，集中精力抓好主业经营。根据上海众华资产评估有限公司沪众评报字（2004）第 010 评估报告，以 2003 年 12 月 31 日为评估基准日，华日生化净资产帐面价值为 3,129.33 万元，调整后净资产帐面值为 3,133.26 万元，评估值为 3,605.32 万元。股权转让价格以评估值按股权比例 90%计算，为 3,244.78 万元。2004 年 7 月 26 日，通过上海联合产权交易所完成了股权转让手续，本次股权转让获得收益为 53.4 万元。

（三）报告期内公司重大关联交易事项

1、资产、股权转让的重大关联交易

（1）、本公司第四届董事会第七次会议及 2003 年度股东大会审议通过关于放弃向上海申贝办公机械有限公司（下称“上海申贝”）增资的议案。公司控股股东上海轻工控股（集团）公司（下称“上海轻工”）以经评估后价值为 12,023 万元的五块土地对上海申贝进行增资，本公司为集中力量发展主业，同意放弃对上海申贝的增资。上海轻工对上海申贝增资完成后，其所持有股权为 65.22%，本公司所持上海申贝股权比例调整为 34.78%。

（2）、本公司第四届董事会第八次会议及 2003 年年度股东大会审议通过，同意受让上海轻工控股（集团）公司将其持有的、目前由本公司使用的面积为 73,855 平方米的 10 幅土地使用权。本次土地使用权受让，有助于公司产权清晰，减少关联交易和经营风

险，促进公司规范运作。根据上海长信资产评估有限公司长信评报字（2004）1027 号评估报告，以 2003 年 12 月 15 日为评估基准日，10 幅土地帐面价值为 2,010.07 万元，评估价值为 8,957.9 万元。上述土地使用权的交易价格为 8,957.9 万元，本公司于 2004 年 6 月 22 日以企业自有资金一次性支付了上述土地使用权受让费。

（3）、本公司第四届董事会第十三次会议及 2004 年第二次临时股东大会审议通过，以公司应收款项 18,911 万元置换上海轻工控股（集团）公司（下称“上海轻工”）持有的上海申贝办公机械有限公司（下称“上海申贝”）56.03%的股权。本次资产置换符合公司发展的战略要求，能够有效地调整和改善本公司的资产结构，提高公司的资产质量，增强公司的盈利能力和持续经营能力。根据上海东洲资产评估有限公司以 2004 年 3 月 31 日为基准日出具的沪东洲资评报字第 DZ040211020 号评估报告、上海立信资产评估有限公司信资评报字[2003]255 号评估报告，上海申贝评估后合计净资产为 37,501.7 万元。上海轻工将所持上海申贝 56.03%的股权（计人民币 21,012.2 万元，按 90%的价格计 18,911 万元）转让给本公司，对价受让本公司置换出应收款项计 18,911 万元资产。报告期内，公司已完成了上述资产置换的过户手续。

（4）、本公司第四届董事会第十六次会议及 2004 年第三次临时股东大会审议通过同意公司控股的上海申贝办公机械有限公司将其全资企业上海新沪玻璃厂 80%股权转让给上海浦东国有资产投资管理有限公司。本次股权转让对公司调整产业布局、整合资源具有积极意义，有利于公司集中力量抓好国际并购和国际合作项目，加速形成以缝制设备为核心业务、施乐复印机和影像合资企业投资收益为支撑以及商贸流通业务为烘托的产业格局，努力提升公司的盈利水平。

根据上海东洲资产评估有限公司以 2004 年 3 月 31 日为基准日出具的沪东洲资评报字第 DZ040456070 号评估报告书，新沪厂净资产评估价值为 11,677.02 元，按股权转让 80%计算，转让价格为 9,341.616 万元。

报告期内，上述股权过户的手续尚在办理之中。

2、关联债权、债务事项

资金占用方	资金占用期末金额	资金占用期初金额	借方累计发生金额	贷方累计发生金额
上海华强缝制设备厂		154	7,370	7,523
上海上工针业有限公司	1,304	656	6,981	6,333

（四）重大合同及其履行情况

1、托管情况

本年度公司无托管事项。

2、承包情况

本年度公司无承包事项。

3、租赁情况

本年度公司无租赁事项。

4、担保情况

单位: 万元 币种: 人民币

担保对象	发生日期	担保金额	担保类型	担保期限	担保是否已经履行完毕	是否为关联方担保
上海建筑材料（集团）公司	2004-12-13	3,000	连带责任担保	2004-12-15 ~ 2005-07-11	否	否
上海建筑材料（集团）公司	2004-06-30	4,000	连带责任担保	2004-06-30 ~ 2005-06-30	否	否
中国华源集团有限公司	2004-06-30	3,000	连带责任担保	2004-06-30 ~ 2005-06-08	否	否
上海华源企业发展股份有限公司	2004-09-27	1,000	连带责任担保	2004-09-27 ~ 2005-05-26	否	否
上海华源企业发展股份有限公司	2004-06-07	3,000	连带责任担保	2004-06-07 ~ 2005-06-06	否	否
上海华源企业发展股份有限公司	2004-07-15	3,000	连带责任担保	2004-07-15 ~ 2005-07-14	否	否
上海华源企业发展股份有限公司	2004-11-11	3,000	连带责任担保	2004-11-11 ~ 2005-11-09	否	否
上海华源企业发展股份有限公司	2004-07-30	2,000	连带责任担保	2004-07-30 ~ 2005-07-29	否	否
上海华源企业发展股份有限公司	2004-09-29	2,000	连带责任担保	2004-09-29 ~ 2005-09-29	否	否
上海上工针业有限公司	2004-10-22	157	连带责任担保	2004-10-22 ~ 2005-1-01-26	否	是
上海上工针业有限公司	2004-10-22	112	连带责任担保	2004-10-22 ~ 2005-01-26	否	是
上海上工针业有限公司	2004-12-17	255	连带责任担保	2004-12-17 ~ 2005-03-17	否	是
上海上工针业有限公司	2004-12-17	477	连带责任担保	2004-12-17 ~ 2005-03-17	否	是
上海上工针业有限公司	2004-06-28	900	连带责任担保	2004-06-28 ~ 2005-06-27	否	是
报告期内担保发生额合计			42,905			
报告期末担保余额合计			25,901			
公司对控股子公司的担保情况						
报告期内对控股子公司担保发生额合计			9,580			
报告期末对控股子公司担保余额合计			7,550			
公司担保总额情况（包括对控股子公司的担保）						
担保总额			33,451			
担保总额占公司净资产的比例			39.02			
公司违规担保情况						
为控股股东及公司持股 50% 以下的其他关联方提供担保的金额			1,901			
直接或间接为资产负债率超过 70% 的被担保对象提供的债务担保金额			1,901			
担保总额是否超过净资产的 50%			否			
违规担保总额			1,901			

5、委托理财情况

本公司于 2004 年 3 月投资 3,000 万元购买国债,由德恒证券有限责任公司托管,期限为捌个月,2004 年 5 月 31 日,公司以德恒证券有限责任公司违约为由,向上海市第一中级人民法院提起诉讼,截止报告期末,逾期未收回的国债投资本金 2,830 万元(170 万元已提前返回)(见本节一、重大诉讼、仲裁事项)。

6、其他重大合同

本公司为贯彻“走出去,引进来”战略,实现利用国际品牌,提升企业竞争能力的目的。通过定向增发 B 股,募集资金,收购德国 Durkopp Adler AG(简称 DA 公司) 94.98%股权及利用 DA 公司技术建设电脑特种工业缝纫机项目。2004 年 10 月 29 日与 DA 公司的控股股东 FAG 公司签订了股份收购正式协议。

(五) 公司或持有 5%以上股东对公开披露承诺事项的履行情况

报告期内或持续到本报告披露之日,公司或持股 5%以上股东没有承诺事项。

(六) 聘任、解聘会计师事务所情况

报告期内,公司未改聘会计师事务所,公司仍聘任上海众华沪银会计师事务所为公司的境内审计机构,截止本报告期末,该会计师事务所已为本公司提供了 11 年审计服务。

本年度公司支付给上海众华沪银会计师事务所有限公司的财务审计费用为 46 万元(上年度支付的审计费用为 46 万元),其他专项审计费用 2.5 万元,承担审计期间差旅费 0.74 万元(上年度为 1.14 万元)。

公司仍聘任德豪国际会计师事务所(BDO International)为公司的境外审计机构,截止本报告期末,该会计师事务所已为本公司提供了 2 年审计服务。

本年度支付德豪国际会计师事务所的财务审计费用为 50 万元(上年度支付的审计费用为 50 万元),审计期间无差旅费发生。

(七) 公司、董事会、董事受处罚及整改情况

本报告期内,公司、公司董事会及董事未有受中国证监会稽查、中国证监会行政处罚、通报批评及上海证券交易所公开谴责的情况。

(八) 其它重大事项

1、经国务院国有资产监督管理委员会 2004 年 6 月 4 日以国资产权[2004]412 号文批复,上海轻工控股(集团)公司将其持有本公司国家股中的 13,204,914 股(占公司总股本 3.38%),以每股 3.878 元价格转让给中国东方资产管理公司,转让总金额为 51,212,102 元人民币,转让后的股权性质仍为国家股。转让双方于 2004 年 7 月 1 日通过中国证券登记结算有限公司上海分公司办理了股权过户登记手续。

2、截止本报告披露之日,公司第一大股东上海轻工控股(集团)公司将所持公司全部国家股无偿划转上海市浦东新区国有资产管理办公室的申报材料已报送国务院国有资产监督管理委员会,并已获准,有关股权划转事宜尚在办理之中。

3、根据 2004 年第三次临时股东大会决议,经国家工商行政管理总局核准,公司更名为“上海申贝(集团)股份有限公司”,公司 A 股简称变更为“上工申贝”,B 股证券代码和 B 股简称不变。

十一、财务会计报告

（一）审计报告

审计报告

沪众会字（2005）第 0063 号

上工申贝（集团）股份有限公司全体股东：

我们审计了后附的上工申贝（集团）股份有限公司(以下简称“上工申贝”)2004 年 12 月 31 日的资产负债表和合并资产负债表、2004 年度的利润及利润分配表和合并利润及利润分配表，以及现金流量表和合并现金流量表。这些会计报表的编制是上工申贝管理当局的责任，我们的责任是在实施审计工作的基础上对这些会计报表发表意见。

我们按照中国注册会计师独立审计准则计划和实施审计工作，以合理确信会计报表是否不存在重大错报。审计工作包括在抽查的基础上检查支持会计报表金额和披露的证据，评价管理当局在编制会计报表时采用的会计政策和作出的重大会计估计，以及评价会计报表的整体反映。我们相信，我们的审计工作为发表意见提供了合理的基础。

我们认为，上述会计报表符合国家颁布的企业会计准则和《企业会计制度》的规定，在所有重大方面公允反映了上工申贝 2004 年 12 月 31 日的财务状况以及 2004 年度的经营成果和现金流量。

上海众华沪银会计师事务所有限公司

中国注册会计师 林东模、中国注册会计师 孟祥云

中国，上海

2005 年 4 月 25 日

（二）会计报表：（见附表）

（三）会计报表附注

1. 公司基本情况

上工申贝（集团）股份有限公司（以下简称“本公司”）是中国缝制设备行业第一家上市公司，本公司原名上海工业缝纫机股份有限公司，1997年5月29日经1996年度股东大会决议，更名为上工股份有限公司。2005年2月7日经股东大会决议，更名为上工申贝（集团）股份有限公司。本公司以生产、销售工业用缝制设备为主，主要产品有平缝、包缝、套结、钉扣、锁眼、双针、多针、链缝、绷缝及其他特种工业缝纫机共10个大类，21个系列，100多个品种。公司的经营范围由缝制设备扩展到办公机械、影像器材和商贸流通领域。主要产品以“上工牌”、“双工牌”、“蝴蝶牌”、“蜜蜂牌”、“飞人牌”为注册商标。本公司近年来积极进行新型缝纫设备的开发、研制。

本公司注册地址为中国上海市罗山路1201号，法定代表人张敏。

2. 主要会计政策和会计估计

2.1 会计制度

本公司执行企业会计准则和企业会计制度及其补充规定。

2.2 会计年度

本公司的会计期间采用公历制，即自日历1月1日至12月31日为一个会计年度。

2.3 记账本位币

本公司以人民币为记账本位币。

2.4 记账基础和计价原则

本公司以权责发生制为记账基础，以实际成本为计价原则。各项财产在取得时按实际成本计量，其后如果发生减值，按企业会计制度规定计提相应的减值准备。

2.5 外币业务核算方法

本公司对发生的外币业务，以业务发生当日的汇率（指由中国人民银行公布的外币市场汇价中间价，下同）将外币折算成人民币记账；期末对各种外币账户的外币余额按期末日汇率进行调整，调整后的人民币金额与原账面金额之间的差额作为汇兑损益，除与购建固定资产有关的专用借款产生的汇兑损益，在该资产达到预定可使用状态前予以资本化、计入资产成本外，属于筹建期间发生的汇兑损益于发生时计入长期待摊费用，于本公司开始生产经营的当月一次计入损益；属于正常生产经营期间发生的汇兑损益，则直接计入当期损益。

2.6 现金等价物的确定标准

本公司将持有的期限短（一般是指从购买日起三个月内到期）、流动性强、易于转换为已知金额现金、价值变动风险很小的投资列作现金等价物。

2.7 短期投资核算方法

2.7.1 本公司的短期投资按取得时实际支付的全部价款扣除其中包含的已宣告但尚未领取的现金股利或利息入账。短期投资持有期间所收到的股利或利息等冲减投资成本；处置时按实际收到的价款扣除账面成本后的差额确认为投资收益或损失，计入当期损益。

2.7.2 期末本公司对短期投资按成本与市价孰低计量，采用单项比较法对市价低于成本的差额，计提短期投资跌价准备，并计入当期损益。

2.8 坏账核算方法

2.8.1 本公司对坏账损失采用备抵法核算，期末对应收款项（包括应收账款和其他应收款）按账龄分析法计提坏账准备，并计入当期损益。期末按应收款项各级账龄的余额和下列比例计提坏账准备：

账龄	计提比例
1 年以内	5%
1—2 年	20%
2—3 年	50%
3 年以上	100%

2.8.2 本公司确认坏账的标准为：当债务人破产或者死亡，以其破产财产或者遗产清偿后，仍然无法收回时；或当债务人逾期未履行其清偿责任，且具有明显特征表明无

法收回时，经公司董事会批准确认为坏账损失，冲销原提取的坏账准备；坏账准备不足冲销的差额，计入当期损益。

2.9 存货核算方法

2.9.1 本公司的存货主要包括原材料、在产品、库存商品、委托加工材料、包装物和低值易耗品等。存货购建时按实际成本入账，发出时以加权平均法计价，包装物、低值易耗品在领用时按一次摊销法摊销。

2.9.2 期末本公司对存货按成本与可变现净值孰低计量，按单个存货项目的可变现净值低于成本的差额，分项计提存货跌价准备，并计入当期损益。

2.10 长期投资核算方法

2.10.1 本公司对长期股权投资（包括股票投资和其他股权投资），按投资取得时实际支付的价款扣除其中包含的已宣告但尚未领取的现金股利后的金额或换出的非现金资产的账面价值加上应支付的相关税费后的价值入账。长期股权投资凡对被投资单位具有控制、共同控制或重大影响（通常指占被投资单位有表决权资本总额 20%或 20%以上，或虽不足 20%但有重大影响）的，采用权益法核算；反之，则采用成本法核算。

2.10.2 本公司对长期债权投资（包括债券投资和其他债权投资），按取得时的实际成本入账。长期债券投资实际成本与债券面值的差额作为债券溢价或折价，长期债券投资按期计息，同时按直线法在债券存续期间内摊销溢价或折价，计入各期损益。

2.10.3 期末本公司对长期投资按账面价值与可收回金额孰低计量，对单项投资由于市价持续下跌或被投资单位经营状况恶化等原因导致其可收回金额低于账面价值的差额，分项提取长期投资减值准备，并计入当期损益。

2.11 固定资产计价和折旧方法

2.11.1 本公司的固定资产是指使用期限超过一年，单位价值在人民币 2,000 元以上，为生产商品、提供劳务、出租或经营管理而持有的有形资产。固定资产以取得时的实际成本为原价入账，以年限平均法计提折旧。在不考虑减值准备的情况下，按固定资产的类别、估计的经济使用年限和预计的净残值（原价的 4%或 10%）分别确定折旧年限和年折旧率如下：

	折旧年限	年折旧率
房屋及建筑物	20-50	1.92%-4.5%
机器设备	5-15	6.4%-9%
运输设备	5-10	9.6%-19.2%
办公及其他设备	5-10	9.6%-19.2%

在考虑减值准备的情况下，按单项固定资产扣除减值准备后的账面净额和剩余折旧年限，分项确定并计提各期折旧。

2.11.2 期末本公司对固定资产按账面价值与可收回金额孰低计量，对单项资产由于市价持续下跌、技术陈旧、损坏或长期闲置等原因，导致其可收回金额低于账面价值的差额，分项提取固定资产减值准备，并计入当期损益。

2.12 在建工程核算方法

2.12.1 本公司的在建工程按工程项目分别核算，以实际发生的全部支出入账，并在工程达到预定可使用状态时，按工程全部成本结转固定资产。与购建在建工程直接相关的借款利息支出和外币折算差额等借款费用，在工程项目达到预定可使用状态前予以资本化，计入工程成本；在工程项目达到预定可使用状态后，计入当期损益。

2.12.2 期末本公司对在建工程按账面价值与可收回金额孰低计量，对单项资产可收回金额低于账面价值的差额，分项提取在建工程减值准备，并计入当期损益。

2.13 无形资产计价和摊销方法

2.13.1 本公司的无形资产是指为生产商品、提供劳务、出租或经营管理而持有的没有实物形态的非货币性长期资产，主要包括土地使用权、专利权、非专利技术、商标权等。无形资产按取得时的实际成本入账，在其预计使用期限内分期平均摊销，计入各摊销期损益。

2.13.2 期末本公司对无形资产按账面价值与可收回金额孰低计量，按单项资产预计可收回金额低于其账面价值的差额，分项提取无形资产减值准备，并计入当期损益。

2.14 长期待摊费用和摊销方法

本公司的长期待摊费用是指已经支出、但将于正常生产经营后摊销或摊销期超过一年的各项费用。长期待摊费用除开办费在开始生产经营当月一次计入损益外，均在各项的预计受益期间内平均摊销，计入各摊销期的损益。

2.15 预计负债

当与或有事项相关的义务同时符合以下条件时，本公司将其确认为预计负债：(1)该义务是本公司承担的现时义务；(2)该义务的履行很可能导致经济利益流出本公司；(3)本公司对该义务的金额能够可靠地计量。

2.16 借款费用

本公司的借款费用是指因借款而发生的利息、折价或溢价的摊销、外币借款汇兑差额、以及借款手续费等辅助费用。属于发生的与固定资产购建有关的专门借款的借款费用，在固定资产达到预定可使用状态前按规定应予以资本化的，计入固定资产成本；固定资产达到预定可使用状态后发生的专门借款费用以及其他按规定不能予以资本化的各种借款的借款费用，属于筹建期间的，计入长期待摊费用，并于本公司开始正常生产经营的当月一次计入损益；属于生产经营期间的，计入财务费用，列作当期损益。

2.17 收入确认原则

2.17.1 本公司的商品销售在商品所有权上的主要风险和报酬已转移给买方，本公司不再对该商品实施继续管理权和实际控制权，与交易相关的经济利益很可能流入企业，并且与销售该商品相关的收入和成本能够可靠地计量时，确认营业收入的实现。

2.17.2 本公司提供的劳务在同一会计年度开始并完成的，在劳务已经提供，收到价款或取得收取价款的证据时，确认营业收入的实现；劳务的开始和完成分属不同会计年度的，在劳务合同的总收入、劳务的完成程度能够可靠地确定，与交易相关的价款能够流入，已经发生的成本和为完成劳务将要发生的成本能够可靠地计量时，按完工百分比法确认营业收入的实现；长期合同工程在合同结果已经能够合理地预见时，按结账时已完成工程进度的百分比法确认营业收入的实现。

2.17.3 本公司让渡资产使用权取得的利息收入和使用费收入，在与交易相关的经济利益能够流入企业，且收入的金额能够可靠地计量时，确认收入的实现。

2.18 所得税的会计核算方法

本公司所得税的会计核算采用应付税款法。

2.19 合并会计报表的编制方法

2.19.1 合并范围的确定原则：本公司根据国家财政部印发的有关文件的规定，对拥有控制权的子公司及拥有共同控制权的合营公司，除已关停并转、宣告清理或破产、准备近期售出而短期持有等特殊情况以及对合并而言影响微小者外，均纳入合并会计报表范围。

2.19.2 合并会计报表的方法：本公司的合并会计报表系以母公司和纳入合并范围的各下属公司的会计报表以及其它有关资料为依据，在对各公司之间的投资、所有重大交易、往来及结余款项作出抵销后，合并各项目数额编制而成。少数股东所占的权益和

损益，作为单独项目列示于合并会计报表内。对合营公司的会计报表采用比例合并法合并。

2.19.3 报告期内购买、出售子公司的处理：本公司对报告期内购买的子公司，将其自购买日起至报告期末日止的相关收入、成本、利润纳入合并利润表；对报告期内出售的子公司，将其自报告期初日起至出售日止的相关收入、成本、利润纳入合并利润表。本公司对报告期内购买、出售的子公司，在期末编制合并资产负债表时，不调整合并资产负债表的期初数。本报告期内购买、出售子公司的情况详见本会计报表附注 5.43。

2.20 重要会计政策变更、会计差错更正及其影响

2.20.1 本公司自 2004 年 1 月 1 日起变更以下会计政策：

根据财政部关于印发《关于执行 企业会计制度 和相关会计准则有关问题解答（四）》的通知，本公司对于已经贴现的应收票据（商业承兑汇票）从原先的冲减应收票据改为计入短期借款。

上述会计政策变更已采用追溯调整法，调整了相关报表项目的期初数。

上述会计政策变更追溯调整对前期报表相关项目的影响额为：

报表项目	调整合并数	调整母公司数
应收票据	20,000,000.00	20,000,000.00
短期借款	51,000,000.00	20,000,000.00
应付票据	(31,000,000.00)	-

2.20.2 本公司根据财政沪监字（2005）第 15 号文规定，更正了以前年度的会计差错，共计调整 2003 年初合并净资产-6,518,260.76 元，母公司净资产-6,518,260.76 元，合并及母公司未分配利润-5,214,608.62 元；调整 2003 年度母公司净利润 594,511.97 元，不影响 2003 年度合并净利润；调整 2003 年末合并净资产-6,518,260.76 元，母公司净资产-5,923,748.79 元，合并未分配利润 1,925,634.46 元，母公司未分配利润-4,738,999.05 元。

3. 税（费）项

3.1 增值税

本公司按产销商品或提供劳务的增值额计缴增值税，主要商品和劳务的增值税税率为 17%。

3.2 营业税

本公司按应税营业收入的 5%计缴营业税。

3.3 所得税

本公司按应纳税所得额和当期适用之税率计缴所得税，所得税税率为 15%。

3.4 教育费附加

本公司按当期应交流转税的 3%计缴教育费附加。

4. 控股子公司及合营企业

序号	子公司及合营企业全称	注册资本 (万元)	经营范围	投资额 (万元)	占股比例
1	上海双重包缝机有限公司	1,200	生产、开发、销售包缝机	840	70%
2	上海上工进出口有限公司	3,200	机电设备、仪表仪器等进出口	2,880	90%
3	上海工缝房地产发展有限公司	500	房地产开发、销售咨询、物业管理	450	90%
4	上海四方同济净水有限公司	697	饮用水生产、销售及相关技术开发	638	91.5%
5	长沙华日生化实业有限公司	2,500	柠檬酸系列产品、润滑油、凡士林	2,250	90%
6	上海飞人进出口有限公司	1,000	缝纫设备及其他机电产品的进出口	800	80%
7	上海上原科技开发有限公司	600	新型缝制设备设计、开发	420	70%
8	上海上工佳荣衣车有限公司	400	缝纫机及配件的销售、装配加工	220	55%
9	上海上工方天机械有限公司	300	工业缝纫机及其配件的生产和销售	180	60%
10	上海上工兴达衣车机械有限公司	310	曲折缝系列工业缝纫机的生产、销售	210	67.74%
11	上海上工企业管理有限公司	100	企业管理、生产销售缝制设备零部件	90	90%
12	上海蝴蝶进出口有限公司	1,000	各类缝制设备、机电产品等进出口	800	80%
13	上海申贝办公机械有限公司	12,500	办公机械设备的生产和销售	11,250	90%
14	上海上工松达机械有限公司	300	生产、销售缝纫设备及配件	195	65%
15	上海上工佳源机电有限公司	300	生产、销售缝纫设备及配件	168	56%
16	上海上工资产经营发展有限公司	3,000	实业投资、管理咨询等	2,700	90%
17	上海宝灵工程设备成套有限公司	55	机电设备、五金交电、汽配等	49.5	90%
18	上海永德经济发展有限公司	200	机电设备、家用电器等销售	160	80%
19	上海富华轻机有限公司	\$100	生产销售服装机械、贸易代理	\$55	55%
20	上海工业缝纫机物产总公司	460	缝制设备零件、金属材料及汽配等	460	100%
21	南通上工缝纫机有限公司	80	缝制设备及零件等	52	65%
22	无锡上工缝纫机有限公司	50	缝制设备及零件等	40	80%

上述第 1-16 家子公司已纳入本年度合并会计报表范围，其中第 7 家子公司上海上原科技开发有限公司期末净资产为负数，本公司对其的长期投资余额已减至零，因该公司未出现无法持续经营的情况，故仍将其纳入合并报表范围。

第 17-22 家子公司由于资产规模和损益金额对本公司整体影响较小，故未纳入合并范围。

5. 会计报表主要项目的注释

5.1 货币资金

项 目	期末数		期初数	
	原币	(折合)人民币	原币	(折合)人民币
现金		294,606.52		345,226.36
银行存款:				
美元	33,655,073.61	278,547,217.77	41,112,734.32	340,277,790.47
日元	5,239,715.93	417,611.75	2,620,717.38	202,484.48
人民币		<u>253,121,081.99</u>		<u>282,756,008.75</u>
银行存款小计		532,085,911.51		623,236,283.70
其他货币资金		<u>13,585,000.00</u>		<u>12,028,774.59</u>
		<u>545,965,518.03</u>		<u>635,610,284.65</u>

上述货币资金期末数中,有 1,290 万美元的银行定期存单已经作为质押物,向银行取得了 9,500 万元的短期借款; 1,170 万元其他货币资金系公司为办理保理业务而存于银行的保证金。

5.2 短期投资

	账面余额	期末数		账面余额	期初数	
		跌价准备	账面净额		跌价准备	账面净额
委托国债投资	28,300,000.00	-	28,300,000.00	-	-	-
基金投资	1,200,000.00	23,560.57	1,176,439.43	200,000.00	-	200,000.00
债券投资	<u>210,620.00</u>	=	<u>210,620.00</u>	<u>210,620.00</u>	=	<u>210,620.00</u>
	<u>29,710,620.00</u>	<u>23,560.57</u>	<u>29,687,059.43</u>	<u>410,620.00</u>	=	<u>410,620.00</u>

5.3 应收票据

	期末数	期初数
银行承兑汇票	2,020,000.00	1,400,000.00
商业承兑汇票	<u>557,432.58</u>	<u>88,823,932.20</u>
	<u>2,577,432.58</u>	<u>90,223,932.20</u>

5.4 应收账款

5.4.1 合并数

账 龄	期末数			期初数		
	账面余额	比例 (%)	坏账准备	账面余额	比例 (%)	坏账准备
1 年以内	145,288,966.98	63.39	7,243,721.52	241,393,963.77	71.66	12,067,858.28
1-2 年	40,991,440.58	17.88	6,355,389.10	37,223,888.12	11.05	7,444,777.64
2-3 年	12,897,847.19	5.63	5,186,129.37	20,634,913.15	6.12	10,317,456.57
3 年以上	30,037,858.84	13.10	29,433,108.17	37,613,361.14	11.17	28,930,947.90
合计	<u>229,216,113.59</u>	<u>100.00</u>	<u>48,218,348.16</u>	<u>336,866,126.18</u>	<u>100.00</u>	<u>58,761,040.39</u>
净额	<u>180,997,765.43</u>			<u>278,105,085.79</u>		

5.4.2 母公司

账 龄	期末数			期初数		
	账面余额	比例 (%)	坏账准备	账面余额	比例 (%)	坏账准备
1 年以内	91,254,766.39	69.99	4,562,738.33	157,393,248.82	77.56	7,869,662.44
1-2 年	22,423,822.22	17.20	2,641,865.43	18,387,531.99	9.06	3,677,506.40
2-3 年	6,256,279.90	4.80	1,865,345.72	7,747,226.96	3.82	3,873,613.48
3 年以上	10,444,600.24	8.01	9,839,849.57	19,408,573.65	9.56	10,726,160.41
合计	<u>130,379,468.75</u>	<u>100.00</u>	<u>18,909,799.05</u>	<u>202,936,581.42</u>	<u>100.00</u>	<u>26,146,942.73</u>
净额	<u>111,469,669.70</u>			<u>176,789,638.69</u>		

上述合并应收账款期末数中，无持有本公司 5%(含 5%)以上表决权股份的股东单位欠款。

合并期末数比期初数减少 31.96%，主要系由于本年度本公司以部分应收账款置换上海轻工控股（集团）公司原持有的上海申贝办公机械有限公司 56.03%的股权所致，参见本会计报表附注 6.3.2。

应收账款合并期末数中前五名金额合计为 43,042,386.20 元，占合并应收账款总额的 18.78%。

应收账款母公司期末数中前五名金额合计为 43,042,386.20 元，占母公司应收账款总额的 33.01%。

上述一年以内应收账款期末数中，有 3,900 余万元已经作为质押物，向银行取得了 3,900 万元的短期借款。

5.5 其他应收款

5.5.1 合并数

账 龄	期末数			期初数		
	账面余额	比例 (%)	坏账准备	账面余额	比例 (%)	坏账准备
1 年以内	108,087,702.67	74.54	4,717,110.69	42,236,497.62	53.69	2,127,895.24
1-2 年	17,794,194.51	12.26	2,400,386.09	13,579,748.53	17.27	2,715,949.71
2-3 年	3,024,156.40	2.09	1,512,078.20	7,227,898.24	9.19	3,613,949.13
3 年以上	16,107,793.80	11.11	16,107,793.80	15,615,931.81	19.85	15,615,931.81
合计	145,013,847.38	100.00	24,737,368.78	78,660,076.20	100.00	24,073,725.89
净额	120,276,478.60			54,586,350.31		

5.5.2 母公司

账 龄	期末数			期初数		
	账面余额	比例 (%)	坏账准备	账面余额	比例 (%)	坏账准备
1 年以内	39,470,550.68	64.09	1,973,527.54	39,539,087.65	60.41	1,976,954.39
1-2 年	8,834,466.76	14.35	608,560.53	8,244,171.38	12.59	1,648,834.28
2-3 年	1,617,042.29	2.62	808,521.14	6,260,035.25	9.56	3,130,017.63
3 年以上	11,660,722.10	18.94	11,660,722.10	11,419,900.52	17.44	11,419,900.52
合计	61,582,781.83	100.00	15,051,331.31	65,463,194.80	100.00	18,175,706.82
净额	46,531,450.52			47,287,487.98		

上述其他应收款期末数中,无持有本公司 5%(含 5%)以上表决权股份的股东单位欠款。

上述其他应收款期末数中,含有对应收关联方的款项共计 16,989,869.67 元,详见本会计报表附注 6.4。

合并期末数比期初数增加 84.36%,主要系由于本年度本公司下属子公司上海申贝办公机械有限公司将其原持有上海新沪玻璃厂的 80%股权转让,尚余部分应收股权转让款所致,参见本会计报表附注 6.3.5。

其他应收款合并期末数中前五名金额合计为 73,177,624.62 元,占合并其他应收款总额的 50.46%。

其他应收款母公司期末数中前五名金额合计为 19,069,729.48 元,占母公司其他应收款总额的 30.97%。

5.6 预付账款

账 龄	期末数		期初数	
	账面余额	比例(%)	账面余额	比例(%)
1 年以内	7,249,337.36	97.07	47,889,431.11	98.19
1-2 年	60,239.72	0.81	515,995.35	1.06
2-3 年	77,724.76	1.04	17,786.50	0.03
3 年以上	80,900.02	1.08	350,107.13	0.72
	<u>7,468,201.86</u>	<u>100.00</u>	<u>48,773,320.09</u>	<u>100.00</u>

上述预付账款期末数中，无持本公司 5%(含 5%)以上股份的股东单位的款项。

5.7 应收补贴款

	期末数	期初数
消费税返还	-	20,622.23
出口退税	<u>2,573,254.21</u>	<u>9,911,739.42</u>
	<u>2,573,254.21</u>	<u>9,932,361.65</u>

期末数比期初数减少 74.09%，主要系本年度收到出口退税款所致。

5.8 存货

项 目	期末数		期初数	
	账面余额	跌价准备	账面余额	跌价准备
原材料	47,182,781.34	13,010,803.46	58,591,558.50	13,373,456.82
在产品	28,549,262.84	1,460,687.31	27,891,366.93	1,986,035.12
库存商品	24,089,822.13	3,109,639.89	31,525,233.11	3,666,776.95
产成品	133,424,700.09	16,022,203.32	74,113,685.66	13,298,321.96
开发产品	126,215.43	-	63,107.71	-
委托加工物资	2,059,344.66	149,937.19	1,717,385.99	-
低值易耗品	<u>2,293,185.12</u>	<u>-</u>	<u>1,258,891.26</u>	<u>3,584.24</u>
合计	<u>237,725,311.61</u>	<u>33,753,271.17</u>	<u>195,161,229.16</u>	<u>32,328,175.09</u>
净额	<u>203,972,040.44</u>		<u>162,833,054.07</u>	

5.9 待摊费用

项 目	期末数	期初数
租金	140,460.00	16,100.00
保险费	43,258.86	-
其他	<u>26,815.00</u>	<u>28,024.66</u>
	<u>210,533.86</u>	<u>44,124.66</u>

期末数比期初数增加 3.77 倍，主要系租金和保险费增加所致。

5.10 长期股权投资

5.10.1 合并数

	期末数			期初数		
	账面余额	减值准备	账面净额	账面余额	减值准备	账面净额
股票投资	28,118,559.40	-	28,118,559.40	27,506,819.40	-	27,506,819.40
其他股权投资	170,673,251.37	1,837,414.48	168,835,836.89	132,964,098.49	1,808,033.99	131,156,064.50
其中：对合营企业投资	10,141,991.20	-	10,141,991.20	10,879,473.71	-	10,879,473.71
对其他企业投资	86,841,053.44	1,837,414.48	85,003,638.96	53,991,190.32	1,808,033.99	52,183,156.33
合并价差	73,690,206.73	-	73,690,206.73	68,093,434.46	-	68,093,434.46
	<u>198,791,810.77</u>	<u>1,837,414.48</u>	<u>196,954,396.29</u>	<u>160,470,917.89</u>	<u>1,808,033.99</u>	<u>158,662,883.90</u>

(1) 股票投资

股票名称	股份类别	股数	占股比例	期末数		
				账面余额	减值准备	期末净额
百联股份	法人股	118,816	<5%	467,859.40	-	467,859.40
广电股份	法人股	23,958	<5%	67,600.00	-	67,600.00
申银万国	法人股	101,214	<5%	200,000.00	-	200,000.00
永久股份	法人股	4,450,500	<5%	21,285,000.00	-	21,285,000.00
锦江投资	法人股	93,544	<5%	220,000.00	-	220,000.00
三毛纺织股份	法人股	1,358,830	<5%	3,669,800.00	-	3,669,800.00
申能股份	法人股	181,200	<5%	739,200.00	-	739,200.00
宝鼎投资	法人股	7,500	<5%	7,500.00	-	7,500.00
双鹿电器股份	法人股	145,200	<5%	290,400.00	-	290,400.00
上海银行	法人股	551,400	<5%	551,400.00	-	551,400.00
联通国脉	法人股	83,538	<5%	303,800.00	-	303,800.00
新黄浦	法人股	70,200	<5%	226,000.00	-	226,000.00
浦发机械	法人股	102,275	<5%	<u>90,000.00</u>	-	<u>90,000.00</u>
				<u>28,118,559.40</u>	-	<u>28,118,559.40</u>

(2) 对合营及其他企业的投资

被投资公司名称	投资期限 (年)	占股比例	期末数		
			账面余额	投资差额	减值准备
上海富华轻机有限公司	20	55%	3,681,704.57	-	-
上海工业缝纫机物产总公司	20	100%	4,383,489.80	-	-
上海永德经济发展有限公司	20	80%	691,869.06	-	-
上海宝灵工程设备成套有限公司	20	90%	564,356.34	-	-
南通上工缝纫机有限公司	10	65%	526,009.07	-	-

无锡上工缝纫机有限公司		80%	<u>294,562.36</u>	=	=
合营企业投资小计			<u>10,141,991.20</u>	=	=
上工泉州销售公司	10	33.33%	500,000.00	-	500,000.00
上工安庆销售公司	10	33.33%	500,000.00	-	500,000.00
上工辽宁销售公司	10	33.33%	500,000.00	-	500,000.00
上海新光内衣厂（南非）	15	14.30%	308,033.99	-	308,033.99
上海华联缝制有限公司			400,000.00	-	-
上海广濂精密工业有限公司	20	30%	1,052,876.00	-	-
上海上工佳汇缝纫设备有限公司	10	39%	1,513,574.62	-	20,891.42
上海重机缝纫机有限公司	20	30%	6,357,652.10	-	-
上工毛桥烘漆厂	15	55%	3,007,846.86	-	-
上工运输服务公司	20	100%	3,486,922.82	-	-
上海缝纫机四厂泗泾联营厂		50%	2,260,086.65	-	-
上海豹驰长城印刷号码机械有限公司	15	20%	991,276.02	-	-
上海富士施乐复印机有限公司	15	15.82%	29,140,749.49	-	-
上海宝丽来影像有限公司	15	27%	13,863,996.02	-	-
上海胜家缝纫机有限公司		10%	3,974,779.84	-	-
上海申丝物流有限公司	10	36%	4,320,000.00	-	-
常熟启兴电镀五金有限公司	15	90%	2,272,942.55	-	-
上海华之杰塑胶有限公司	15	25%	1,766,689.38	-	-
上海新沪玻璃厂		20%	6,168,235.27	-	-
上海申贝长风炭棒有限公司	20	20.768%	2,064,140.27	-	-
其他 7 户			<u>2,391,251.56</u>	=	<u>8,489.07</u>
其他企业投资小计			<u>86,841,053.44</u>	=	<u>1,837,414.48</u>
合营及其他企业投资合计			<u>96,983,044.64</u>	=	<u>1,837,414.48</u>

（3）合并价差

被投资单位名称	初始金额	摊销期限	期初数	本期增加	本期减少	期末数
上海飞人进出口有限公司	738,829.29	10 年	517,180.50	-	73,882.93	443,297.57
长沙华日生化实业有限公司	5,992,060.20	10 年	4,044,640.66	-	4,044,640.66	-
上海四方同济净水有限公司	945,202.74	10 年	398,303.02	376,198.44	94,520.27	679,981.19
上海蝴蝶进出口有限公司	377,712.13	10 年	264,398.50	-	37,771.21	226,627.29
上海申贝办公机械有限公司	36,703,626.38	82 月	62,851,412.59	(20,560,994.01)	7,377,213.03	34,913,205.55
上海申贝办公机械有限公司	37,708,836.94	10 年	-	37,708,836.94	314,240.31	37,394,596.63
上海博文电脑有限公司	38,887.08	10 年	<u>17,499.19</u>	<u>17,499.19</u>	<u>2,499.88</u>	<u>32,498.50</u>
			<u>68,093,434.46</u>	<u>17,541,540.56</u>	<u>11,944,768.29</u>	<u>73,690,206.73</u>

5.10.2 母公司

项 目	期末数			期初数		
	账面余额	减值准备	账面净额	账面余额	减值准备	账面净额
股票投资	26,899,559.40	-	26,899,559.40	26,899,559.40	-	26,899,559.40
其他股权投资	503,739,886.83	1,828,925.41	501,910,961.42	296,813,463.69	1,808,033.99	295,005,429.70
其中：对合营企业投资	493,761,324.74	-	493,761,324.74	285,791,144.26	-	285,791,144.26
对其他企业投资	9,978,562.09	1,828,925.41	8,149,636.68	11,022,319.43	1,808,033.99	9,214,285.44
	530,639,446.23	1,828,925.41	528,810,520.82	323,713,023.09	1,808,033.99	321,904,989.10

(1) 股票投资

股票名称	股份类别	股数	占股	账面余额	期末数	
			比例		减值准备	期末净额
百联股份	法人股	118,816	小于 5%	467,859.40	-	467,859.40
广电股份	法人股	23,958	小于 5%	67,600.00	-	67,600.00
申银万国	法人股	101,214	小于 5%	200,000.00	-	200,000.00
永久股份	法人股	4,450,500	小于 5%	21,285,000.00	-	21,285,000.00
上海银行	法人股	551,400	小于 5%	551,400.00	-	551,400.00
锦江投资	法人股	93,544	小于 5%	220,000.00	-	220,000.00
三毛纺织股份	法人股	1,358,830	小于 5%	3,669,800.00	-	3,669,800.00
宝鼎投资	法人股	7,500	小于 5%	7,500.00	-	7,500.00
双鹿电器股份	法人股	145,200	小于 5%	290,400.00	-	290,400.00
申能股份	法人股	75,000	小于 5%	140,000.00	-	140,000.00
				26,899,559.40	-	26,899,559.40

(2) 对控股合营及其他企业的投资

被投资公司名称	投资 期限(年)	占股 比例	期末数		
			其中：股权 账面余额	投资差额	减值准备
上海富华轻机有限公司	20	55%	3,681,704.57	-	-
上海工业缝纫机物产总公司	20	100%	4,383,489.80	-	-
上海永德经济发展有限公司	20	80%	691,869.06	-	-
上海宝灵工程设备成套有限公司	20	90%	564,356.34	-	-
南通上工缝纫机有限公司	10	65%	526,009.07	-	-
无锡上工缝纫机有限公司		80%	294,562.36	-	-
上海上工进出口有限公司	15	90%	11,087,750.58	-	-
上海飞人进出口有限公司		80%	10,822,668.92	443,297.57	-
上海双重包缝机有限公司	15	70%	3,456,648.06	-	-
上海工缝房地产发展有限公司	15	90%	7,549,404.78	-	-
上海四方同济净水有限公司	15	91.535%	4,592,742.79	679,981.19	-
上海上工佳荣有限公司	15	55%	2,216,331.54	-	-

上海上工方天机械有限公司	15	60%	2,164,099.04	-	-
上海上工兴达衣车机械有限公司	15	67.74%	2,720,775.99	-	-
上海上工企业管理有限公司	15	90%	257,035.67	-	-
上海蝴蝶进出口有限公司	15	80%	14,719,888.07	226,627.29	-
上海上工松达机械有限公司	15	65%	3,433,581.83	-	-
上海上工佳源机电有限公司	15	56%	2,711,795.25	-	-
上海申贝办公机械有限公司	30	90%	379,528,483.52	72,307,802.18	-
上海上工资产经营管理有限公司		90%	29,603,271.17	-	-
上工毛桥烘漆厂	15	55%	3,007,846.86	-	-
上工运输服务公司	20	100%	3,486,922.82	-	-
上海缝纫机四厂泗泾联营厂		50%	<u>2,260,086.65</u>	-	-
合营企业投资小计			<u>493,761,324.74</u>	<u>73,657,708.23</u>	=

被投资公司名称	投资 期限(年)	占股 比例	期末数		
			账面余额	其中：股权 投资差额	减值准备
上工泉州销售公司	10	33.33%	500,000.00	-	500,000.00
上工安庆销售公司	10	33.33%	500,000.00	-	500,000.00
上工辽宁销售公司	10	33.33%	500,000.00	-	500,000.00
上海新光内衣厂（南非）	15	14.30%	308,033.99	-	308,033.99
上海华联缝制有限公司			400,000.00	-	-
上海广濂精密工业有限公司	20	30%	1,052,876.00	-	-
上海上工佳汇缝纫设备有限公司	10	9%	360,000.00	-	20,891.42
上海重机缝纫机有限公司	20	30%	<u>6,357,652.10</u>	-	-
其他企业投资小计			<u>9,978,562.09</u>	=	<u>1,828,925.41</u>
合计			<u>503,739,886.83</u>	<u>73,657,708.23</u>	<u>1,828,925.41</u>

5.11 长期债权投资

项 目	账面余额	期末数	账面净额	账面余额	期初数	账面净额
		减值准备			减值准备	
		=			=	
债券投资	<u>1,055,000.00</u>		<u>1,055,000.00</u>	<u>1,087,500.00</u>		<u>1,087,500.00</u>

5.11.1 长期债券投资

种 类	面值	初始投	年利率	本期应	累计应	期末数	
		资成本		计利息	计利息	账面余额	减值准备
磁悬浮信托产品	1,000,000.00	1,000,000.00	-	-	-	1,000,000.00	-
电力债券	<u>55,000.00</u>	<u>55,000.00</u>	=	=	=	<u>55,000.00</u>	=
	<u>1,055,000.00</u>	<u>1,055,000.00</u>	=	=	=	<u>1,055,000.00</u>	=

5.12 固定资产

项 目	房屋及建筑物	机器设备	运输设备	办公及其他设备	合计
原					
价：					
期初数	195,355,834.44	466,197,389.58	20,560,771.98	16,454,406.34	698,568,402.34
本期增加	76,602,415.73	46,212,080.80	8,588,377.32	4,654,942.61	136,057,816.46
本期减少	<u>27,867,680.56</u>	<u>96,349,242.10</u>	<u>7,132,149.95</u>	<u>2,356,107.45</u>	<u>133,705,180.06</u>
期末数	<u>244,090,569.61</u>	<u>416,060,228.28</u>	<u>22,016,999.35</u>	<u>18,753,241.50</u>	<u>700,921,038.74</u>
累计折					
旧：					
期初数	57,518,100.25	269,726,199.88	13,543,688.49	12,354,454.74	353,142,443.36
本期增加	21,377,005.25	45,994,981.69	4,542,245.85	4,515,276.51	76,429,509.30
本期减少	<u>15,325,517.67</u>	<u>65,313,693.86</u>	<u>3,839,188.02</u>	<u>2,198,204.22</u>	<u>86,676,603.77</u>
期末数	<u>63,569,587.83</u>	<u>250,407,487.71</u>	<u>14,246,746.32</u>	<u>14,671,527.03</u>	<u>342,895,348.89</u>
账面净值：					
期初	<u>137,837,734.19</u>	<u>196,471,189.70</u>	<u>7,017,083.49</u>	<u>4,099,951.60</u>	<u>345,425,958.98</u>

数					
期末数	<u>180,520,981.78</u>	<u>165,652,740.57</u>	<u>7,770,253.03</u>	<u>4,081,714.47</u>	<u>358,025,689.85</u>
减值准备：					
期初数	11,198,688.12	71,135,752.20	-	-	82,334,440.32
本期增/(减)	<u>(6,280,000.00)</u>	<u>(792,248.84)</u>	<u>=</u>	<u>=</u>	<u>(7,072,248.84)</u>
期末数	<u>4,918,688.12</u>	<u>70,343,503.36</u>	<u>=</u>	<u>=</u>	<u>75,262,191.48</u>
账面净额：					
期初数	<u>126,639,046.07</u>	<u>125,335,437.50</u>	<u>7,017,083.49</u>	<u>4,099,951.60</u>	<u>263,091,518.66</u>
期末数	<u>175,602,293.66</u>	<u>95,309,237.21</u>	<u>7,770,253.03</u>	<u>4,081,714.47</u>	<u>282,763,498.37</u>

上述固定资产期末数中，部分房屋建筑物部分房产(世纪大道 1500 号 11 楼，龙华东路 573 号，华山路 2018 号 2404 室、新灵路 118 号 1412 室、1414 室，西藏南路 1407 号，吴淞路 669 号 1-4 层及地下室、门卫室，申贝房产等)已经作为抵押物，向银行取得了 7,279 万元的短期借款。

上述固定资产期末数中，部分机器设备生产线已经作为反担保物，用于上海工业经济担保有限公司对本公司提供的 1,000 万元人民币短期借款的担保。

本期由在建工程转入固定资产总额为 11,293,419.35 元。

5.13 在建工程

工程名称	资金来源	期末数		期初数	
		账面余额	减值准备	账面余额	减值准备
污水处理工程	自筹	1,147,306.00	-	1,147,306.00	-
房屋改造	自筹	564,108.84	-	564,108.84	-
CLP 车间	自筹	5,751,316.83	-	5,751,316.83	-
1240 项目	自筹	-	-	304,591.43	249,531.43
00 军工柱体	自筹	-	-	515,702.57	-
自用办公房	自筹	-	-	2,945,913.72	-
其他		<u>986,251.50</u>	<u>=</u>	<u>986,251.50</u>	<u>6,086,661.51</u>
		<u>8,448,983.17</u>	<u>=</u>	<u>8,448,983.17</u>	<u>9,852,869.23</u>

本期内，在建工程增加总额为 21,378,933.82 元，转入固定资产总额为 11,293,419.35 元，其他减少总额为 11,489,400.53。

5.14 无形资产

项 目	原始金额	期初数	本期增加	本期减少	期末数
土地使用权	232,375,913.19	19,324,795.33	211,175,086.00	52,579,214.62	177,920,666.71
商标使用权	20,161,268.51	15,120,951.38	-	2,016,126.85	13,104,824.53
专有技术	1,200,000.00	820,000.00	-	120,000.00	700,000.00
非专利技术	200,000.00	56,699.50	-	20,000.04	36,699.46
商誉	6,011,849.05	-	6,011,849.05	500,987.42	5,510,861.63
其他	926,542.40	816,851.30	9,413.73	27,314.16	798,950.87
		<u>36,139,297.51</u>	<u>217,196,348.78</u>	<u>55,263,643.09</u>	<u>198,072,003.20</u>

期末数比期初数增加 4.48 倍，主要系本公司本年度内从上海轻工控股（集团）公司处受让了 10 幅面积为 73,855 平方米的土地使用权，以及本公司下属子公司上海申贝办公机械有限公司增加实收资本而记录的上海轻工控股（集团）公司注入的 5 幅面积为 103,421 平方米的土地使用权所致。

5.15 长期待摊费用

项 目	期初数	本期增加	本期减少	期末数
装修费	344,188.91	-	114,729.60	229,459.31
离休老干部费用	-	5,430,000.00	120,000.00	5,310,000.00
其他	683,903.83	-	579,060.97	104,842.86
	<u>1,028,092.74</u>	<u>5,430,000.00</u>	<u>813,790.57</u>	<u>5,644,302.17</u>

期末数比期初数增加 4.49 倍，主要系本年度一次性承担的大额离休老干部费用所致。

5.16 短期借款

借款种类	期末数	期初数
信用借款	87,050,000.00	26,450,000.00
保证借款	307,670,000.00	441,795,000.00
质押借款	134,000,000.00	154,635,000.00
抵押借款	<u>72,790,000.00</u>	<u>65,330,000.00</u>
	<u>601,510,000.00</u>	<u>688,210,000.00</u>

上述期末保证借款中，借款 12,787 万元系上海华源企业发展股份有限公司提供担保；9,730 万元系中国华源集团有限公司提供担保；7,050 万元系上海建材集团总公司提供担保；1,000 万元系上海工业经济担保有限公司提供担保，由本公司用生产线做反担保；200 万元由上海久和企业发展有限公司提供担保。

上述期末抵押借款中，借款 7,279 万元的抵押物为公司的房屋建筑物（世纪大道 1500 号 11 楼，龙华东路 573 号，华山路 2018 号 2404 室、新灵路 118 号 1412 室、1414 室，西藏南路 1407 号，吴淞路 669 号 1-4 层及地下室、门卫室，申贝房产等）。

上述期末质押借款中，借款 9,500 万元的质押物为 1,290 万美元定期存单；借款 3,900 万元的抵押物为应收账款。

5.17 应付票据

	<u>期末数</u>	<u>期初数</u>
商业承兑汇票	<u>610,000.00</u>	<u>1,427,980.00</u>

应付票据期末数中，无持有本公司 5%（含 5%）以上表决权股份的股东单位应付的票据。

5.18 应付账款

	<u>期末数</u>	<u>期初数</u>
	<u>164,705,128.04</u>	<u>149,960,881.64</u>

应付账款期末数中无持有本公司 5%（含 5%）以上表决权股份的股东单位的款项。

5.19 预收账款

	<u>期末数</u>	<u>期初数</u>
	<u>14,401,387.23</u>	<u>14,623,706.77</u>

预收账款期末数中无持有本公司 5%（含 5%）以上表决权股份的股东单位的款项。

5.20 应付股利

<u>项 目</u>	<u>期末数</u>	<u>期初数</u>
法人股股利	3,010,692.28	2,749,402.33
自然人股东股利	<u>344,220.34</u>	<u>61,696.58</u>
	<u>3,354,912.62</u>	<u>2,811,098.91</u>

5.21 应交税金

<u>税金种类</u>	<u>期末数</u>	<u>期初数</u>
营业税	188,228.65	1,011,268.48
增值税	(7,829,247.55)	(60,946,811.04)
城建税	103,146.36	(4,688.00)
企业所得税	9,967,145.94	986,267.33
房产税	166,894.42	462,844.58
土地使用税	-	340,906.00
个人所得税	139,712.27	210,236.99
	<u>2,735,880.09</u>	<u>(57,939,975.66)</u>

期末数比期初数增加 60,675,855.75 元，主要系本期收到大额的出口退税款所致。

5.22 其他应付款

<u>期末数</u>	<u>期初数</u>
<u>76,835,512.84</u>	<u>52,877,827.71</u>

其他应付款期末数中无持有本公司 5%（含 5%）以上表决权股份的股东单位的款项。

5.23 预提费用

<u>项 目</u>	<u>期末数</u>	<u>期初数</u>
利息	10,225.89	67,427.45
租赁费	220,000.00	-
其他	-	75,000.00
	<u>230,225.89</u>	<u>142,427.45</u>

5.24 一年内到期的长期借款

<u>借款种类</u>	<u>期末数</u>	<u>期初数</u>
信用借款	<u>1,020,000.00</u>	<u>7,776,000.00</u>

5.25 长期借款

<u>借款种类</u>	<u>期末数</u>	<u>期初数</u>
信用借款	1,489,984.87	3,428,279.01
抵押借款	-	1,875,000.00
	<u>1,489,984.87</u>	<u>5,303,279.01</u>

5.26 长期应付款

项 目	期末数	期初数
00 军工柱体石英项目	-	1,274,389.76
高质量石英项目	-	500,000.00
019-86 工程	-	317,997.48
其他	<u>1,626,944.32</u>	<u>3,649,813.42</u>
	<u>1,626,944.32</u>	<u>5,742,200.66</u>

5.27 递延税款贷项

期末数	期初数
<u>1,197,067.41</u>	<u>617,534.78</u>

5.28 股本

项 目	期末数	期初数
一、 尚未流通股		
1、发起人国家股	133,682,406.00	116,245,570.00
2、非发起人国家股	9,785,315.00	8,508,970.00
3、非发起人国有法人股	23,651,804.00	20,566,786.00
4、非发起人境内法人股	<u>17,192,500.00</u>	<u>14,950,000.00</u>
未上市流通股份合计	<u>184,312,025.00</u>	<u>160,271,326.00</u>
二、已经上市流通股		
1、人民币普通股（A 股）	20,631,002.00	17,940,002.00
2、境内上市外资股（B 股）	<u>243,943,750.00</u>	<u>212,125,000.00</u>
已经上市流通股份合计	<u>264,574,752.00</u>	<u>230,065,002.00</u>
股份总数	<u>448,886,777.00</u>	<u>390,336,328.00</u>

上述本公司的股份每股面值人民币 1 元。

根据本公司第四届第七次董事会决议，以 2003 年末股本总额 390,336,328 股为基数向全体股东以资本公积每 10 股转增 1.5 股，并经本公司 2003 年度股东大会审议通过，共转增 58,550,449 股。

上述股本的变更已经于 2004 年 7 月 13 日在《上海证券报》和香港《商报》予以公告。

上述股本的变动，业经上海众华沪银会计师事务所审计验证，并出具了沪众会字（2004）第 1722 号验资报告。

5.29 资本公积

项 目	期末数	期初数
股本溢价	306,483,640.81	370,359,771.18
接受捐赠非现金资产准备	2,700,455.10	1,350,227.55
股权投资准备	533,150.09	134,150.09
其他资本公积	<u>73,897,419.68</u>	<u>70,131,965.86</u>
	<u>383,614,665.68</u>	<u>441,976,114.68</u>

5.30 盈余公积

项 目	期末数	期初数
法定盈余公积	13,903,027.12	7,145,239.23
法定公益金	<u>10,717,606.50</u>	<u>7,145,239.27</u>
	<u>24,620,633.62</u>	<u>14,290,478.50</u>

5.31 未分配利润

项 目	本期数	上期数
调整前期初未分配利润	5,147,603.01	991,046.43
加：追溯调整期初数	<u>1,925,634.46</u>	<u>(5,214,608.62)</u>
调整后期初未分配利润	7,073,237.47	(4,223,562.19)
加：本期净利润	3,767,743.02	14,595,602.55
其他转入	<u>1,158,003.22</u>	<u>1,130,448.75</u>
可供分配的利润	11,998,983.71	11,502,489.11
减：提取法定盈余公积	7,342,037.09	2,214,625.82
提取法定公益金	<u>4,146,121.13</u>	<u>2,214,625.82</u>
期末未分配利润	<u>510,825.49</u>	<u>7,073,237.47</u>

上述其他转入本期数系由于本年度合并报表范围内子公司减少而导致的年初已经恢复盈余公积的转出。

5.32 未确认投资损失

期末数	期初数
<u>(311,885.03)</u>	<u>(325,903.02)</u>

本公司控股子公司-上海上原科技开发有限公司期末净资产为负数，本公司对其的长期投资账面价值已减至零，因该公司未出现无法持续经营的情况，故仍将其纳入合并报表范围，未确认投资损失期末余额即为该公司期末净资产的负数额。

5.33 主营业务收入

单位: 万元

5.33.1 合并数

项 目	本期数	上期数
缝制设备	46,881	64,168
玻璃制品	12,096	5,729
外贸商品	20,518	7,227
办公机械	12,069	5,747
生化产品	2,811	2,118
房地产	-	1,094
胶片业务	4,175	-
其他	1,075	597
	<u>99,625</u>	<u>86,680</u>

本期主营业务收入中，销售给前 5 名客户的营业额合计为 20,924 万元，占本期主营业务收入的 21.00%。

5.33.2 母公司

项 目	本期数	上期数
缝制设备	<u>15,928</u>	<u>20,693</u>

5.34 主营业务成本

单位: 万元

5.34.1 合并数

项 目	本期数	上期数
缝制设备	41,652	56,693
玻璃制品	8,702	4,282
外贸商品	19,902	7,009
办公机械	10,941	4,782
生化产品	2,559	2,062
房地产	-	447
胶片业务	3,892	-
其他	558	324
	<u>88,206</u>	<u>75,599</u>

5.34.2 母公司

项 目	本期数	上期数
缝制设备	<u>14,074</u>	<u>18,417</u>

5.35 主营业务税金及附加

项 目	本期数	上期数
营业税	278,455.03	748,925.11
城市维护建设税	1,440,892.00	719,702.51
教育费附加	665,798.00	325,842.92
河道管理费	15,074.07	7,270.65
	<u>2,400,219.10</u>	<u>1,801,741.19</u>

5.36 其他业务利润

项 目	本期数			上期数		
	收入	支出	利润	收入	支出	利润
材料销售	14,332,872.11	13,206,227.79	1,126,644.32	12,513,846.72	11,463,132.17	1,050,714.55
租赁费收入	12,156,589.12	1,338,337.33	10,818,251.79	9,313,957.71	2,543,886.14	6,770,071.57
劳务收入	3,421,218.71	165,250.02	3,255,968.69	2,810,353.48	306,147.70	2,504,205.78
其他	<u>5,204,863.32</u>	<u>2,647,400.03</u>	<u>2,557,463.29</u>	<u>6,780,237.06</u>	<u>2,691,828.77</u>	<u>4,088,408.29</u>
	<u>35,115,543.26</u>	<u>17,357,215.17</u>	<u>17,758,328.09</u>	<u>31,418,394.97</u>	<u>17,004,994.78</u>	<u>14,413,400.19</u>

5.37 财务费用

项 目	本期数	上期数
利息支出	30,807,907.18	36,333,778.70
减：利息收入	<u>4,793,676.70</u>	<u>2,324,503.39</u>
利息净支出/(净收益)	26,014,230.48	34,009,275.31
加：汇兑净损失/(净收益)	451,581.83	68,127.75
其他	<u>1,192,358.79</u>	<u>1,004,568.89</u>
	<u>27,658,171.10</u>	<u>35,081,971.95</u>

5.38 投资收益

5.38.1 合并数

项 目	本期数	上期数
股票投资收益	92,464.86	128,354.99
债券投资收益	750,000.00	-
确认成本法核算的被投资企业分配来的利润	11,195,401.27	6,566,919.74
期末调整的被投资公司所有者权益净增减的金额	(1,257,738.28)	(299,055.24)
股权投资转让收益	63,523,713.20	10,587,686.39
投资减值准备	<u>(52,941.06)</u>	<u>949,144.61</u>
	<u>74,250,899.99</u>	<u>17,933,050.49</u>

本期数比上期数增加了 3.14 倍，主要系由于本公司本年度控股子公司 - 上海申贝办公机械有限公司转让了原持有的下属全资企业上海新沪玻璃厂的 80% 股权，从而取得了 6,116.36 万元的股权转让收益所致。

5.38.2 母公司

项 目	本期数	上期数
股票投资收益	34,744.86	91,972.23
债券投资收益	750,000.00	-
收到成本法核算的被投资企业分配来的利润	-	-
期末调整的被投资公司所有者权益净增减的金额	62,942,533.83	10,127,668.47
股权投资转让收益	534,228.91	10,587,686.39
股权投资差额摊销	(8,197,230.79)	(9,147,948.93)
计提投资减值准备	(32,528.81)	949,144.61
	<u>56,031,748.00</u>	<u>12,608,522.77</u>

本期数比上期数增加了 3.44 倍，主要系由于本公司本年度按照权益法确认了对控股子公司 - 上海申贝办公机械有限公司的 6,371.09 万元投资收益所致。

5.39 补贴收入

项 目	本期数	上期数
出口贴息补贴	1,178,028.00	283,279.00
税收奖励	-	2,077,099.66
财政补贴	547,000.00	157,797.50
其他	<u>23,156.00</u>	-
	<u>1,748,184.00</u>	<u>2,518,176.16</u>

5.40 营业外收入

项 目	本期数	上期数
地块补偿收入	29,478,656.00	52,082,326.00
处理固定资产净收益	3,753,853.95	1,406,698.31
罚款及赔偿金收入	94,738.08	79,438.26
其他	<u>384,836.24</u>	<u>45,148.90</u>
	<u>33,712,084.27</u>	<u>53,613,611.47</u>

5.41 营业外支出

项 目	本期数	上期数
地块补偿相关支出	-	10,414,033.15
处理固定资产净损失	633,559.50	550,054.21
赔偿及罚款支出	65,041.08	109,717.99
捐赠支出	1,000.00	30,500.00
固定资产减值准备	(6,280,000.00)	-
其他	<u>20,392.88</u>	<u>250,158.35</u>
	<u>(5,560,006.54)</u>	<u>11,354,463.70</u>

5.42 现金流量中重要的其他收支项目

5.42.1 支付的其他与经营活动有关的现金

项 目	本期数	上期数
运输费支出	9,176,267.12	8,860,905.09
差旅费支出	5,127,789.37	3,567,955.71
展览费支出	2,333,814.99	3,209,259.07
租赁费支出	6,523,198.91	3,671,237.00
科技三项费支出	16,902,183.70	3,577,576.73
销售佣金支出	3,594,376.36	3,646,114.03
交际应酬费支出	5,398,574.79	3,965,067.05
修理费支出	4,742,190.77	2,952,056.06
办公费支出	3,998,116.91	4,795,323.67
代垫收购 DA 前期费用	8,254,141.63	-
支付老干部费用	2,220,125.20	-
审计费	2,030,977.63	1,226,880.00
其他	2,456,165.19	1,410,924.72
	<u>72,757,922.57</u>	<u>40,883,299.13</u>

5.43 出售子公司

5.43.1 本公司控股子公司上海申贝办公机械有限公司于 2004 年 12 月将其原持有的上海新沪玻璃厂 80%的股权转让给上海浦东国有资产投资管理有限公司，从而丧失了原对其拥有的控制权。该公司报告期末的资产负债表已不再纳入本公司合并资产负债表中。该公司的部分财务数据如下：

	出售日数	上期末数
资产总额	13,003.40	9,243.26
其中：流动资产	5,640.42	5,765.27
长期投资	316.20	312.27
固定资产	3,234.66	3,165.72
无形资产	3,812.12	-
其他资产	-	-
负债总额	9,919.28	10,025.20

单位：万元

其中：流动负债	8,239.94	8,375.27
长期负债	1,679.34	1,649.93

	<u>期初至出售日期间数</u>	<u>上期数</u>
主营业务收入	12,096.00	11,457.13
主营业务利润	3,333.60	2,847.81
利润总额	62.07	8.10
所得税费用	38.10	7.74
净利润	<u>23.97</u>	<u>0.35</u>

5.43.2 本公司于 2004 年 6 月份将其原持有的长沙华日生化实业有限公司（下称“华日生化”）90%股权转让给湖南银海石油化工有限公司，从而丧失了原对其拥有的控制权。该公司报告期末的资产负债表已不再纳入本公司合并资产负债表中；该公司出售日至期末的利润表也不再纳入本公司合并利润表中。该公司的部分财务数据如下：

单位：万元

	<u>出售日数</u>	<u>上期末数</u>
资产总额	7,799.07	6,128.20
其中：流动资产	5,255.87	3,465.48
长期投资	294.66	294.66
固定资产	1,259.34	1,370.26
无形资产	987.00	997.80
其他资产	2.20	-
负债总额	4,669.23	2,998.86
其中：流动负债	4,669.23	2,998.86
长期负债	<u>-</u>	<u>-</u>

	<u>期初至出售日期间数</u>	<u>上期数</u>
主营业务收入	2,811.44	2,118.47
主营业务利润	250.37	30.76
利润总额	0.51	7.88
所得税费用	-	2.74
净利润	<u>0.51</u>	<u>5.14</u>

5.44 非经常性损益

项 目	本期数	上期数
处置长期股权投资产生的收益/(损失)	48,641,050.06	10,587,686.39
房地产补偿收入	22,566,357.60	41,668,292.85
以前年度已经计提各项资产减值准备的转回	6,280,000.00	8,727,473.46
政府补贴及无正式批准文件的税收返还、减免	2,153,228.29	2,646,891.22
处置固定资产、在建工程产生的收益/(损失)	2,070,459.52	856,644.10
	<u>81,711,095.47</u>	<u>64,486,988.02</u>

本公司非经常性损益本期数比上期数增加 26.71%，主要系由于本年度本公司的控股子公司 - 上海申贝办公机械有限公司转让了原持有的下属全资企业上海新沪玻璃厂的 80% 股权，从而使本公司本年度取得了 4,679.02 万元（剔除所得税及少数股东损益的影响之后）的股权转让收益所致。

6. 关联方关系及其交易

6.1 关系的关联方

6.1.1 存在控制关系的关联方简况

企业名称	与本公司关系	注册地址	主营业务	经济性质或类型	法定代表人
上海轻工控股（集团）公司	母公司	上海	资产管理、管理、投资、贸易	国有独资	吕永杰
上海宝灵工程设备成套有限公司	子公司	上海	建筑材料、装潢材料、金属材料	有限公司	雷 杰
上海永德经济发展有限公司	子公司	上海	机电设备及配件、建筑五金气配	有限公司	张一枫
上海富华轻机有限公司	子公司	上海	生产销售服装、缝制设备等	有限公司	陈明其
上海工业缝纫机物产总公司	子公司	上海	缝制设备制造、经营及兼营百货	有限公司	陈惠明
南通上工缝纫机有限公司	子公司	南通	缝制设备等	有限公司	蒋金荣
无锡上工缝纫机有限公司	子公司	无锡	缝制设备等	有限公司	胡 炜

6.1.2 存在控制关系的关联方的注册资本及其变化(金额单位：万元)

企业名称	期初数	本期增(减)	期末数
上海宝灵工程设备成套有限公司	55.00	-	55.00
上海永德经济发展有限公司	200.00	-	200.00
上海富华轻机有限公司	\$100.00	-	\$100.00
上海工业缝纫机物产总公司	460.00	-	460.00
南通上工缝纫机有限公司	80.00	-	80.00
无锡上工缝纫机有限公司	50.00	-	50.00

6.1.3 存在控制关系的关联方所持股份及其变化(金额单位：万元)

企业名称	期初数		本期增/(减)		期末数	
	金额	%	金额	%	金额	%
上海宝灵工程设备成套有限公司	49.50	90	-	-	49.50	90
上海永德经济发展有限公司	160.00	80	-	-	160.00	80
上海富华轻机有限公司	316.50	55	-	-	316.50	55
上海工业缝纫机物产总公司	460.00	100	-	-	460.00	100
南通上工缝纫机有限公司	52.00	65	-	-	52.00	65
无锡上工缝纫机有限公司	40.00	80	-	-	40.00	80

6.2 不存在控制关系但有关联交易的关联方

企业名称	与本公司关系	注册地址
上海上工针业有限公司	受同一企业控制	上海
上海缝纫机螺丝厂	受同一企业控制	上海
上海工缝电器有限公司	受同一企业控制	上海
上海华强缝制设备厂	受同一企业控制	上海
上海浦江金属品厂	受同一企业控制	上海
上海上工华莘精密机械有限公司	受同一企业控制	上海
上海浦东国有资产投资管理有限公司	受潜在的大股东控制	上海

6.3 关联交易事项

6.3.1 受让上海轻工控股（集团）公司（下称“轻工控股”）的土地使用权

本公司第四届董事会第八次会议决议通过，同意受让轻工控股的 10 幅土地使用权，面积为 73,855 平方米。上述土地已经上海长信资产评估有限公司长信评报字（2004）1027 号评估报告评估确认，评估价值为 8,957.90 万元，该评估结果已经上海市资产评估中心以[沪评审（2004）280 号]文件予以确认。

本公司已经于 2004 年 6 月 22 日以企业自有资金一次性支付了上述土地使用权受让费 8,957.90 万元。

上述关联交易已经本公司 2003 年度股东大会审议通过，并于 2004 年 6 月 11 日于《上海证券报》和香港《商报》上予以公告，与受让土地使用权相关的法律手续已经办妥。

6.3.2 以应收款项置换轻工控股原持有的上海申贝办公机械有限公司（下称“申贝公司”）的股权

本公司第四届董事会第十三次会议决议，同意以本公司的应收款项 18,911 万元置换轻工控股原持有的申贝公司 56.03% 的股权，置换后本公司累计持有申贝公司 90% 的股权，本年末申贝公司已经全部纳入本公司合并报表范围（上年末持有申贝公司 50% 的股权，采用比例合并法合并）。

上述置换的股权已经上海东洲资产评估有限公司及上海立信资产评估有限公司评估（评估报告号分别为沪东洲资评报字第 DZ040211020 号及信资评报字〔2003〕255 号），评估价值为 21,012.2 万元，置换时以评估价值的 90% 为作价基准，即 18,911 万元。

上述交易已经本公司 2004 年度第二次临时股东大会审议通过，并于 2004 年 9 月 29 日于《上海证券报》和香港《商报》上予以公告，与资产置换的相关法律手续已经办妥。

6.3.3 承担损失

本公司控股子公司上海申贝办公机械有限公司本期末长期借款中包括 1,489,984.87 元的借款（上期末 3,333,279.00 元），系 1994 年以前原波道管、三废技改等项目的借款，该公司原大股东轻工控股公司承诺，如这些借款发生超出现有账面金额，其超出部分由轻工控股公司予以承担。

6.3.4 出售上海新沪玻璃厂 80% 的股权给上海浦东国有资产投资管理有限公司（下称“浦东国资公司”）

本公司控股子公司申贝公司于 2004 年 11 月 29 日与浦东国资公司签订了股权转让协议，将申贝公司原持有的其下属全资企业上海新沪玻璃厂 80% 的股权有偿转让给浦东国资公司，转让价格在评估价值的基础上，确定为 9,341.62 万元。

上述转让的股权已经上海东洲资产评估有限公司评估，并出具了沪东洲资评报字第 DZ040456070 号评估报告书，评估价值为 11,677.02 万元，转让价为评估价值的 80%，即 9,341.62 万元。

上述交易已经本公司第四届董事会第十六次会议以及第三次临时股东大会审议通过，并于 2004 年 11 月 30 日在《上海证券报》和香港《商报》上予以公告。

截至 2004 年 12 月 31 日止，上述交易已经办理了股权交割手续，且申贝公司已经收到了上述协议转让价款的 50% 以上。

上述交易使申贝公司本年度获得了约 6,116.36 万元的税前利润，剔除所得税以及少数股东损益的影响，该项交易产生的股权转让收益约为 4,679.02 万元，该项收益已经作

为非经常性收益于本附注 5.44 项下予以披露，出售子公司应予以披露的相关数据详见本附注 5.43.1。

6.3.5 关联方占用资金

企业名称	交易内容	本期累计发生数		本期收到 资金占用费
		借方发生数	贷方发生数	
上海轻工控股(集团)公司	资金拆借	19,711	19,711	237.20
上海缝纫机螺丝厂	代垫费用	13	13	0.6
上海工缝电器有限公司	代垫费用	35.4	35.4	1.9
上海浦江金属品厂	代垫费用	10.4	10.4	0.5
上海上工华莘精密机械有限公司	代垫费用	508	508	9.5
上海华强缝制设备厂	资金拆借	7,369.6	7,523.4	185.3
上海永德经济发展有限公司	资金拆借	-	668	-
上海上工针业有限公司	代垫费用	6,980.8	6,332.6	157.9

6.4 关联方应收应付款项余额

关联方名称	款项余额性质	期末数	期初数
上海轻工控股(集团)公司	应付股利	1,459,269.79	1,459,269.79
上海华强缝制设备厂	其他应收款	-	1,538,204.93
上海永德经济发展有限公司	其他应收款	3,946,185.99	10,628,208.20
上海上工针业有限公司	其他应收款	13,043,683.68	6,559,787.28
上海工业缝纫机物产总公司	其他应付款	1,970,216.27	1,970,216.27

6.5 其他关联交易事项

2004 年度本公司关键管理人员的报酬（包括货币和非货币形式）总额为 239.96 万元（2003 年度为 111.28 万元）。2004 年度本公司关键管理人员包括董事、总经理、副总经理和财务负责人等共 19 人（2003 年度为 18 人）。

7. 或有事项及承诺事项

7.1 本公司于 2004 年 3 月份投资的 3,000 万元国债被德恒证券有限责任公司（下称“德恒证券”）质押而引起的诉讼案已经上海市第一中级人民法院审理结束，并于 2004 年 9 月 6 日出具了（2004）沪 - 中民三（商）初字第 176 号民事判决书，判定德恒证券于判决之日起 10 日内偿还本公司 2,830 万元款项。本公司已于《上海证券报》和香港《商报》上公告（临 2004-029）。

经本公司申请，法院已于 2004 年 10 月 11 日立案执行，但由于德恒证券涉案众多，财产已经被相关法院查封，目前尚无其他财产可变现来抵偿本案的债务，遂法院裁定民事判决书（2004）沪 - 中民三（商）初字第 176 号中止执行。

根据中国证监会证监机构字〔2004〕109 号文规定，本公司已于 2004 年 9 月 15 日向中国华融资产管理公司德恒证券有限公司托管经营组（下称“经营组”）办理了债权申报登记手续（见本公司 2004 年第三季度报告，已刊登于 2004 年 10 月 22 日的《上海证券报》和香港《商报》）。根据经营组发布的“德恒证券有限责任公司债务登记公告”，对于经确认的债务，将按照国家有关法律、法规和政策进行偿付，具体办法将另行公告。截至 2004 年 12 月 31 日止，本公司尚未计提减值准备。

7.2 截至 2004 年 12 月 31 日，本公司对外担保情况如下：

7.2.1 本公司母体对合并报表范围以外的单位担保借款余额共计 259,010,000.00 元，担保期限自 2004 年 6 月至 2005 年 11 月。

7.2.2 本公司控股子公司上海申贝办公机械有限公司对合并报表范围以外的单位担保借款余额为 540 万元，担保期限自 2004 年 7 月至 2005 年 6 月。

7.2.3 本公司合并报表范围内部公司之间互相担保借款余额为 7,812 万元。

综上所述，本公司对合并报表范围以外的单位担保借款余额为 26,441 万元。

8. 承诺事项

截至 2004 年 12 月 31 日，本公司未发生影响会计报表阅读和理解的重大承诺事项。

9. 资产负债表日后事项中的非调整事项

9.1 根据国家外汇管理局上海市分局 2005 年 3 月 22 日做出的核准，本公司于 2005 年 3 月 25 日将 1,000 万欧元划入拟收购 Dürkopp Adler AG 公司的上工（欧洲）控股有限责任公司。

9.2 自 2005 年 1 月 1 日至本会计报表签发日止，本公司累计向境内银行借入短期借款 8,400 万元，累计偿还境内银行短期借款 13,220 万元。

10. 其他重要事项

10.1 购买房屋建筑物

2004 年 6 月 25 日，本公司出资 1,613.74 万元，向长江经济联合发展（集团）股份有限公司购买位于世纪大道 1500 号东方大厦的房产，面积为 1,341.62 平方米，性质为产权房，目前作为本公司的办公用房。

上述交易已经办妥了资产交接手续，并办妥产权证明。

10.2 出售本公司原持有的长沙华日生化实业有限公司（下称“华日生化”）90%的股权

本公司于 2004 年 6 月 21 日与湖南银海石油化工有限公司（下称“银海石化”）签订股权转让协议，将本公司原持有的华日生化 90%的股权转让给银海石化。

上述转让的股权已经上海众华资产评估有限公司评估，并出具了沪众评报字（2004）第 010 号评估报告，评估价值为 3,605.32 万元，转让价格由协议双方在评估价值的基础上，确定为 3,244.78 万元。

上述转让行为已经本公司第四届董事会第七次会议及 2003 年度股东大会审议通过，并分别于 2004 年 4 月 19 日和 2004 年 6 月 25 日在《上海证券报》和香港《商报》上予以公告。

上述交易已于 2004 年 7 月 26 日办妥产权转让交割手续。

由于上述股权转让交易，本公司本年度取得了约 53.4 万元的股权转让收益，该项收益本公司已经作为非经常性收益于本会计报表附注 5.44 项下予以披露。

长沙华日报期末的资产负债表已不再纳入本公司合并资产负债表中；该公司出售日后至期末的利润表也不再纳入本公司合并利润表中。该公司的部分财务数据参见本会计报表附注 5.43.2。

10.3 转让虹桥路房地产

本公司控股子公司申贝公司本年度将其位于虹桥路地块的房地产出售给“古北集团”，转让价格为 3,000 万元。

上述交易使申贝公司获得了约 2,930 万元的利润，剔除所得税以及少数股东损益的影响，此项交易使本公司本年度取得了约 2,241.45 万元的利润。

10.4 股本变更

10.4.1 经国务院国有资产监督管理委员会 2004 年 6 月 4 日的国资产权〔2004〕412 号文批复，上海轻工控股（集团）公司将其持有的本公司国家股中的 13,204,914 股（占公司总股本的 3.38%）以每股 3.878 元价格转让给中国东方资产管理公司，转让总额为 51,212,102 元人民币。转让后该股权性质仍为国家股。

转让双方已于 2004 年 7 月 1 日通过中国证券登记结算有限责任公司上海分公司办理了股权过户登记手续。

10.4.2 本公司根据第四届董事会第七次会议通过以 2003 年末股本总额 390,336,328 股为基数向全体股东以资本公积每 10 股转增 1.5 股，共转增 58,550,449 股，转增后股本总数为 448,886,777 股，资本公积尚余 383,425,665.68 元。

上述股本转增已经 2003 年度股东大会审议通过，并于 2004 年 7 月 13 日在《上海证券报》和香港《商报》上公告，并聘请上海众华沪银会计师事务所出具了验资报告，报告号为沪众会字（2004）第 1722 号。

10.5 本公司第一大股东上海轻工控股（集团）公司所持公司的股权（26.40%）全部无偿划转至上海市浦东新区国有资产管理办公室。相关审批资料已报送国务院国有资产监督管理委员会，2005 年 3 月 23 日，本公司已经收到了国务院国有资产监督管理委员会下达的国资产权〔2005〕350 号批复文件，同意轻工控股将原持有本公司的股权划转给浦东国资办。

10.6 根据本公司 2004 年第三次临时股东大会决议，经国家工商行政管理总局核准，公司已经更名为“上工申贝（集团）股份有限公司”，并于 2005 年 2 月 7 日办妥工商营业执照。

10.7 2004 年 10 月 29 日，本公司与德国 FAG Kugel fi scher AG（下称“FAG”公司）就本公司收购 FAG 公司所持 Dürkopp Adler AG（下称“DA”公司）94.98%股份签订了正式协议，协议主要条款已经于本公司第四届董事会第十四次会议决议公告中公布（公告刊登于 2004 年 10 月 12 日《上海证券报》和香港《商报》）。

2004 年 11 月 1 日，国家发展和改革委员会以发改外资〔2004〕2403 号文批复，核准公司在德国投资的用于收购 DA 的公司股权项目调整方案，由原来的两家投资方改为由本公司独家投资。2004 年 12 月 21 日，上海市对外经济贸易委员会以沪经贸外经〔2004〕835 号文批复，同意本公司在德国独资设立“上工（欧洲）控股有限责任公司”，注册资本为 1,000 万欧元，项目总投资为 1,700 万欧元。

2004 年 11 月 25 日，国家外汇管理局上海市分局就为收购 DA 公司股权项目进行外汇资金来源审查并向总局请示，后批准同意公司此次股权收购共涉及的外汇投资款项 1,700 万欧元可以用增发 B 股所募集的资金进行全额出资。根据国家外汇管理局上海市分局 2005 年 3 月 22 日的核准文件，本公司于 2005 年 3 月 25 日将 1,000 万欧元注册资本划入上工（欧洲）控股有限责任公司。

根据《股权买卖协议》，交易完成的重要条件是公司需要完成为 DA 公司在美国的子公司的房屋租赁合同提供 530 万美元的履约担保和为 DA 公司提供 500 万欧元的授信额和

400 万欧元的业务担保。目前解决上述担保事项的方案已经完成，正提交外汇管理部门审批之中。

11. 补充资料（境内外会计准则的差异）

单位：千元

	<u>净资产</u>	<u>净利润</u>
按国际会计准则	854,813	1,817
补充确认损失	-	(14)
冲销长期待摊费用（老干部费用）	2,115	2,115
剔除与联营方交易未实现利润	<u>393</u>	<u>(150)</u>
按中国会计准则	<u>857,321</u>	<u>3,768</u>

12. 会计报表之批准

本会计报表业经本公司董事会批准通过。

十二、备查文件目录

- 1、载有法定代表人、会计机构负责人、会计主管人员签名并盖章的会计报表。
- 2、载有会计师事务所盖章、注册会计师签名并盖章的审计报告原件。
- 3、报告期内在中国证监会指定报纸上公开披露过的所有公司文件的正本及公告的原稿。

上工申贝（集团）股份有限公司
董事长：张 敏
二 00 五年四月二十七日

资产负债表

2004年12月31日

编制单位：上工申贝（集团）股份有限公司

金额单位：元

资 产	注释号	合并期末数	合并期初数	母公司期末数	母公司期初数
流动资产：					
货币资金	5. 1	545,965,518.03	635,610,284.65	325,701,535.51	526,656,348.43
短期投资	5. 2	29,687,059.43	410,620.00	28,698,982.61	410,620.00
应收票据	5. 3	2,577,432.58	90,223,932.20	840,000.00	71,193,240.07
应收股利		68,109.70	5,429,149.82	4,436,795.87	918,822.60
应收利息					
应收帐款	5. 4	180,997,765.43	278,105,085.79	111,469,669.70	176,789,638.69
其他应收款	5. 5	120,276,478.60	54,586,350.31	46,531,450.52	47,287,487.98
预付帐款	5. 6	7,468,201.86	48,773,320.09	1,947,039.99	7,098,594.95
应收补贴款	5. 7	2,573,254.21	9,932,361.65		
存货	5. 8	203,972,040.44	162,833,054.07	138,639,753.53	101,281,097.38
待摊费用	5. 9	210,533.86	44,124.66		
一年内到期的长期债权投资					
其他流动资产					
流动资产合计		1,093,796,394.14	1,285,948,283.24	658,265,227.73	931,635,850.10
长期投资：					
长期股权投资	5. 10	196,954,396.29	158,662,883.90	528,810,520.82	321,904,989.10
长期债权投资	5. 11	1,055,000.00	1,087,500.00	1,000,000.00	1,000,000.00
长期投资合计		198,009,396.29	159,750,383.90	529,810,520.82	322,904,989.10
其中:合并价差		73,690,206.73	68,093,434.46		
其中:股权投资差额		73,690,206.73	68,093,434.46		
固定资产：					
固定资产原值	5. 12	700,921,038.74	698,568,402.34	555,776,592.33	542,908,247.36
减：累计折旧		342,895,348.89	353,142,443.36	292,906,159.99	272,852,734.19
固定资产净值		358,025,689.85	345,425,958.98	262,870,432.34	270,055,513.17
减：固定资产减值准备		75,262,191.48	82,334,440.32	75,111,879.85	81,391,879.85
固定资产净额		282,763,498.37	263,091,518.66	187,758,552.49	188,663,633.32
工程物资					
在建工程	5. 13	8,448,983.17	9,248,401.61	1,342,557.50	922,127.00
固定资产清理					
固定资产合计		291,212,481.54	272,339,920.27	189,101,109.99	189,585,760.32
无形资产及其他资产：					
无形资产	5. 14	198,072,003.20	36,139,297.51	110,176,733.07	23,873,542.25
长期待摊费用	5. 15	5,644,302.17	1,028,092.74	4,680,000.00	
其他长期资产					
无形资产及其他资产合计		203,716,305.37	37,167,390.25	114,856,733.07	23,873,542.25
递延税项：					
递延税款借项					
资产总计		1,786,734,577.34	1,755,205,977.66	1,492,033,591.61	1,468,000,141.77

负债和股东权益	注释号	合并期末数	合并期初数	母公司期末数	母公司期初数
流动负债：					
短期借款	5.16	601,510,000.00	688,210,000.00	465,020,000.00	437,520,000.00
应付票据	5.17	610,000.00	1,427,980.00	610,000.00	28,266,568.58
应付帐款	5.18	164,705,128.04	149,960,881.64	83,866,218.62	65,932,674.34
预收帐款	5.19	14,401,387.23	14,623,706.77	2,163,352.10	3,771,749.90
应付工资		7,030,945.01	4,151,267.77		
应付福利费		495,143.76	1,804,870.02		
应付股利	5.20	3,354,912.62	2,811,098.91	1,532,818.86	1,532,818.86
应交税金	5.21	2,735,880.09	(57,939,975.66)	(212,108.93)	(190,229.36)
其他应付款		54,050.43	767,554.02	169.23	733,289.73
其他应付款	5.22	76,835,512.84	52,877,827.71	81,945,704.49	76,743,234.98
预提费用	5.23	230,225.89	142,427.45		
预计负债					
递延收益					
一年内到期的长期负债	5.24	1,020,000.00	7,776,000.00	400,000.00	400,000.00
其他流动负债					
流动负债合计		872,983,185.91	866,613,638.63	635,326,154.37	614,710,107.03
长期负债：					
长期借款	5.25	1,489,984.87	5,303,279.01		
应付债券					
长期应付款	5.26	1,626,944.32	5,742,200.66	1,474,782.00	1,474,782.00
专项应付款					
其他长期负债					
长期负债合计		3,116,929.19	11,045,479.67	1,474,782.00	1,474,782.00
递延税项：					
递延税项贷项	5.27	1,197,067.41	617,534.78		
负债合计		877,297,182.51	878,276,653.08	636,800,936.37	616,184,889.03
少数股东权益		52,116,378.07	23,579,068.95		
股东权益：					
股本	5.28	448,886,777.00	390,336,328.00	448,886,777.00	390,336,328.00
资本公积	5.29	383,614,665.68	441,976,114.68	383,614,665.68	441,976,114.68
盈余公积	5.30	24,620,633.62	14,290,478.50	4,546,242.52	3,900,562.02
其中：公益金		10,717,606.50	7,145,239.27	2,273,121.26	1,950,281.01
未确认投资损失	5.32	(311,885.03)	(325,903.02)		
未分配利润	5.31	510,825.49	7,073,237.47	18,184,970.04	15,602,248.04
外币报表折算差额					
股东权益合计		857,321,016.76	853,350,255.63	855,232,655.24	851,815,252.74
负债及股东权益总计		1,786,734,577.34	1,755,205,977.66	1,492,033,591.61	1,468,000,141.77

法定代表人：张敏

主管会计工作的负责人：马民良

会计机构负责人：徐晓晖

利润及利润分配表

2004年度

编制单位：上工申贝（集团）股份有限公司

金额单位：元

项 目	注释号	合并本期数	合并上期数	母公司本期数	母公司上期数
一、主营业务收入	5.33	996,246,688.32	866,798,366.22	159,280,966.67	206,928,005.95
减：（一）主营业务成本	5.34	882,059,263.40	755,986,456.20	140,742,918.78	184,166,965.74
（二）主营业务税金及附加	5.35	2,400,219.10	1,801,741.19		
二、主营业务利润		111,787,205.82	109,010,168.83	18,538,047.89	22,761,040.21
加：其他业务利润	5.36	17,758,328.09	14,413,400.19	5,431,428.77	6,471,490.99
减：营业费用		36,496,343.49	28,529,753.48	6,546,019.34	4,793,490.84
管理费用		157,151,050.82	102,490,323.93	56,447,442.88	34,720,222.89
财务费用	5.37	27,658,171.10	35,081,971.95	19,808,711.82	27,518,673.57
三、营业利润		(91,760,031.50)	(42,678,480.34)	(58,832,697.38)	(37,799,856.10)
加：投资收益	5.38	74,250,899.99	17,933,050.49	56,031,748.00	12,608,522.77
补贴收入	5.39	1,748,184.00	2,518,176.16	23,156.00	28,656.00
营业外收入	5.40	33,712,084.27	53,613,611.47	242,220.61	49,732,578.49
减：营业外支出	5.41	(5,560,006.54)	11,354,463.70	(5,763,975.27)	10,324,537.26
四、利润总额		23,511,143.30	20,031,894.08	3,228,402.50	14,245,363.90
减：所得税		13,029,329.67	5,015,744.27		
少数股东损益（合并报表填列）		6,700,052.63	779,625.50		
加：未确认投资损失（合并报表填列）		(14,017.98)	359,078.24		
五、净利润		3,767,743.02	14,595,602.55	3,228,402.50	14,245,363.90
加：年初未分配利润		7,073,237.47	(4,223,562.19)	15,602,248.04	4,205,956.92
其他转入		1,158,003.22	1,130,448.75		
六、可供分配的利润		11,998,983.71	11,502,489.11	18,830,650.54	18,451,320.82
减：提取法定盈余公积		7,342,037.09	2,214,625.82	322,840.25	1,424,536.39
提取法定公益金		4,146,121.13	2,214,625.82	322,840.25	1,424,536.39
提取职工奖励及福利基金					
七、可供股东分配的利润		510,825.49	7,073,237.47	18,184,970.04	15,602,248.04
减：应付优先股股利					
提取任意盈余公积					
应付普通股股利					
转作股本的普通股股利					
八、未分配利润		510,825.49	7,073,237.47	18,184,970.04	15,602,248.04
补充资料：					
1、出售、处置部门或被投资单位所得收益					
2、自然灾害发生的损失					
3、会计政策变更增加（减少）利润总额					
4、会计估计变更增加（减少）利润总额					
5、债务重组损失					
6、其他					

法定代表人：张敏

主管会计工作的负责人：马民良

会计机构负责人：徐晓晖

现金流量表

2004年度

编制单位：上工申贝（集团）股份有限公司

金额单位：元

项 目	合并	母公司
一. 经营活动产生的现金流量:		
销售商品提供劳务收到的现金	1,130,477,876.98	164,272,647.87
收到的税款返还	109,109,604.22	297,355.05
收到的其他与经营活动有关的现金	7,770,553.87	32,122,516.38
经营活动现金流入小计	1,247,358,035.07	196,692,519.30
购买商品接受劳务支付的现金	1,003,027,155.58	197,862,914.93
支付给职工以及为职工支付的现金	127,849,922.52	41,364,018.94
支付的各项税费	27,805,691.93	4,629,471.93
支付的其他与经营活动有关的现金	72,757,922.57	47,972,171.19
经营活动现金流出小计	1,231,440,692.60	291,828,576.99
经营活动现金流量净额	15,917,342.47	(95,136,057.69)
二. 投资活动产生的现金流量:		
收回投资所收到的现金	156,782,035.52	104,997,880.00
取得投资收益所收到的现金	13,452,172.00	957,212.25
处置固定资产无形资产和其他长期资产而收回的现金净额	37,937,393.69	365,361.71
收到的其他与投资活动有关的现金		
投资活动现金流入小计	208,171,601.21	106,320,453.96
投资所支付的现金	76,710,773.87	100,200,000.00
购建固定资产无形资产和其他长期资产所支付的现金	125,636,923.95	108,729,210.58
支付的其他与投资活动有关的现金		
投资活动现金流出小计	202,347,697.82	208,929,210.58
投资活动现金流量净额	5,823,903.39	(102,608,756.62)
三. 筹资活动产生的现金流量:		
吸收投资所收到的现金		
其中: 子公司吸收少数股东权益性投资收到的现金		
借款所收到的现金	861,231,680.00	713,020,000.00
收到的其他与筹资活动有关的现金		
筹资活动现金流入小计	861,231,680.00	713,020,000.00
偿还债务所支付的现金	932,882,840.00	685,520,000.00
分配股利、利润和利息所支付的现金	39,283,270.64	30,612,145.23
其中: 子公司支付少数股东的股利		
支付的其他与筹资活动有关的现金		
筹资活动现金流出小计	972,166,110.64	716,132,145.23
筹资活动现金流量净额	(110,934,430.64)	(3,112,145.23)

项 目	合并	母公司
四. 汇率变动对现金的影响额	(451,581.84)	(97,853.38)
五. 现金及现金等价物净增加额	(89,644,766.62)	(200,954,812.92)
补充资料		
1. 将净利润调节为经营活动的现金流量		
净利润 （亏损以“-”号填列）	3,767,744.02	3,228,402.50
加： 少数股东损益（亏损以“-”号填列）	6,700,052.63	
减： 未确认投资损失	(14,017.98)	
加： 计提的资产减值准备	(331,704.97)	1,294,758.76
固定资产折旧	35,652,979.19	23,898,161.68
无形资产的摊销	5,256,049.00	3,275,809.18
长期待摊费用及其他长期资产的摊销	813,790.57	120,000.00
待摊费用的减少（减：增加）	(792,698.22)	
预提费用的增加（减：减少）	912,618.47	
处置固定资产、无形资产和其他长期资产的损失（减：收益）	(30,967,157.09)	508,119.66
固定资产盘亏、报废损失		
财务费用	39,020,578.59	30,612,145.23
投资损失（减：收益）	(72,904,769.88)	(56,031,748.00)
递延税款贷项（减：借项）	(38,002.14)	
存货的减少（减：增加）	(38,025,320.34)	(36,673,885.26)
经营性应收项目的减少（减：增加）	120,415,554.81	(41,311,970.75)
经营性应付项目的增加（减：减少）	(53,576,390.15)	(24,055,850.69)
其 他		
经营活动产生的现金流量净额	15,917,342.47	(95,136,057.69)
2. 不涉及现金收支的投资和筹资活动		
债务转资本		
一年内到期的可转换债券		
融资租入固定资产		
3. 现金及现金等价物净增加情况：		
货币资金的期末余额	545,965,518.03	325,701,535.51
减：货币资金的期初余额	635,610,284.65	526,656,348.43
现金等价物的期末余额		
减：现金等价物的期初余额		
现金及现金等价物净增加额	(89,644,766.62)	(200,954,812.92)

法定代表人：张敏

主管会计工作的负责人：马民良

会计机构负责人：徐晓晖

2004 ANNUAL REPORT

SGSB GROUP CO., LTD.

April 27, 2005

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Chapter I. Important Note

1. The Board of Directors and all the directors as individuals guarantee that there are no important omissions, false statements or vital misunderstanding in this report; and hold both individual and joint liability for the authenticity, accuracy and integrity of its contents.
2. All the members of the Board of Directors attend the meeting of BOD.
3. Shanghai Zhonghua Certified Public Accountants expressed an independent, clean audit opinion on the Company's statements for the year 2004 base in their audit.
4. As particular emphasis, Chairman of BOD & CEO Mr. Zhang Min, Vice Chairman of BOD & CFO Mr. Ma Minliang and Accounting Chief Ms. Xu Xiaohui make the pledge for the authenticity and integrity of the attached financial statements.

Chapter II. Basic Information about the Company

1. Legal name of the Company: SGSB GROUP CO., LTD.
(Abbreviated as SGSB)
2. Legal representative of the Company: Zhang Min
3. Secretary to Board of Directors: Zhang Yifeng
Contact address: 12th floor, Orient Mansion, No. 1500 Century Avenue, Pu Dong New Area, Shanghai, PRC
Tel: 86-21-6840 7515
Fax: 86-21-6330 2939
E-mail: zyf@sgsbgroup.com
Designated representative of stock affairs: Gu Genrong
Contact address: 12th floor, Orient Mansion, No. 1500 Century Avenue, Pu Dong New Area, Shanghai, PRC
Tel: 86-21-6840 7700 - 617
Fax: 86-21-6330 2939
E-mail: ggr@sgsbgroup.com
4. Legal registered address of the Company:
1201 Luoshan Road, Pu Dong New Area, Shanghai, PRC
Office address: 12th floor, Orient Mansion, No. 1500 Century Avenue, Pu Dong New Area, Shanghai, 200122, PRC
Official Website: <http://www.sgsbgroup.com>
E-mail address: sgsb@sgsbgroup.com
5. Designated newspaper for information release: <Shanghai Securities News> and <Hong Kong Commercial Daily>
Internet login designated by China Securities Regulatory Committee to carry the Company's annual report: <http://www.sse.com.cn>
Place for consulting the Company's annual report: General Office of the Company
6. Authorized stock exchange: Shanghai Stock Exchange
A shares stock code 600843, abbreviated as SGSB
B shares stock code 900924, abbreviated as SGC
7. Other information:
(1) First-time register date: December 16, 1993
Register institution: Shanghai Municipal Industrial and Commercial Admin.
Latest register variation date: February 7, 2005
Latest variation institution: Shanghai Municipal Industrial and Commercial Admin.

(2) Business license registration code: QGHZZ019029

(3) Tax registration code: GSHZ31011532210544

8. Public accountants contracted by the Company

Domestic auditor: Shanghai Zhonghua Certified Public Accountants

12F, 550 Yan'an Road (E), Shanghai

International auditor: BDO International Certified Public Accountants

12F, 550 Yan'an Road (E), Shanghai

9. Advisor on legal affairs: Shanghai Zhendan Law Office

16/F, 1688 Sichuan Road (N), Shanghai

Chapter III. Financial and Business Highlights

1. Business highlights during report year:

	RMB'
Total profit	23,511,143.30
Net profit	3,767,743.02
Net profit after non-recurrent account profit/loss	-77,943,352.45
Principal operating profit	111,787,205.82
Other operating profit	17,758,328.09
Administrative profit	-91,760,031.50
Investment income	74,250,899.99
Subsidies	1,748,184.00
Non-operating net balance of payment	39,272,090.81
Net cash flows generated from business operations	15,917,342.47
Net increase in cash and cash equivalents	-89,644,766.62

2. The impact of IFRS adjustments on the PRC Statutory Financial Statements as following:

	RMB'000			
	Net profit		Shareholders' equity	
	Current term	Anterior term	Beginning sum	Ending sum
As per the PRC statutory financial statements	3,768	14,596	859,868	857,321
IFRS adjustments				
- Recognize loss	14	-359		
- Elimination of unrealized gains/loss on transaction to associates	150	-543	-543	-393
- Write off of capitalized expenses		294		
- Write off of long-term prepaid expenses	-2,115			-2,115
As restated after IFRS adjustments	1,817	13,988	859,325	854,813

3. Deducted terms of non-recurrent account profit/loss:

	RMB'
Subsidies	2,153,228.29
Non-operating income after depreciation provision of assets	73,277,867.18
Reverse of anterior depreciation provision	6,280,000.00

Total

81,711,095.47

4. The Company's main accounting data and financial index in the last three years (combined statements):

Item	2004	2003		Increase/ Decrease (%)	RMB' 2002
Principal operating income	996,246,688.32	866,798,366.22	866,798,366.22	14.93	875,299,752.11
Total profit	23,511,143.30	20,031,894.08	20,031,894.08	17.37	18,050,349.19
Net profit	3,767,743.02	14,595,602.55	14,595,602.55	-74.19	13,161,566.40
Net profit after non-recurrent account profit/loss	-77,943,352.45	-49,891,385.47	-49,891,385.47	-56.23	5,927,894.46
Total assets	1,786,734,577.34	1,755,205,977.66	1,735,205,977.66	1.80	1,354,455,716.34
Shareholders' equity (minority interest excluded)	857,321,016.76	853,350,255.63	859,868,516.39	0.47	514,991,748.36
Net cash flows generated from operating activities	15,917,342.47	-41,963,006.97	-41,963,006.97	137.93	28,288,880.82
Earning per share (diluted)	0.0084	0.0374	0.0374	-77.55	0.0521
Latest earning per share	0.0084				
Return on net assets (diluted, %)	0.4395	1.7104	1.6974	-74.31	2.5557
Return on net assets after non-recurrent account profit/loss (diluted, %)	-9.09	-5.8465	-5.8022	-55.50	1.1511
Net cash flows per share generated from operating activities	0.0355	-0.1075	-0.1075	133.02	0.1121
Earning per share (weighted)	0.0084	0.0521	0.0489	-82.82	0.0521
EPS after non-recurrent account profit/loss (diluted)	-0.17	-0.1278	-0.1278	-35.85	0.0235
EPS after non-recurrent account profit/loss (weighted)	-0.17	-0.1670	-0.1670	-3.95	
Return on net assets (weighted, %)	0.4404	2.5869	2.6202	-83.19	2.5850
Return on net assets (weighted average after non-recurrent gain/loss, %)	-9.1102	-9.0626	-8.9565	-0.53	1.1643
Net assets value per share	1.9099	2.1862	2.2029	-12.64	2.0398
Adjusted net assets value per share	1.8955	2.1612	2.1779	-12.29	2.0088

5. Return on net assets and earning per share in report year (calculations following the Circular by China Securities Regulatory Committee No.9 Rules of Information Release for Public Listed Companies)

Item	Return on Net Assets (%)		Earning per Share (RMB)	
	Diluted	Weighted	Diluted	Weighted
Principal operating profit	13.04	13.07	0.25	0.25
Administrative profit	-10.70	-10.73	-0.20	-0.20
Net profit	0.439	0.440	0.01	0.01
Net profit after non-recurrent Account profit/loss	-9.09	-9.11	-0.17	-0.17

6. Changes in shareholders' equity:

RMB'

Item	Share Capital	Capital Reserve	Statutory Surplus Reserve Fund	Statutory Public Welfare Fund	Profits Undistributed	Total Shareholders' Equity
Opening amount	390,336,328.00	441,976,114.68	14,290,478.50	4,146,121.13	7,073,237.47	853,350,255.63
Current increase	58,550,449.00	189,000.00	11,488,158.22	4,146,121.13		70,241,625.21
Current decrease		58,550,449.00	1,158,003.10	573,753.90	6,556,411.98	66,270,864.08
Ending amount	448,886,777.00	383,614,665.68	24,620,633.62	10,717,606.50	510,825.49	857,321,016.76
Reasons	Increase for the capitalization of reserve funds	Decrease for capitalization of reserve funds	Increase for current-year amortization, decrease for the shrink of consolidated scope	Increase for current-year amortization, decrease for the shrink of consolidated scope	Negative current-year profits after statutory capital reserve and welfare funds	Absorption of current-year profits

Chapter IV. Variation of Stock Capital and Information about Shareholders

1. Variation of share capital:

(1) Changes in share capital (as of December 31, 2004):

	Before current variation	Ration shares	Bonus shares	Increase/decrease in the report period Shares by public reserve	Enlarged issuance	Others	Total	After current variation
Non-floating shares								
1. Founders' shares								
Including:								
State-owned shares	124,754,540			18,713,181			18,713,181	143,467,721
Shares owned by domestic legal persons	20,566,786			3,085,018			3,085,018	23,651,804
Shares owned by foreign legal persons								
2. Collected legal person shares								
3. Shares for staff	14,950,000			2,242,500			2,242,500	17,192,500
4. Non-floating B shares								
Total non-floating shares	100,000,000					-100,000,000	-100,000,000	0
Floating shares	260,271,326			24,040,699		-100,000,000	-75,959,301	184,312,025
1. Floating A shares								
2. B shares	17,940,002			2,691,000			2,691,000	20,631,002
3. B shares issued abroad	112,125,000			31,818,750		100,000,000	131,818,750	243,943,750
4. Others								
Total floating shares								
▪ Total stock	130,065,002			34,509,750		100,000,000	134,509,750	264,574,752

(2) Issuance and listing of shares:

Classification	Date of issuance	Issuance price per share (RMB')	Issued volume of shares	Date of listing
B shares	07/11/2003	3.54 / US\$ 0.428	100,000,000	13/05/2004

(3) Explanation for the variation of share capital and share structure:

During report year, by approval of China Securities Regulatory Committee in its Circular ZJFXZ(2003) No. 133, the 100,000,000 B shares issued by the Company to elected foreign institutional investors have been put into circulation on May 13, 2004. (Details reference to <Shanghai Security News> Page 28 and <Hong Kong Commercial Daily> Page B2 dated May 10, 2004.)

During report year, the Company's No.1 shareholder Shanghai Light Industry Holding (Group) Company transferred part of SGSB's state-owned shares (amounted 13,204,914 shares) to China Orient Assets Management Co., Ltd. On July 1, 2004, both parties completed all stock transfer procedures through China Securities Depository & Clearing Co., Ltd. Shanghai Sub-company.

The Company set respectively July 16, and July 19, 2004 as register date and ex-right date of its A shares (for B shares, July 21 as register date and July 16 as last listing date) and executed the resolution of Shangong's 2003 Annual General Meeting of Shareholders, which agreed to capitalize reserve fund at ratio of 1.5:10 on basis of its

total 390,336,328 shares. As a result, the company's stock capital increased to 448,886,777 shares. (Details reference to <Shanghai Security News> P.C7 and <Hong Kong Commercial Daily> P.B4 dated July 13, 2004.)

2. Information about shareholders:

(1) End-of-year number of shareholders:

As of December 31, 2004, the number of SGSB's registered shareholders totaled 30,557, among whom 11,240 were A stock shareholders and 19,317 as B stock shareholders.

(2) Top ten shareholders (as of December 31, 2004):

Shareholder	Increase /decrease	Quantity as of Dec. 31, 2003	Proportion (%)	Category	Quantity in pawn or frozen	Classification
1. Shanghai Light Industry Holding (Group) Company	2,251,184	118,496,754	26.40	Non-floating	No	State-owned
2. Shanghai International Trust and Investment Company	3,085,018	23,651,804	5.27	Non-floating		State-owned legal person
3. Honour Force Investments Ltd.	-7,324,874	20,712,467	4.61	Floating	Unknown	Foreign investor
4. China Orient Assets Management Co., Ltd.	15,185,651	15,185,651	3.38	Floating	No	State-owned
5. Main Force Assets Limited	1,650,000	12,650,000	2.82	Floating	Unknown	Foreign investor
6. Mesabi Assets Limited	1,575,000	12,075,000	2.69	Floating	Unknown	Foreign investor
7. Shanghai Industrial Assets Management Co., Ltd. (HK)	1,395,000	10,695,000	2.38	Floating	Unknown	Foreign investor
8. Normal Win Assets Limited	-2,093,475	9,906,525	2.21	Floating		Foreign investor
9. China Great Wall Assets Management Co., Ltd.	1,276,346	9,785,316	2.18	Non-floating	Unknown	State-owned
10. Shenyin & Wanguo Securities (HK) Co., Ltd.	-10,810,641	8,689,359	1.94	Floating	Unknown	Foreign investor

Relevant transaction relationship between the main shareholders and explanation for concerted actions:

It is unknown by the Company that exists any relevant transaction relationship between SGSB's top ten shareholders, nor can any shareholders be considered as Concerted Parties according to the definition set in <Administrative Regulations Guiding the Information Release on Stock Variation of Listed Companies>.

There is only one shareholder, which is Shanghai Light Industry Holding (Group) Company, takes more than 10% of the Company's stock equity under the authorization to represent the government to hold state-owned shares.

(3) Profile of the holding shareholder and real controller of the Company:

About the holding shareholder

Company Name: Shanghai Light Industry Holding (Group) Company

Legal representative: Lv Yongjie

Registered capital: RMB 3,653,300,000

Date of foundation: December 27, 1995

Business scope: the operation and management of state-owned assets within the authorized range and extent by Shanghai Municipal Administration Commission for State-owned Assets, industrial investment and domestic trade

Variation of holding shareholder and real controller of the Company

Current holding shareholder: Shanghai Pudong New Area State-owned Assets Admin. Office

Current real controller's representative: Wang Jiazhen

Date of variation: October 18, 2004

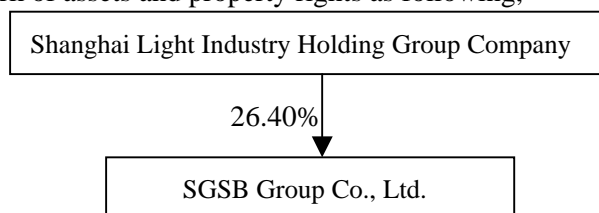
Significant variation announcement press: <Shanghai Securities News> and <Hong Kong Commercial Daily>

Date of announcement: October 20, 2004

According to the principle "Combining the efforts of both municipality and district governments, seizing the administration of large-scaled enterprises and liberalizing medium & small-scaled ones" set down by Shanghai Municipal CCP Committee and Government, Shanghai Light Industry Holding Group Company has transferred gratuitously all the SGSB stock it holds to Shanghai Pudong New Area State-owned Assets Administration Office, whose legal representative names Wang Jiazhen and main business scope covers the state-owned assets administration entrusted by Pudong New Area People's Government. On October 18, 2004, both sides signed the agreement of stock transference, and the related procedures are under operation.

Relationship of the holding shareholder and real controller:

During report year, Shanghai Light Industry Holding Group Company is the real controller of SGSB and the framework of assets and property rights as following,



(4) Other legal-person stock shareholders who take individually more than 10% stock equity of the Company:

As at the end of report year, none of other shareholders takes more than 10% in total stock equity of the Company.

(5) Top ten floating stock shareholders (as of December 31, 2004):

No.	Shareholder	Quantity at end of report year	Classification
1	Honour Force Investments Limited	20,712,467	B shares
2	Main Forces Assets Limited	12,650,000	B shares
3	Mesabi Assets Limited	12,075,000	B shares
4	Shanghai Industrial Assets Management Co., Ltd.	10,695,000	B shares
5	Normal Winassets Limited	9,906,525	B shares
6	Shenyin Wanguo Nominees (H.K.) Ltd.	8,689,359	B shares
7	Weiya International Industrial Co., Ltd.	3,996,890	B shares
8	Naito Securities Co., Ltd.	3,393,743	B shares
9	Wang Jinling	2,607,200	B shares
10	Guomeng Investment Group Co., Ltd.	1,752,500	B shares

It is unknown by the Company that exists any relevant transaction relationship between SGSB's top ten shareholders and top ten floating shareholders, nor can any shareholders be considered as Concerted Parties according to the definition set in <Administrative Regulations Guiding the Information Release on Stock Variation of Listed Companies>.

Chapter V. Information about Directors, Supervisors, Senior Managerial Personnel and Staff

1. Managerial team of the Company

(1) Brief information about managerial team

Name	Position	Sex	Age	Term of Office	Quantity of holding shares		Variation cause
					Opening	Ending	
Zhang Min	Chairman & CEO	M	42	30.07.2004-20.05.2006	0	11,500 B shares	Taking from open exchange and stock expansion by capital reserve
Ma Minliang	Vice-Chairman & CFO	M	48	30.07.2004-20.05.2006	0	3,450	Taking from open exchange and stock expansion by capital reserve
Wang Lixi	Exe. Director General Manager	M	45	20.05.2003-20.05.2006	3,450	3,968	Stock expansion by capital reserve
Zhang Zongming	Exe. Director	F	47	20.05.2003-20.05.2006	575	661	Taking from open exchange
Fei Fangyu	Independent Director	M	56	20.05.2003-20.05.2006	2,990	3,439	Stock expansion by capital reserve
Liu Rende	Independent Director	M	59	20.05.2003-20.05.2006	0	0	-
Liu Xiangdong	Independent Director	M	54	20.05.2003-20.05.2006	0	0	-
Wang Zhile	Independent Director	M	56	12.11.2004-20.05.2006	0	0	-
Jia Chunrong	Director	M	56	20.05.2003-20.05.2006	0	0	-
Shen Yibo	Director	M	39	20.05.2003-20.05.2006	0	0	-
He Zhongyuan	Supervisory Chairman	M	55	12.11.2004-20.05.2006	5,865	6,745	-
Zhuge Huiling	Supervisor	F	36	20.05.2003-20.05.2006	0	0	-
Wang Jie	Supervisor	M	45	12.11.2003-20.05.2006	0	0	-
Zhang Hengliang	Deputy General Manage	M	58	20.05.2003-20.05.2006	5,290	6,083	Stock expansion by capital reserve
Chen Mingqi	Deputy General Manager	M	50	24.06.2004-20.05.2006	1,725	1,984	Stock expansion by capital reserve
Jiang Jinrong	Deputy General Manager	M	50	20.05.2003-21.01.2005	0	0	--
Chen Changbao	Deputy General Manager	M	49	20.05.2003-20.05.2006	0	0	-
Xu Xiaohui	Chief Accountant	F	51	20.05.2003-20.05.2006	0	0	-
Zhang Yifeng	Secretary of BOD	M	54	20.05.2003-20.05.2006	2,748	3,161	Stock expansion by capital reserve

(2) Directors and Supervisors' concurrent position in the Company's shareholder institutions:

Name	Shareholder	Position	Term of Office	Subsidy paid or not
Jia Chunrong	Shanghai Shangtou Investment Management Co.	General Manager	Aug. 2003 up to the present	Yes

Shen Yibo	China Great Wall Assets Management Co. Shanghai Branch	Director, Assets Operation No1. Division	Feb. 2001 up to the present	Yes
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(3) Working profile of Directors, Supervisors and senior management personnel

- ① Zhang Min, once held successively the posts of Assistant to General Manager in Shanghai Refrigerator Compressor Co., Ltd., General Manager of Shanghai Zunussi Electromeccanica Co., Ltd., Deputy Secretary of CCP Committee, General Manager, Vice Chairman and Chairman of Shanghai SMPIC Corporation. Currently as Secretary of CCP Committee, Chairman and CEO of SGSB.
- ② Ma Minliang, once held successively the posts of Secretary of CCP Committee and General Manager of Shanghai Maling Acualius Co., Ltd., Secretary of CCP Committee and Deputy General Manager of Shanghai Light Industries Equipment Co., Ltd., Secretary of CCP Committee, Deputy General Manager and General Manager of SMPIC Corporation. Now he assumes office as Vice Chairman and CFO of SGSB.
- ③ Wang Lixi, once assumed office of Deputy General Manager, Vice Secretary of CCP Committee and Chairman of Labour Union of the Company, Vice Chairman of Labour Union of Shanghai Light Industries Holding Group. Currently as Executive Director of BOD, General Manager and COO of SGSB.
- ④ Zhang Zongming, once as CCP Secretary and Deputy Director of Shanghai Jiangwan Machinery Factory, Secretary of CCP Committee in the subsidiary undertaking Shanghai Industrial Sewing Machines General Factory, Vice Secretary of CCP Committee and Secretary of Discipline Inspection Committee of the Company. Actually he assumes office as Executive Director of BOD of SGSB.
- ⑤ Fei Fangyu, once appointed as Professor and Tutor of Doctor in the Institute of Finance of Shanghai University of Finance & Economics. Actually he is titled as Professor and Tutor of Doctor in Aetna School of Management of Shanghai Jiaotong University, and elected as Independent Director of SGSB.
- ⑥ Liu Xiangdong, once as Vice President of ICBC Shanghai Branch and General Director of ICBC Investment Banking Department. Now he assumes office of President of Chia Tai International Financing Co., Ltd. and Independent Director of SGSB.
- ⑦ Liu Rende, once assumed office of Chief Accountant of the Company. Now he takes the seat of CCP Committee Secretary and Vice Chief Accountant of Shanghai East Asia Certificated Public Accountants, and elected as Independent Director of SGSB.
- ⑧ Wang Zhiping, once as Docent and Associate Professor of Renmin University of China. Actually he is appointed as Director of Multinational Corporations Studies Center of the Research Institute of the Ministry of Commerce. Besides the position of Independent Director of SGSB, he also takes the positions of Vice Chairman of China Group Companies Promotion Association, Vice Chairman of China Investment Association Foreign Investment Committee, Invited Researcher of China Economic System Reform Studies Center and Part-time Professor of the Multinational Companies Study Center of Nankai University.
- ⑨ Jia Chunrong, once as Vice Chief Economist, Deputy General Manager of Shangtou Industrial Co., Ltd. and Deputy General Manager of Shangtou Investment Management Co., Ltd. Now he assumes office of General Manager of Shangtou Investment Management Co., Ltd. and Director of SGSB.
- ⑩ Shen Yibo, once as Vice Director of General Admin. Dept., Vice Director and Director of Creditor Rights Dept. of China Great Wall Assets Management Corporation Shanghai Branch. Now he has been appointed as Director of Assets Operation No.1 Division of the same company and Director of SGSB.
- ⑪ He Zhongyuan, once appointed successively as Deputy General Manager, General Manager, Vice Chairman of BOD of the Company, and currently elected as Chairman of Supervisory Board of SGSB and Director of Shanghai Forever Co., Ltd.

- ⑫ Zhuge Huiling, once appointed as Secretary of Communist Youth League, Vice Chairwoman and Chairwoman of the Labour Union of the Company. Now she is elected as Vice Secretary of CCP Committee and Supervisor of SGSB.
- ⑬ Wang Jie, once as Vice Director of Shanghai Xinhua Glass Factory, Vice Financing Director of Shanghai SMPIC Corporation. Currently he is designated as Vice Director of Financing & Auditing Department and Supervisor of the Company.
- ⑭ Zhang Hengliang, once assumed office of Director of Shanghai No.4 Sewing Machines Factory. Actually he seats Deputy General Manager and Chief Engineer of SGSB.
- ⑮ Chen Mingqi, once as Vice Director of Economic Operation Dept. of Shanghai Light Industry Holding (Group) Company and Director of the Company. Now he is designated as Deputy General Manager of SGSB.
- ⑯ Jiang Jinrong, once Marketing Director of the Company and Vice Secretary of CCP Committee. Since May, 2003, he has been the Deputy General Manager of SGSB.
- ⑰ Chen Changbao, once designated as Vice Secretary of CCP Committee and Secretary of Discipline Committee of the Company. Now he takes the seat of Deputy General Manager of the Company.
- ⑱ Xu Xiaohui, once as Vice Director of Assets Management Office of the Company and currently as Director of Financing & Auditing Department of SGSB.
- ⑲ Zhang Yifeng, once as Director of Assets Management Office and Head of General Office of the Board of Directors. Currently he assumes office of Secretary to BOD of SGSB.

2. Concurrent posts of above-mentioned senior officials in other non-shareholder units:

Name	Unit	Concurrent Post	Remuneration and subsidies paid or not
Liu Xiangdong	Shanghai No.1 Pharmaceuticals Co., Ltd.	Independent Director	Yes
	SINOPEC Shanghai Petrochemical Co., Ltd.	Independent Supervisor	No
	Dongfeng Electronic Technology Co., Ltd.	Independent Director	Yes
Fei Fangyu	Shanghai Sanmao Enterprise Group Co., Ltd.	Independent Director	Yes
	China Textile Machinery Co., Ltd.	Independent Director	Yes
	Jinbei Automotive Co., Ltd.	Independent Director	Yes
Wang Zhile	China National Offshore Oil Corporation	Senior Consultant	Yes
Jia Chunrong	Shanghai Highly Group Co., Ltd.	Director	No
	Shanghai Lian Hua Fibre Co., Ltd.	Director	No
	Shanghai Shenshi Auto. Commercial City Co.	Director	No
	Beijing Southern China Mansion Co., Ltd.	Director	No
He Zhongyuan	Shanghai Forever Co., Ltd.	Director	No

3. Annual remuneration of the managerial personnel

- (1) The remuneration definition system has been approved by the Remuneration & Evaluation Committee of BOD.
- (2) The wage and welfare system for senior managerial persons is a combination of the basic salary, the bonus and the premium directly linked with target-oriented performance evaluation in business operations.
- (3) Remuneration information

RMB'000

Total sum for Directors, Supervisors and Senior Managers	2,399.6
Top paid three Directors	1,002.1
Top paid three Senior Managers	475.5
Subsidy for Independent Directors	60.0

(4) Directors who don't get remuneration from the Company

Directors not paid by the Company	Paid by shareholder or other related units
Jia Chunrong	Paid by shareholder
Shen Yibo	Paid by shareholder

According to the decision by General Meeting of Shareholders, Independent Directors received individually an annual subsidy of RMB 60,000 (taxation included). The Meeting of Executive Directors also decided to pay to each of Directors and Supervisors from outside the Company, except Independent Directors, monthly RMB 600 as communication subsidies.

(5) Remuneration range information

Remuneration range	Number of Directors, Supervisors and Managers
Less than 100,000	10
Between 100,000 and 150,000	1
More than 150,000	8

4. Position variation and transference of Directors, Supervisors and Managers during report year

Name	Position of the time	Reason for variation
Ni Yonggang	Chairman of BOD, Director	Resigned the positions in BOD for personal health reason
He Zhongyuan	Vice Chairman of BOD, Director	Resigned the posts in BOD for work redeployment
Chen Mingqi	Director	Resigned the post of Director for work redeployment
Sun Zhen	Supervisor	Resigned the position for work redeployment
Fan Weimin	Chairman of Supervisory Committee, Supervisor	Resigned the posts for work redeployment
Jiang Jinrong	Deputy General Manager	Resigned the post for work redeployment

5. Staff of the Company

At the end of 2004, 4,715 employees were listed in SGSB's employment documentation, among whom, 2,512 persons are actually working at their positions. Besides, the Company takes a total number of 5,250 retired persons, whose pension and medical costs are covered by social pension security system.

The profession and education-level structure of the Company as following:

Work division	Number of employees	Education level	Number of employees
Manufacture	1,520	Postgraduate & bachelor	105
Sales	147	Junior college	332
Engineering	183	Technical & senior high school	257
Financing	88		
Others	574	Below senior high school	1,818

Chapter VI. Administration Structure of the Company

1. Overview of the Company's actual administrative structure

During report year, SGSB Co., Ltd. regularizes its business operations strictly in light of principles stipulated in <Company Law of the People's Republic of China>, <Securities Law of the PRC>, and related norms and regulations set by China Securities Regulatory Commission. The legal administration of SGSB is generally under framework of <Administrative norms for listed companies>.

(1) About shareholder affairs and General Meetings of Shareholders:

The Company convenes all its General Meetings of Shareholders in line with the requirements of <Standardized Notions for General Meetings of Shareholders> and SGSB's internal regulation <Rules for Discussion in General Meetings of Shareholders>, and practise classification and accumulation voting systems according to the character of proposals to be considered. The Company treats equally to all the shareholders, and respect particularly the interests of those medium & minor shareholders.

(2) Relationship between the holding shareholder and the Company:

SGSB Co., Ltd. runs independently all its business operations and holds the capacity of independent administration and the holding shareholder has the consciousness to regularize its behavior. The related-party transactions between the Company and its holding shareholder follow strictly common business practice, with price-policy transparent. The related-party shareholders abandon automatically the voting rights on considering those related-party proposals in which their interests are involved.

(3) About Directors and the Board of Directors:

The Company elects Directors strictly following director-election procedures in accordance with <Articles of Association of the Company>. During report year, the Company has elected additionally an Independent Director and makes the number and personnel structure of the Board of Directors tally with related requirements and regulations. Furthermore, the Company has adjusted the structure of its four specific sub-committees to create conditions for enhancing the efficiency and quality of BOD's operations. All the specific sub-committees can fulfill their functions and the Directors actively participate in the working meetings of BOD in accordance with <Rules for Discussion in Meetings of BOD>.

(4) About supervisors and the Supervisory Board:

The Supervisory Board can fulfill its duties under the framework of <Articles of Association of the Company>, supervise the legality and regularity of financial works, operations of the Directors, General Manager and other senior managerial employees, and express independent opinions.

(5) Efficiency evaluation and stimulus mechanism:

All the high-level managerial persons of the Company are elected and screened by a fair competition system. The senior management team regularly reports back on their work to the Board of Directors and accepts appraisal of the latter. The Company continuously optimizes the efficiency evaluation and stimulus mechanism. The performance of all high-level managerial personnel is regularly examined and evaluated by the Company's HR Department, and the remuneration & examination sub-committee of BOD does annual evaluation for them and determines their payment at the end of every year.

(6) About interested parties:

For the sustainable, healthy and stable development of the Company, SGSB Co., Ltd. pays much attention to keep its social responsibilities, soundly respects the legal rights and interests of those interested parties, and realizes harmonious balance of interests among shareholders, employees and the society.

(7) About information release and transparency:

The Company appoints the Secretary to BOD to information release, reception of shareholders' visits and their consultations. SGSB designates <Shanghai Securities News> and <Hong Kong Commercial Daily> as newspapers for information announcement of the Company. In accordance with related laws and regulations, the Company releases all the information with authenticity, accuracy, integrity and promptitude, and guarantees the equity of opportunity for all the shareholders to obtain the same information.

2. Fulfillment of duties of Independent Directors

During report year, the four Independent Directors fulfill their duties with honesty and diligence, faithfully pretend the whole interests of the Company and legal rights of medium and small shareholders under the orientation of <Working system for Independent Directors>. They actively attend the meetings of BOD and general meetings of shareholders, zealously inspect the business operations of the Company, express independent legal and accounting opinions on the significant events such as personnel variation of senior managers, external mutual guaranties, related transactions, and offer written Opinion of Independent Director. All these works create a sound environment for the objective and reasonable decisions of the Board of Directors.

(1) Attendance of Independent Directors in the meetings of BOD:

Name	Total times of attendance	Personal attendance	Trusted attendance	Absence
Fei Fangyu	12	11		1
Liu Xiangdong	12	9	1	2
Liu Rende	12	11		1
Wang Zhile	1	1		

(2) Independent Directors' objection against significant events of the Company:

During report term, the four Independent Directors of the Company haven't expressed any

objection against the proposals launched in the meetings of BOD or other non-BOD meetings.

3. Structural independence of the Company

- (1) In respect to its business, SGSB Group Co., Ltd. runs independently the productive, auxiliary manufacture, accessories, purchasing and sales chains. The business structure of the Company is integrated, independent and without any conflict or repetition to that of the holding shareholder. The holding shareholder never intervenes directly or indirectly in the business operations of the Company.
- (2) Concerning personnel and remuneration administration, the Company runs independent labor & personnel management structure and wage system. All senior managers get salary from the Company, and none of them holds administrative positions in the holding shareholder.
- (3) In respect to assets, the Company also owns independently and exclusively all the assets, and holds independent land property and intellectual property right.
- (4) Regarding institutional system, the Company has established an organic structure totally independent from its holding shareholder and holds independent office location.
- (5) Besides, the Company has independent accounting sector, and accounting system, financial administrative system as well. It also opens its own banking account and pay taxes in conformity with legal provisions.

4. Evaluation and incentive system of senior managerial team

The Company has elaborated <Measures towards the evaluation of business records of senior managers>. The remuneration of senior managers of SGSB, its sub-companies and subsidiary undertakings, is divided into two parts which are basic salary and performance bonus. The basic salary consists of a fixed payment with premise that no significant mistake occurs in business activities, and the performance bonus depends on every manager's performance and his/her business records evaluated with risky contract targets.

The Company's personnel department regularly examines and appraises the performance of all high-level managers, and the remuneration & examination committee of BOD realizes annual comprehensive evaluation and determines the remuneration of every manager on year-end.

Proceeding from actual conditions, SGSB Co., Ltd. also plans to optimize the remuneration and evaluation system, and revise the stimulus system for senior managers.

Chapter VII. Brief Information about Shareholders' General Meetings

1. 2003 Annual General Meeting of Shareholders

Announcement, gathering and convening of 2003 Annual General Meeting of Shareholders:

On May 22, 2004, Shanggong Co., Ltd. announced the notice to convene its 2003 Annual General Meeting of Shareholders in <Shanghai Securities News> and <Hong Kong Commercial Daily>, and made public the date, venue and agenda of the meeting.

On June 22, 2004, the Company held as scheduled its 2003 Annual General Meeting of Shareholders at Shanghai Film Art Center. Totally 103 shareholders or their trustees attended the meeting, representing 173,966,581 shares, 44.57% of total stock equity (among the attendants, there were 20 B stock shareholders or trustees who represented totally 32,695,245 B shares).

2004 Annual General Meeting of Shareholders voted and passed the following resolutions: <Working Report of the Board of Directors>, <Working Report of the Supervisory Board>, <Financial Working Report>, <Proposal of Profit Appropriation for Year 2003>, <Proposal to Issue New Shares by Capitalizing the Reserve Funds>, <2003 Payment Proposal to Annual Report Auditors>, <Proposal on Adjustment the Level of Subsidies to Be Paid to Independent Directors>, <Proposal on Transfer of 90% Equity of Changsha Hua Tian Biochemistry Industrial Co., Ltd.>, < Proposal on Quit the Investment into SMPIC Office Equipment Company>, <Proposal on Transfer to Land Use Right>. All the related resolutions were published in <Shanghai Securities News> and <Hong Kong Commercial Daily> dated June 24, 2004.

2. 2004 Provisional General Meetings of Shareholders

(1) 2004 First Provisional General Meeting of Shareholders:

On the date June 30, 2004, the Company made public the announcement to convene 2004 First Provisional General Meeting of Shareholders, with details of the date, venue and agenda of the meeting in <Shanghai Securities News> and <Hong Kong Commercial Daily>.

On July 30, 2004, the 2004 First Provisional General Meeting of Shareholders was gathered at Shanghai Film Art Center, with attendance of 75 shareholders and trustees, holding 156,962,156 shares, 34.97% of total stock capital (among the attendants were 9 B stock shareholders or trustees with 35,470,478 B shares).

The meeting considered and approved the following proposals: <Proposal on Change of BOD Members>, < Proposal on Amendment of the Articles of Association of Shanggong Co., Ltd.>, < Proposal on Adjustment of the Guaranty Amount with Shanghai Building Materials (Group) Co., Ltd. and Shanghai Worldbest Industry Development Co., Ltd.>.

The 2004 First Provisional General Meeting of Shareholders voted and agreed Mr. Ni

Yonggang and Mr. Chen Mingqi to resign the duty of Directors; and elected Zhang Min and Mr. Ma Minliang as Directors.

Related resolution announcements were published on August 3, 2004 in <Shanghai Securities News> and <Hong Kong Commercial Daily>.

(2) 2004 Second Provisional General Meeting of Shareholders

On the date October 12, 2004, the Company made public the announcement to convene 2004 Second Provisional General Meeting of Shareholders, with details of the date, venue and agenda of the meeting in <Shanghai Securities News> and <Hong Kong Commercial Daily>.

On November 12, 2004, the 2004 Second Provisional General Meeting of Shareholders was gathered at Shanghai Film Art Center, with attendance of 87 shareholders and trustees, holding 169,298,395 shares, 37.72% of total stock capital (among the attendants were 14 B stock shareholders or trustees with 22,246,312 B shares).

The provisional meeting considered and approved the following proposals: <Proposal on Change of BOD Candidates >, <Proposal on Change of Supervisory Board Candidates>, <Proposal on Asset Swap between Shanghai Light Industry Holding Company (Group) and Shanggong Co., Ltd.>, <Proposal on Using Funds Raised to Acquire German DA Company>.

The 2004 Second Provisional General Meeting of Shareholders voted and agreed Mr. He Zhongyuan to resign the duty of Director; voted and agreed Mr. Fan Weimin and Mr. Sun Zhen to resign the duty of Supervisors; and elected Mr. Wang Zhiping as Independent Director of BOD and as Mr. He Zhongyuan and Mr. Wang Jie as Supervisors.

Related resolution announcements were published on November 16, 2004 in <Shanghai Securities News> and <Hong Kong Commercial Daily>.

(3) 2004 Third Provisional General Meeting of Shareholders

On the date November 30, 2004, the Company made public the announcement to convene 2004 Third Provisional General Meeting of Shareholders, with details of the date, venue and agenda of the meeting in <Shanghai Securities News> and <Hong Kong Commercial Daily>.

On December 30, 2004, the 2004 Third Provisional General Meeting of Shareholders was gathered at Shanghai Film Art Center, with attendance of 76 shareholders and trustees, holding 173,021,823 shares, 38.54% of total stock capital (among the attendants were 13 B stock shareholders or trustees with 26,204,201 B shares).

The provisional meeting considered and approved the following proposals: <Proposal on Change of Company Name>, <Proposal on Amendment of the Articles of Association of the Company>, <Proposal on SMPIC Office Equipment Company (the Holding Subsidiary of Shanggong Co., Ltd.) to Sell 80% Equity of Shanghai Xinhua Glass Factory (the 100% Subsidiary of SMPIC Office Equipment Company) to Shanghai Pudong State-owned Asset Investment & Management Company>. Related resolution announcements were published on December 31, 2004 in <Shanghai Securities News> and <Hong Kong Commercial Daily>.

Chapter VIII. Report by the Board of Directors

1. Summary and analysis of the overall operation during the report period

During the report period, under the leadership of the BOD and on the principle of development leading adjustment & development cohering human resources, the Company has integrated the inside/outside relationship and development principles, overcome a series of difficulties, and taken various achievements in respect of operation, management, project construction, etc.:

- (1) Transnational M&A has been carried forward substantially, and multinational operation structure been preliminarily built up;
- (2) Asset integration has achieved the preset goal; and group structure been fundamentally established;
- (3) Internal management system has been integrated gradually; and structural adjustment measures been carried out in order; and
- (4) Production capacity has kept on enhancement; and overseas market been continuously widening.

2. Operation of the Company

- (1) Main business scope of the Company and its operations

- (a) The Company's main business scope

The Company is mainly engaged in production and sale of sewing machines, related components, special-purposed sewing equipments, technological development and advisory services.

During the report period, the Company realized a principal operating income of RMB 996,250,000, increases of 14.93%; a principal operating profit of RMB 111,790,000, 2.55% more than that of the anterior period; and a net profit of RMB 3,767,700, a decrease of 74.19%.

During report year, the Company manufactured and sold different types of industrial sewing machine amounting 86,065 and 93,500 units respectively. And the production and sale volumes of different types of home-use sewing machines amounted 114,165 and 118,693 units respectively. The foreign exchange income deriving from export sales researches USD 58,758,400, which includes USD 36,243,200 deriving from export sales of sewing machines.

- (b) Composition of principal operating income and profit during the report period

RMB '000

Items	Principal operating income	Proportion (%)	Principal operating profit	Proportion (%)
Sewing machines	468,810.0	47.06	52,290.0	45.79

Glasswork	120,960.0	12.14	33,940.0	29.72
International trade	205,180.0	20.60	6,160.0	5.39
Office appliances	120,690.0	12.11	11,280.0	9.88
Biochemical products	28,110.0	2.82	2,520.0	2.21
Filming products	41,750.0	4.19	2,830.0	2.48
Others	10,750.0	1.08	5,170.0	4.53
Including: related party transactions				
Total	996,250.0	100	114,190.0	100

(c) The principal operating by locations:

RMB'000

Location	Principal operating income	Proportion (%)	Principal operating profit	Proportion (%)
Domestic	503,730	50.56	88,480	77.48
Overseas	492,520	49.44	25,710	22.52

In 2004, the marketing share of the Company in the sector of sewing machinery equals to 3.10%.

(d) Main industrial sectors individually contributes 10% or more to the total operating income or operating profit:

RMB'000

Items (by sectors)	Principal operating income	Principal operating cost	Gross margin (%)
Sewing machines	468,810.0	416,520.0	11.15
Glasswork	120,960.0	87,020.0	28.06
International trade	205,180.0	199,020.0	3.00
Office appliances	120,690.0	109,410.0	9.35

(2) Business situation of major subsidiary undertakings and associated undertakings

(a) Business performance of major subsidiary undertakings

RMB '000

Company	Business scope	Stock equity proportion	Registered capital	Total assets	Net profits
Shanghai Baoling Complete Engineering Equipment Co., Ltd.	Trading	90%	550	1,925	35
Shanghai Yongde Economic Development Co., Ltd.	Trading	80%	2,000	5,284	-533
Shanghai Fuhua Light Industrial Machinery Co., Ltd.	Trading	55%	5,760	9,137	-120
Shanghai Industrial Sewing Machines Materials Trading Co., Ltd.	Trading	100%	4,650	4,502	-211
Nantong Shangong Sewing Machines Co., Ltd.	Trading	65%	800	3,377	8
Wuxi Shangong Sewing Machines Co., Ltd.	Trading	80%	500	651	1

(b) None of the associated undertakings contributes 10% or more to net profit of the Company.

(3) Main suppliers and customers

RMB'000

Purchase from top 5 suppliers	19,504.7	Proportion among the total purchase	41%
Sale to top 5 customers	58,116.2	Proportion among the total sale	12.40%

(4) Difficulties emerged in business and proposed solutions

During the year 2005, the Company is estimated to meet against large challenges, on the one side, the price of main raw materials of sewing machines, such as iron and steel, is tending upwards, and the large quantity of human recourses also puts pressure on the operating costs; on the other side, the competition in the sector is rather tight, and with the practice of overseas investment, the capital pressure is so heavy. All these factors will attach negative influence on the business performance of the Company. Under such environments, the Company will speed up to accomplish the international M&A, realize the integration of its business in Europe and Asia, and finish the integration and mutual complement in marketing, products, technology, quality and costs, with expectation to get sound development. At the same time, the Company will avail the support of the holding shareholder, optimize the assets' structure, deepen the international reform, peel off the sideline sectors and adjust the organization structure with purpose of concentrating recourses and efforts for the rapid development of main operations.

3. Investments by the Company during the report period

(1) Use of the funds raised

The Company collected an amount of RMB 322,640,000 by additional issuance of new shares in November 2003.

On October 29, 2004, the Company signed a formal agreement with FAG Kugelfischer AG (FAG Co.) for acquiring from the latter 94.98% stock equity of Durkopp Adler AG (DA Co.). The main clauses of the agreement are available in the resolution announcement of the 14th meeting of the Fourth BOD of the Company. (Reference to <Shanghai Securities News> and <Hong Kong Commercial Daily> dated October 12, 2004.)

On November 1, 2004, State Development Planning Commission approved in its Circular FGWZ 2004-2403 the revised acquisition proposal of DA stock equity.

On December 21, 2004, Shanghai Foreign Economic Relation & Trade Commission approved in HJMWZ 2004-835 that the Company could establish in Germany Shanggong (Europe) Holding Co., Ltd. with register capital of 10 million euros and total investment of 17 million euros. In line with these approvals, the Company founded Shanggong (Europe) Holding Co., Ltd. as acquisition platform to integrate and operate the business of DA Co.

On November 25, 2004, State Administration of Foreign Exchange Shanghai Office asked for instructions from SAFE and got the authorization to inspect the source of foreign exchange of the acquisition of DA Co.'s stock equity. In current acquisition, the Company collected all the 17 million euros by the specific issuance of B shares and, on March 22, 2005, the Company transferred 10 million euros as register capital to Shanggong (Europe) Holding Co., Ltd. according to the approval dated March 22, 2005 of State Administration of Foreign Exchange Shanghai Office.

Based on the agreement of stock equity acquisition, an essential premise of the transaction is that the Company could accomplish a fulfillment guaranty of US\$ 5.3 million for the housing rent contract of DA Co. USA subcompany, a credit guaranty of 5 million euros and a business guaranty of another 4 million euros for DA Co. Actually, the Company has prepared the proposal for such guaranties and handed it under the decision of foreign exchange

administration.

Furthermore, the Company has organized a project coordination unit for the business integration in Europe and Asia, and has done concrete preparation with DA's personnel for the cooperation in manufacture, trade, development of products and purchase of materials.

RMB'000							
Committed projects	Planned investment amount	Any changes	Actual devoted amount	Estimated earning	Actual earning	Comply with planned schedule?	Comply with anticipated income?
1. Project on acquisition of DA Co.	200,960	No	8,588	-	-	-	-
2. Establishing production line of computer-controlled special-purposed industrial sewing machines with utilization of tech. imported from DA Co.	195,000	No		-	-	-	-
Total:	395,960	-	8,588	-	-	-	-

(2) Use of non-raised funds on investment projects during the report period

- (a) During report year, the Company paid RMB 16,137,400 to acquire the office area totaled 1,341.62 m² located at Orient Mansion, 1500 Shiji Dadao, Pudong New Area.
- (b) According to the resolution of 2003 Annual General Meeting of Shareholders, the Company paid RMB 89,579,000 to Shanghai Light Industry Holding (Group) Company for the acquisition of ten pieces of land held then by the latter and utilized by the Company. (Reference to Chapter V. Article III of current Annual Report)

4. Financial status of the Company

Item	Ending data	Beginning data	In/decrease	RMB'	
				In/decrease proportion (%)	
Total assets	1,786,734,577.34	1,755,205,977.66	31,528,599.68		1.80
Principal operating profit	111,787,205.82	109,010,168.83	2,777,036.99		2.55
Net profit	3,767,743.02	14,595,602.55	-10,827,859.53		-74.19
Net increase in cash and cash equivalents	545,965,518.03	635,610,284.65	-89,644,766.62		-14.10
Shareholders' equity	857,321,016.76	853,350,255.63	3,970,761.13		0.47

(1) The net profit decreased by 74.19% mainly due to the following reasons:

- the principal operating profit increase by RMB 2,777,000;
- the lease income increase by RMB 4,048,000;
- the net earning from stock equity transfer increase by RMB 36,200,000;
- the net earning from disposition of fixed assets increase by RMB 2,070,000;
- the provision of depreciation of assets increase by RMB 19,690,000;
- the net income from land compensation decrease by RMB 29,670,000.

(2) The change in cash and cash equivalents lies in the acquisition of ten pieces of land (73,855 m²) from Shanghai Light Industry Holding (Group) Company by RMB 89,579,000 and the acquisition of the office area (1,341.62 m²) located at Orient Mansion, 1500 Shiji Dadao by RMB 16,137,400.

5. Influence of business circumstances, macro-policies and changes in regulations

(1) The adjustment of VAT export refund rate from 17% to 13% since January 2004; the raise of bank loan interest rate; and the fluctuation of RMB exchange rate have substantial influence on the expense level of the Company.

(2) The prices of principal raw materials such as iron, steel and wood are booming, which would have negative impact on the business performance of the Company.

(3) According to the tax policies of the Pudong New Area, the effective income tax rate of the Company is 15% as which is registered in Pudong New Area.

(4) The Company plans to upgrade technology on manufacturing of sewing machines with the advanced technology of DA Co., the subsidiary of German FAG, after the acquisition of its 90% shares, will would also influence on the Company's business performance significantly.

6. Business development programs for coming year

The Company, for purposes of strengthening the core competition power, would focus on the following aspects during 2005:

- (1) To work on the international acquisition project for accelerating technology upgrade;
- (2) To catch the overall planning goals to lessen the loss-making situation;
- (3) To intensify management on procurement and quality-control to promote competition strength; and
- (4) To integrate the Company's valid recourses for implusing international investment and cooperation, achieving sustained development.

7. Routine work of Board of Directors

(1) Meetings and resolutions done by Board of Directors during the report period

- (a) The 6th meeting of the Fourth Board of Directors was carried out via teleconference on March 26, 2004, on which 10 directors (out of 10 directors who have to right to vote) considered and passed <Management Meassures on Funds Raised>, <Proposal on Participating Investment on State Debt>, which were published in <Shanghai Securities News> and <Hong Kong Commercial Daily> dated March 27, 2004.
- (b) The 7th meeting of the Fourth Board of Directors was held on April 15, 2004. There should be 10 directors attending the meeting and the actual attendances are 10 directors. The meeting considered and passed <Work Report of the General Manager>, <Finance Work Report>, <Proposal on Profit Appropriation for 2003>, <Preliminary Plan on Share Increase by 2003 Capital Reserve>, <2003 Annual Report and Abstract from 2003 Annual

Report>, <Proposal on Payment of Audit Fee to CPA Firm>, <Proposal on Adjustment the Level of Subsidies to Be Paid to Independent Directors>, <Proposal on Transfer of 90% Equity of Changsha Hua Tian Biochemistry Industrial Co., Ltd. to Hunan Yin Hai Petrochemicals Co., Ltd.>, <Proposal on Quit the Investment into SMPIC Office Equipment Company>, <Proposal on Holding General Meeting for Shareholders>. All the related resolutions were published in <Shanghai Securities News> and <Hong Kong Commercial Daily> dated April 17, 2004.

- (c) The 1st provisional meeting of the Fourth Board of Directors was carried out via teleconference on April 26, 2004, on which 7 directors (out of 10 directors who have to right to vote) considered and passed <First Quarter Report of the Company>.
- (d) The 8th meeting of the Fourth Board of Directors was carried out via teleconference on June 10, 2004, on which 9 directors (out of 10 directors who have to right to vote) considered and passed <Provisional Proposal on Adding Shanghai Light Industry Holding Company (Group) into the Shareholders of the Company for the Year 2003>. The resolution was published in <Shanghai Securities News> and <Hong Kong Commercial Daily> dated June 11, 2004.
- (e) The 9th meeting of the Fourth Board of Directors was held on June 24, 2004. There should be 10 directors attending the meeting and the actual attendances are 8 directors. The meeting considered and passed <Proposal on Assignment Adjustment of the Directors and Senior Management of the Company>, <Proposal on Amendment of the Articles of Association of the Company>, <Proposal on Adjustment of the Guaranty Amount with Shanghai Building Materials (Group) Co., Ltd. and Shanghai Worldbest Industry Development Co., Ltd.>, <Proposal on Holding 2004 First Provisional General Meeting of Shareholders>. All the related resolutions were published in <Shanghai Securities News> and <Hong Kong Commercial Daily> dated June 26, 2004.
- (f) The 10th meeting of the Fourth Board of Directors was held on July 30, 2004. There should be 10 directors attending the meeting and the actual attendances are 9 directors. The meeting considered and passed <Proposal on Assignment of Managing Director of the BOD>, <Proposal on Election of Chairman of BOD>, < Proposal on Vice Election of Chairman of BOD>, <Proposal of Adjustment of Candidates for the Professional Committee of the BOD>. All the related resolutions were published in <Shanghai Securities News> and <Hong Kong Commercial Daily> dated August 3, 2004.
- (g) The 11th meeting of the Fourth Board of Directors was held on August 19, 2004. There should be 10 directors attending the meeting and the actual attendances are 10 directors. The meeting considered and passed <Proposal on Change of BOD Members>, and <Half-year Report for 2004 and Its Abstract>, which were published in <Shanghai Securities News> and <Hong Kong Commercial Daily> dated August 21, 2004.
- (h) The 12th meeting of the Fourth Board of Directors was carried out via teleconference on September 7, 2004, on which 10 directors (out of 10 directors who have to right to vote) considered and passed <Proposal on Renewal of the Mutual Credit Guaranty Agreement with Shanghai Worldbest Industry Development Co., Ltd.>, which were published in <Shanghai Securities News> and <Hong Kong Commercial Daily> dated September 8, 2004.
- (i) The 13th meeting of the Fourth Board of Directors was held on September 27, 2004.

There should be 10 directors attending the meeting and the actual attendances are 10 directors. The meeting considered and passed <Proposal on Increase of Independent Directors>, and <Proposal on Asset Swap between Shanghai Light Industry Holding Company (Group) and Shanggong Co., Ltd.>, which were published in <Shanghai Securities News> and <Hong Kong Commercial Daily> dated September 29, 2004.

- (j) The 14th meeting of the Fourth Board of Directors was held on October 11, 2004. There should be 10 directors attending the meeting and the actual attendances are 10 directors. The meeting considered and passed <Proposal on Using Funds Raised to Acquire German DA Company>, and <Proposal on Holding The 2004 Second Provisional General Meeting of Shareholders>, which were published in <Shanghai Securities News> and <Hong Kong Commercial Daily> dated October 12, 2004.
- (k) The 15th meeting of the Fourth Board of Directors was carried out via teleconference on October 21, 2004, on which 10 directors (out of 10 directors who have to right to vote) considered and passed <Third Quarter Report of the Company>.
- (l) The 16th meeting of the Fourth Board of Directors was held on November 29, 2004. There should be 10 directors attending the meeting and the actual attendances are 10 directors. The meeting considered and passed <Proposal on Change of Company Name>, < Proposal on Amendment of the Articles of Association of the Company>, <Proposal on SMPIC Office Equipment Company (the Holding Subsidiary of SGSB Group Co., Ltd.) to Sell 80% Equity of Shanghai Xinhua Glass Factory (the 100% Subsidiary of SMPIC Office Equipment Company) to Shanghai Pudong State-owned Asset Investment & Management Company>, and <Proposal on Holding The 2004 Third Provisional General Meeting of Shareholders>. All the related resolutions were published in <Shanghai Securities News> and <Hong Kong Commercial Daily> dated November 30, 2004.

(2) Meetings and resolutions done by Board of Directors during the report period

During report year, the Board of Directors completely fulfilled the resolutions done by General Meetings of Shareholders and punctually finished all the works authorized by the same power organ.

- (a) As fulfillment of the resolution done by 2003 Annual General Meeting of Shareholders, Shanggong Co., Ltd. capitalized its reserve fund to appropriate new stock among shareholders at a ratio of 1.5:10 on basis of 2003 year-end 390,336,328 shares. On July 13, 2004, the Company announced the stock appropriation of capitalized reserve fund in <Shanghai Security News> and <Hong Kong Commercial Daily>. The Company fulfilled the stock appropriation program which had July 16, 2004 as register date and July 19, 2004 as ex-right date of A shares stock equity (July 21, 2004 as B shares' register date and July 16, 2004 as last listing date of B stock equity).
- (b) Based on relevant laws and regulations, the Company held the Third Provisional General Meeting of Shareholders for 2004 on December 31, 2004, discussed and passed < Proposal on Amendment of the Articles of Association of the Company>. According such Proposal by the Shareholders' meeting, the Company performed relevant registrations and formally changed its name to "SGSB Group Co., Ltd.".

8. Proposal on profit Appropriation or reserve fund capitalization

(1) During report term the Company didn't propose profit appropriation or capitalization of reserve funds.

(2) Reason for not proposing profit appropriation in 2004: as audited by Shanghai Zhonghua Huyin Certified Public Accountants (adopting PRC accounting standards), the consolidated net profit for the year 2004 amounted RMB 3,767,743.02, including RMB 3,228,402.50 generated in parent Company. (Quoting IAS auditing report by DBO International, the consolidated net profit for the year 2004 accounted for RMB 1,817,000.)

In accordance with <The Association of Articles of the Company>, Shanggong Co., Ltd. has set aside RMB 322,840.25 for statutory capital reserve fund and the same amount for statutory public welfare fund. The Company has also decided not to appropriate discretionary reserve fund for report year. As a result, the distributive profit generated in report year reached RMB 2,582,722.00. Together with the undistributed profit of RMB 15,602,248.04, the accumulatively distributive profit for shareholders totaled RMB 18,184,970.04.

Because the parent company is operating in slender earning level, the current-term profit together with the undistributed profit totaled RMB0.04 per share, and considering 2005 is a critical period for M&A and technical transformation, for accelerating development and boosting profitability, the Company needs to inject large amount of funds on the existing and planned projects. Therefore the BOD decided not to distribute cash dividend and bonus shares for 2004.

(3) Specific statement and independent opinion from the Independent Directors on the Company realized profits but not proposed profit distribution for 2004

Although the Company realized profits for 2004, the main operation is still under loss. According to the Articles of Association, the Parent Company's accumulative un-distributed profits per share, after statutory capital reserve fund and statutory public welfare fund, is only RMB 0.04 per share. Cash dividend amount would be low. Considering the large demand of development funds in this critical period of M&A and technical transformation, and with purpose of accelerating the Company's growth and assuring long-term earning of its shareholders, not to distribute dividend or bonus shares should be matching the current situation of the Company.

For maximizing the shareholders' interest, the Company proposed capitalization of capital reserve fund. We expect the Company could carry out the international M&A and technical development, explore new markets, enhance the profitability of core business, and realize the commitment on cash dividend distribution to investors.

9. Specific explanation of Certified Accountants on the occupancy of capital by the Holding Shareholders and other related parties

To the Board of Directors of SGSB Group Co., Ltd.:

We have accepted the entrustment from SGSB Group Co., Ltd. (the Company) and have audited the financial statements of the Company during the year 2004. On April 25, 2005, we expressed the Auditor's Report HZKZ No. (2005) 0063.

In line with the principles in the circular <Notice about Standard Clarification of Capital Intercourse between Listed Companies and their Relative Parties and of External Guaranty of Listed Companies> (ZJF [2003] 56) issued by China Security Regulatory Commission, and another explanation notice <Specific Accounting Statement Requirements for Listed Companies about their Capital Intercourse with Related Parties and External Guaranty Affairs> (HZS [2005] 21) issued by China Security Regulatory Commission Shanghai Office, the Company prepared the attached <Annual Capital Occupancy Information> and <Special Guaranties during Report Year>, in which the Company makes public related cases with its holding shareholder and other related parties as of 31 December, 2004.

The Company itself takes the responsibility for accurate information release and the authenticity, accuracy and integrity of its contents. We have verified all related accounting sheets and related information and found no important omissions.

The following specific audit document is exclusively for explanation of capital occupancy situation of the Company with its holding shareholder and related parties.

Shanghai Zhonghua Certified Accountants

Annual Capital Occupancy Information

									RMB'000
Occupying Party	Relationship	Accounting Item	Year-end sum	Occupancy method	Year-beginning sum	Accumulated sum		Reason	Note
						Debit	Credit		
Shanghai Light Industry Holding (Group) Company	Holding shareholder	Other receivables		Short-term loan		197,110	197,110	Turnover difficulty	
Shanghai Sewing Machine Screws Factory	Subsidiary of holding shareholder	Other receivables		Short-term loan		130	130	Turnover difficulty	
Shanghai Gongfeng Elec. Appliances Co., Ltd.	Subsidiary of holding shareholder	Other receivables		Short-term loan		350	350	Turnover difficulty	
Shanghai Huaqiang Sewing Equipments Factory	Subsidiary of holding shareholder	Other receivables		Short-term loan	1,540	73,700	75,240	Turnover difficulty	
Shanghai Pujiang Metal Articles Factory	Subsidiary of holding shareholder	Other receivables		Short-term loan		100	100	Turnover difficulty	
Shanghai Shanggong Huaxin Precision Industry Co., Ltd.	Subsidiary of holding shareholder	Other receivables		Short-term loan		5,080	5,080	Turnover difficulty	
Shanghai Shanggong Needles Co., Ltd.	Subsidiary of holding shareholder	Other receivables	13,040	Short-term loan	6,560	69,810	63,330	Turnover difficulty	
Shanghai Yongde Eco. Development Co., Ltd.	Subsidiary undertaking	Other receivables	3,950	Short-term loan	10,630		6,680	Turnover difficulty	
Shanghai Industrial Sewing Machine Materials General Company	Subsidiary undertaking			Short-term loan				Turnover difficulty	Other receivables 1,970

Special Guaranties during Report Year

RMB'000

Guarantor	Warrantee	Relationship	Sum	Beginning date	Ending date	Classification
The Company	Shanghai Construction Materials (Group) General Company	Other companies	30,000	2004-12-15	2005-07-11	Joint-liability without counter guaranty
The Company	Shanghai Construction Materials (Group) General Company	Other companies	40,000	2004-06-30	2005-06-30	Joint-liability without counter guaranty
The Company	Shanghai Shanggong Needles Co.	Subsidiary company of holding shareholder	1,570	2004-10-22	2005-01-26	
The Company	Shanghai Shanggong Needles Co.	Subsidiary company of holding shareholder	1,120	2004-10-22	2005-01-26	
The Company	Shanghai Shanggong Needles Co.	Subsidiary company of holding shareholder	2,550	2004-12-17	2005-03-17	
The Company	Shanghai Shanggong Needles Co.	Subsidiary company of holding shareholder	4,770	2004-12-17	2005-03-17	
The Company	Shanghai Shanggong Needles Co.	Subsidiary company of holding shareholder	9,000	2004-06-28	2005-06-27	
The Company	Shanghai Worldbest Enterprise Development Co., Ltd.	Other companies	20,000	2004-07-30	2005-07-29	
The Company	Shanghai Worldbest Enterprise Development Co., Ltd.	Other companies	20,000	2004-09-29	2005-09-29	
The Company	Shanghai Worldbest Enterprise Development Co., Ltd.	Other companies	30,000	2004-06-07	2005-06-06	
The Company	Shanghai Worldbest Enterprise Development Co., Ltd.	Other companies	30,000	2004-07-15	2005-07-14	
The Company	Shanghai Worldbest Enterprise Development Co., Ltd.	Other companies	10,000	2004-09-27	2005-05-26	
The Company	Shanghai Worldbest Enterprise Development Co., Ltd.	Other companies	30,000	2004-11-11	2005-11-09	
The Company	China Worldbest Group Co., Ltd.	Other companies	30,000	2004-06-30	2005-06-08	
Subsidiary undertaking	Shanghai Xinhua Glasswork Factory	Other companies	20,000	2004-07-01	2005-06-30	
Subsidiary undertaking	China Economic & Tech. Investment Guaranty Co., Ltd.	Other companies	4,250	2004-07-01	2005-06-30	
The Company	Shanghai Shanggong Imp.&Exp. Co., Ltd.	Subsidiary undertaking	2,700	2004-08-18	2005-03-18	
The Company	Shanghai Shanggong Imp.&Exp. Co., Ltd.	Subsidiary undertaking	8,000	2004-03-03	2005-03-02	
The Company	Shanghai Shanggong Imp.&Exp. Co., Ltd.	Subsidiary undertaking	30,000	2004-04-07	2005-04-07	
The Company	Shanghai Shanggong Imp.&Exp. Co., Ltd.	Subsidiary undertaking	7,000	2004-11-23	2005-11-23	

10. Independent opinion and particular explanation from Independent Directors on external guaranty

We, as Independent Directors of Shanggong Co., Ltd., oriented by the spirits of the circular <Notice about Standard Clarification of Capital Intercourse between Listed Companies and their Relative Parties and of External Guaranty of Listed Companies> (ZJF [2003] 56), the requirements of China Securities Regulatory Committee Shanghai Office, the self-inspection report of the Company and the specific explanation by the Certified Accountants, verified the Company's 2004 annual external guaranty affairs, and expressed the

following independent opinion:

(1) About capital exchange between related parties

With purpose of relocating the staff of subsidiary undertakings and trustee companies and assuring the social stability, the Company has paid relevant expenditures, which caused the capital exchange between the Company and its holding shareholder and related companies. As at end of report year, the holding shareholder has kept its promise and paid off all relevant accounts. In 2005, the Company will try to thoroughly resolve the debts between the Company and its holding shareholder and other related companies through the transfer of state-owned stock equity.

(2) About guaranties

SGSB Co., Ltd. has strictly standardized its external guaranties with specific guidance in line with the norms in <The Articles of Association>. Till end of report year, the Company's external guaranties totaled RMB 334,510,000, less than 50% of the consolidated net assets. All the guaranteed units fulfilled soundly their liabilities and no back accounts were found. So we expressed the opinion that the whole external guaranty of the Company is under control, without any risks affecting its further operations. Among the guaranty accounts of historical problems, we found a decrease of RMB 16,650,000 and 47% less than that of 2003.

In our opinion, the Company takes proactive attitude in practising the spirits of 2003-56 Circular by China Securities Regulatory Committee and State-owned Assets Supervision and Administration Commission, and achieves obvious results in controlling internal risks of itself.

SGSB Group Co., Ltd.

Independent Directors: Fei Fangyu, Liu Xiangdong, Liu Rende, Wang Zhile

April 25, 2005

Chapter IX. Report by the Supervisory Board

1. Work advances by the Supervisory Board during report year

During report year, the Supervisory Board had eight meetings whose details as following:

(1) The 6th meeting of the Company's Fourth Supervisory Board, on April 15, 2004, considered and approved <2003 Annual Working Report of the Supervisory Board> and <2003 Annual Report and Summary of the Company >. The related resolutions were carried on <Shanghai Security News> and <Hong Kong Commercial Daily> dated April 17, 2004.

(2) On June 10, 2004, the Fourth Supervisory Board convened its 7th meeting, reviewed and agreed to include the temporary proposal of Shanghai Light Industry Holding (Group) Company in the agenda of 2003 Annual General Meeting of Shareholders. The related resolutions were published on <Shanghai Security News> and <Hong Kong Commercial Daily> dated June 11, 2004.

(3) The 8th meeting of the Fourth Supervisory Board was gathered on June 24, 2004. This meeting considered and approved <Proposal for the position-change of Directors and senior managers of the Company>, <Amendment for the Articles of Association> and <Proposal to adjust mutual-guaranty-line with Shanghai Construction Materials Group Company and Shanghai Wolrdbest Enterprise Development Co., Ltd.>. The resolutions were published on <Shanghai Security News> and <Hong Kong Commercial Daily> dated June 26, 2004.

(4) The Fourth Supervisory Board convened its 9th meeting on August 19, 2004, in which were discussed and approved <Proposal for the personnel change in Supervisory Board> and <2004 Interim Report and Summary of the Company>. The announcements were carried on <Shanghai Security News> and <Hong Kong Commercial Daily> dated August 21, 2004.

(5) The 10th meeting of the Fourth Supervisory Board, on September 27, 2004, considered and agreed <Proposal for the personnel change in Supervisory Board> and <Proposal about assets displacement between the Company and Shanghai Light Industry Holding (Group) Company>. The resolutions were published on <Shanghai Security News> and <Hong Kong Commercial Daily> dated September 29, 2004.

(6) The Fourth Supervisory Board gathered its 11th meeting on October 11, 2004 and passed <Proposal about acquiring stock equity of DA Co. by utilizing collected capitals>. The resolution was made known by <Shanghai Security News> and <Hong Kong Commercial Daily> dated October 12, 2004.

(7) The 12th meeting of the Fourth Supervisory Board convened on November 11, 2004, and elected Mr. He Zhongyuan as Chairman of Supervisory Board. The resolution was announced on <Shanghai Securities News> and <Hong Kong Commercial Daily> dated November 12, 2004.

(8) The Fourth Supervisory Board got its 13th meeting, considered and passed <Variation of Organization Name of the Company>, <Amendment of the Articles of Association>, <Proposal of Transferring 80% of Shanghai Xinhua Glasswork Factory's Stock Equity by SMPIC Corporation to Shanghai Pudong State-owned Assets Investment & Management Co.,

Ltd.>. The related decisions were carried on <Shanghai Securities News> and <Hong Kong Commercial Daily> dated November 30, 2004.

2 .Independent opinion of the Supervisory Board on business operations of Law-abiding administration of the Company in 2004

During report year, the Company convened General Meetings of Shareholders, working meetings of BOD and Supervisory Board strictly in conformity with legal procedures, and made decisions exactly in accordance with the rules fixed in <Association of Articles of the Company>. Besides these legal measures, it has established a well-designed internal administrative system and effectively executed the system with purpose of preventing management risks. No behaviors were found among the Directors or General Manager, violating laws, regulations or articles of association of the Company, nor acts infringing rights and interests of the Company and its shareholders.

3. Independent opinion of the Supervisory Board on accounting conditions of the Company in 2004

Shanghai Zhonghua Certified Public Accountants expressed an independent, clean audit opinion on the Company's statements for the year 2004 base in their audit. The Supervisory Board approved that these financial statements gave a true, objective, integrated and accurate view of the Company's financial position and the results of its operations.

4. Independent opinion of the Supervisory Board on utility of collected capital of the Company in 2004

The Supervisory Board checked the real utility of collected capital of the Company and agreed their identity with the capital-utility program.

5. Independent opinion of the Supervisory Board on acquisition and sale of assets of the Company in 2004

The acquisition and sale of assets of the Company is based on equity, mutual benefit and fair price. The Supervisory Board found no behind-the-scene deals or behaviors harming the benefits of the Company and its shareholders.

6. Independent opinion of the Supervisory Board on related transactions of the Company in 2004

The Supervisory Board approved that all related transactions are realized under principle of fair business and no actions were found harming benefits of the Company and its shareholders.

Chapter X. Significant Events

1. Important arbitration and litigation affairs

The lawsuit, in which SGSB Co., Ltd. litigated for the impawn case of the national debts valued RMB 30 million it entrusted Deheng Securities Co., Ltd. to realize the investment, has been concluded by the court. (For details, please read the Announcement Lin 2004-029 published on <Shanghai Securities News> and <Hong Kong Commercial Daily> dated September 17, 2004)

On request of the Company, the court put on record the execution of this lawsuit on October 11, 2004. For that Deheng Securities Co., Ltd. was involved in several lawsuits and all its assets had been frozen and sealed up by other courts, the court didn't find any convertible assets to commute for the debts in this litigation. As a result, the court judged to suspend the related execution.

According to the Circular ZJJGZ 2004-109 by China Securities Regulatory Committee, the Company finished all the necessary register procedures of creditor's right declaration to the Trustee Office in China Huarong Assets Management Co., Ltd. which operates the assets of Deheng Securities Co., Ltd. (The information is available in Third Quarter Report of 2004 carried on <Shanghai Securities News> and <Hong Kong Commercial Daily> dated October 22, 2004.) Judging from the Announcement of Creditor's Rights Declaration towards Deheng Securities Co., Ltd. prepared by the Trustee Office, all the validated debts will be liquidated based on relative laws, regulations and policies of the country. And the Trustee Office will make known the concrete measures.

2. Assets' acquisition/sale and merger during report year

(1) Acquisition of assets

On June 25, 2004, the Company paid RMB 16,137,400 to Yangtze River Economy United Development (Group) Co., Ltd. for obtaining the property right of the office area of 1,341.62 m² (formerly rented by the Company) located in Orient Mansion, 1500 Shiji Dadao, Pudong. All the procedures have been completed by the end of report year.

(2) Sale of assets

The seventh meeting of the Fourth Board of Directors and the 2003 Annual General Meeting of Shareholders have considered and approved that the Company transfer its holding 90% stock equity of Changsha Huari Biochemical Industrial Co., Ltd. to Hunan Yin Hai Petrochemical Co., Ltd. This transaction of stock rights will make positive influence upon the Company's efforts to elevate its assets' quality and strengthen its core business. As calculated in HZPTZ 2004-010 issued by Shanghai Zhonghua Assets Appraisal Co., Ltd., the net-assets book value of Huari Biochemical on December 31, 2003 valued RMB 31,293,300 the adjusted book value RMB 31,332,600 and the appraised value RMB 36,053,200. The

transfer price is calculated on basis of the appraised value and the 90% stock equity equals to RMB 32,447,800. On July 26, 2004, the stock transfer procedures were finished through Shanghai United Assets and Equity Exchange. The Company gained an earning of RMB 534,000 from this transfer transaction.

3. Significant related transactions during report year

(1) The 7th meeting of the Fourth BOD and the 2003 Annual General Meeting of Shareholders of the Company considered and agreed that Company abandoned to reinvest in SMPIC Corporation. The holding shareholder, Shanghai Light Industry Holding (Group) Company reinvested in SMPIC by its five pieces of land evaluated as RMB 120,230,000. The Company will concentrate its efforts in the core business. After the reinvestment, the holding shareholder takes 65.22% in total stock equity of SMPIC and the Company's stock equity shrunked to 34.78%.

(2) Both the 8th meeting of the Fourth BOD and the 2003 Annual General Meeting of Shareholders of the Company considered and passed the resolution to acquire the 10 pieces of land from Shanghai Light Industry Holding (Group) Company. These pieces of land, an area of 73,855 m², were under the utilization of the Company at that moment. This transaction was helpful for the Company to clarify the property rights, decrease the risks of related transactions and promote the standardization of business operations. According to the appraisal report CXPBZ 2004-1027 by Shanghai Changxin Assets Appraisal Co., Ltd., as reference date December 15, 2003, the book value of the transaction target amounted RMB 20,100,700 and the appraised value RMB 89,579,000, which was adopted by the transaction. The Company paid once all the money by its own fund for the land usufruct on June 22, 2004.

(3) The Company's 13th meeting of the Fourth Board of Directors and its 2004 2nd Provisional General Meeting of Shareholders discussed and approved to replace the receivable accounts amounted RMB 189,110,000 with the 56.03% stock equity of SMPIC Co., Ltd. held by Shanghai Light Industry Holding (Group) Company. This asset replacement accords with the Company's strategic interests, efficiently adjust and optimize its assets' structure, enhance the assets' quality and strengthen its earning ability and sustainable development ability. As appraisal result in HDZZPBZ DZ040211020 by Shanghai Dongzhou Assets Appraisal Co., Ltd. (March 31, 2004 as base date) and XZPBZ 2003-255 by Shanghai Lixin Assets Evaluation Co., Ltd., the evaluated net assets of SMPIC amounted RMB 375,017,000. Shanghai Light Industry Holding (Group) Company transferred the above-mentioned 56.03% stock equity of SMPIC to the Company (appraisal value RMB 210,122,000 and transfer price RMB 189,110,000) and, as exchange, absorbed the Company's receivable accounts valued the same amount. During report year, all the transfer procedures haven been accomplished.

(4) The 16th meeting of the Fourth Board of Directors and the 2004 Third Provisional General Meeting of Shareholders accepted the resolution that SMPIC Co., subsidiary undertaking of

the Company, transfer its holding 80% stock equity of Shanghai Xinhua Grass Factory to Shanghai Pudong State-owned Assets Investment & Management Co., Ltd. Besides the positive influence to the adjustment of industrial structure and the integration of resources of the Company, this transfer will also help the Company to concentrate its efforts in international M&A, form the business chain with sewing machinery as core industry, investment income in Xerox copy photocopy machines project as brace and commercial and logistic industry as foil, and enhance its earning capacity. As the appraisal opinion of Dongzhou Assets Evaluation Co., Ltd. in its evaluation report HDZZPBZ DZ040456070, the net assets of Xinhua Factory valued RMB 116,770,200, March 31, 2004 as reference date, and the transfer price for its 80% stock interests amounted RMB 93,416,160. During report term, the transfer procedures were still in process.

(5) Credit right and debts of related parties

Capital occupancy party	Year-end sum	Year-beginning sum	Accumulated debit	RMB'000
				Accumulated credit
Shanghai Huaqiang Sewing Machinery Co., Ltd.		1,540	73,700	75,230
Shanghai Shanggong Needles Co., Ltd.	13,040	6,560	69,810	63,330

4. Significant Contracts and their Fulfillment

(1) Shanggong Co., Ltd. didn't trust its assets to other companies during report year.

(2) Shanggong Co., Ltd. didn't contract its assets to other companies during report year.

(3) Shanggong Co., Ltd. didn't lease its assets to other companies during report year.

(4) Guaranty information:

Company	Incurred date	Guaranteed amount	Relationship	Valid period	RMB'000	
					Completed or not	Related parties guaranty or not
Shanghai Construction Material (Group) General Company	13.12.2004	30,000	Joint-Liability Guaranty	15.12.2004-11.07.2005	No	No
Shanghai Construction Material (Group) General Company	30.06.2004	40,000	Joint-Liability Guaranty	30.06.2004-30.06.2005	No	No
China Worldbest Group Co., Ltd.	30.06.2004	30,000	Joint-Liability Guaranty	30.06.2004-08.06.2005	No	No
Shanghai China Worldbest Enterprise Development Co., Ltd.	27.09.2004	100,000	Joint-Liability Guaranty	27.09.2004-26.05.2005	No	No
Shanghai China Worldbest Enterprise Development Co., Ltd.	07.06.2004	30,000	Joint-Liability Guaranty	07.06.2004-06.06.2005	No	No
Shanghai China Worldbest Enterprise Development Co., Ltd.	15.07.2004	30,000	Joint-Liability Guaranty	15.07.2004-14.07.2005	No	No
Shanghai China Worldbest Enterprise Development Co., Ltd.	11.11.2004	30,000	Joint-Liability Guaranty	11.11.2004-09.11.2005	No	No
Shanghai China Worldbest Enterprise Development Co., Ltd.	30.07.2004	20,000	Joint-Liability Guaranty	30.07.2004-29.07.2005	No	No
Shanghai China Worldbest Enterprise Development Co., Ltd.	29.09.2004	20,000	Joint-Liability Guaranty	29.09.2004-29.09.2005	No	No
Shanghai Shanggong Needles Co., Ltd.	22.10.2004	1,570	Joint-Liability Guaranty	22.10.2004-26.01.2005	No	Yes
Shanghai Shanggong Needles Co., Ltd.	22.10.2004	1,120	Joint-Liability	22.10.2004-2	No	Yes

Ltd.			Guaranty	6.01.2005		
Shanghai Shanggong Needles Co., Ltd.	17.12.2004	2,550	Joint-Liability	17.12.2004-1	No	Yes
			Guaranty	7.03.2005		
Shanghai Shanggong Needles Co., Ltd.	17.12.2004	4,770	Joint-Liability	17.12.2004-1	No	Yes
			Guaranty	7.03.2005		
Shanghai Shanggong Needles Co., Ltd.	28.06.2004	9,000	Joint-Liability	28.06.2004-2	No	Yes
			Guaranty	7.06.2005		
Total guaranty incurred						429,050
Remaining sum						259,010
			Guaranties for subsidiary undertakings			
Total guaranty incurred						95,800
Remaining sum						75,500
			Guaranties in whole (guaranties for subsidiary undertakings included)			
Total guaranty incurred						334,510
Proportion						39.02%
			Illegal guaranties			
Illegal guaranty for holding shareholder or other related parties in which the Company holds less than 50% stock equity						19,010
Directly or indirectly for units whose assets-liabilities is more than 70%						19,010
If total guaranties more than 50% of net assets						No
Total illegal guaranties						19,010

(5) Trust investment situation

The Company trusted Deheng Securities Co., Ltd. for the national bonds valued RMB 30 million with a period of eight months. On May 31, 2004, the Company litigated for the impawn case to Shanghai No. 1 Intermediate People's Court. As at end of report year, the principal of overdue national bonds valued RMB 28,300,000 (RMB 1,700,000 has been recovered).

(6) Other significant contracts

For realizing the strategy to avail international trademark and enhance the competitiveness of the Company, SGSB collected capitals through B stock issuance to specific institutional investors, acquired 94.98% of the stock equity of Durkopp Adler AG, and put the project of specified sewing machines by advantage of high tech. of DA.

5. Significant undertakings

Neither the shareholders who individually hold 5% or more of the Company's shares, nor the Company itself, released undertakings in entrusted newspapers or authorized Internet sites.

6. Contracts of accounting firms

During report year, the Company re-contracted Shanghai Zhonghua Certified Public Accountants as domestic auditor for its annual financial statements. The year 2004 is successively the 11th year that Zhonghua works as Shanggong's domestic auditor.

In current year, the Company paid RMB 460,000 to Shanghai Zhonghua Certified Public Accountants as auditor fees (the same amount in anterior year), RMB 25,000 as specific auditor fees, and RMB 7,400 for current-period accommodation and transport fee (RMB 11,400 in anterior period).

The Company chose BDO International as its new foreign auditor, which has offered international audit services for successively two years. In 2004, SGSB Co., Ltd. paid RMB 500,000 (the same amount in anterior year).

7. Condemn by related authorities

During report year, the Board of Directors, the individual Directors, or the Company itself, hadn't received any check, administration punishment or notice of criticism from China Securities Regulatory Committee, nor been publicly condemned by Shanghai Stock Exchange.

8. Other significant events

(1) According to the document GZCQ 2004-412 of State-owned Assets Supervision and Administration Commission of State Council, Shanghai Light Industry Holding (Group) Company transferred 13,204,914 state-owned shares (3.38% of total stock equity) to China Orient Assets Management Co., Ltd. by a price of RMB 3.878 per share. The total value of transaction is RMB 51,212,102, and the procedures have been accomplished through China Securities Depository & Clearing Co., Ltd. Shanghai Subcompany.

(2) As at end of report year, Shanghai Light Industry Holding (Group) Company has transferred gratuitously all the state-owned shares of SGSB to Shanghai Pudong State-owned Assets Administration Office. The relevant documents has been approved by State-owned Assets Supervision and Administration Commission of State Council and the procedures haven't been completed.

(3) In accordance with the resolution of 2004 Third Provisional General Meeting of Shareholders and approval by State Administration for Industry and Commerce, the Company changed its name to SGSB Group Co., Ltd. The abbreviation of A shares' exchange of the Company has been changed to SGSB and the B stock number and abbreviation maintains the anterior.

Chapter XI. Financial Statements by Domestic & International Auditors

Domestic Auditor's Report

Huzhongkuaizi (2005) No.0063

To the shareholders of SGSB Group Co., Ltd.

We have accepted the entrustment from SGSB Group Co., Ltd. ("SGSB" or "the Company") and have audited the accompanying balance sheet of the Company as of 31 December 2004 and the related consolidated cash flow statements, profit / loss and profit distribution statements for the year then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with PRC Independent Standards on Auditing for certified accountants and made sure the exclusion of any important omissions. Our audit included paper and on-spot check of all the proofs supporting financial statements and documents, the adoption of accounting policy and standards, significant estimations and the overall reflection evaluating the accounting statements. As a result, we take the assurance that our audit offers reasonable basis for our opinion.

In our opinion, the financial statements, according with the regulations of "Accounting Norms for Enterprises" and "Accounting System for Limited Companies", give a true and fair view of the financial position of the Company as of 31 December 2003 and of the results of its operations and its cash flows in all significant aspects for the period then ended. The measures are following the consistent principals for accounting.

Shanghai Zhong Hua Certified Public Accountants

PRC Certified Public Accountant
Lin Dong Mo

PRC Certified Public Accountant
Meng Xiang Yun

Shanghai, PRC, 25 April 2005

SGSB GROUP CO., LTD
FINANCIAL STATEMENTS
For the year ended 31 December 2004
TOGETHER WITH REPORT OF AUDITORS

REPORT OF THE AUDITORS
TO THE SHAREHOLDERS OF SGSB Group Co., LTD
(Incorporated in the People's Republic of China with limited liability)



BDO ²⁷International
Certified Public Accountants

We have audited the accompanying consolidated balance sheet of **SGSB Group Co., Ltd.** (the “Company”) and its subsidiaries (the “Group”) as at 31 December 2004, and the related consolidated income statement, total changes in equity and cash flows for the year then ended which have been prepared in accordance with [International Finance Report Standards](#). These consolidated financial statements set out on pages 2 to 33 are the responsibility of the Company’s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We

believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2004, and the results of its operations and its cash flows for the year then ended in accordance with [International Finance Report Standards](#).

BDO International Shanghai Zhonghua

Certified Public Accountants

Shanghai, China

25 April 2005

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Consolidated Income Statement

For the year ended 31 December 2004

	Notes	<u>2004</u> Rmb '000	<u>2003</u> Rmb '000
Turnover	4	1,019,351	858,666
Cost of sales		<u>(907,414)</u>	<u>(750,199)</u>
Gross profit		111,937	108,467
Other operating profit	5	127,841	100,170
Selling expenses		<u>(36,496)</u>	<u>(28,530)</u>
Administrative expenses		<u>(148,026)</u>	<u>(121,917)</u>
Profit from operations		55,256	58,190
Finance costs	6	<u>(32,452)</u>	<u>(37,406)</u>
Share of results of associates before tax		<u>(891)</u>	<u>(844)</u>
Profit before taxation and abnormal gains		21,913	19,940
Abnormal gains		<u>-</u>	<u>-</u>
Profit before taxation	7	21,913	19,940

Income taxation	8	(13,396)	(5,090)
Profit before minority interests		<u>8,517</u>	<u>14,850</u>
Minority interests		<u>(6,700)</u>	<u>(862)</u>
Net income		<u><u>1,817</u></u>	<u><u>13,988</u></u>
Basic earnings per share	9	<u>Rmb0.004</u>	<u>Rmb 0.047</u>

The explanatory notes form an integral part of these financial statements.

Consolidated Balance Sheet

As At 31 December 2004

	Notes	<u>2004</u>		<u>2003</u>	
		Rmb'000	Rmb'000	Rmb'000	Rmb'000
Non-current assets					
Intangible assets	10		271,762		104,233
Fixed assets	11		283,098		264,120
Construction in progress	12		8,449		9,428
Investments in associates	13		52,118		26,828
Long-term investments	14		<u>72,201</u>		<u>64,829</u>
			687,628		469,258
Current assets					
Inventories	15	203,579		162,290	
Notes receivable		2,577		90,224	
Trade receivable	16	180,998		278,105	
Due from shareholders	17	-		-	
Due from associates	18	3,749		10,214	
Due from related companies	19	20,932		7,818	
Prepayments and other receivables	20	105,915		100,733	
Short-term investments	21	29,687		411	
		<u>545,96</u>		<u>635,6</u>	
Cash and cash equivalents		<u>6</u>		<u>10</u>	
		<u>1,093,403</u>		<u>1,285,405</u>	
Current liabilities					
Notes payable		610		1,428	
Trade payable		164,705		149,961	
Due to the major shareholder	17	1,459		1,499	
Due to associates	18	1,970		1,970	
Due to related companies	19	-		200	
Accruals and other payables	22	95,778		73,509	
Provision		-		-	
Tax payable		2,736		(57,939)	
Bank loans	23	<u>602,530</u>		<u>695,986</u>	
		<u>869,788</u>		<u>866,614</u>	
Net current (liabilities) /assets			<u>223,615</u>		<u>418,791</u>
Total assets less current liabilities carried forward			<u>911,243</u>		<u>888,049</u>

Consolidated Balance Sheet (Continued)

As At 31 December 2004

	Notes	<u>2004</u>	<u>2003</u>
		Rmb'000	Rmb'000
Total assets less current liabilities brought forward		911,243	888,049
Non-current liabilities			
Borrowings	24	(3,117)	(11,045)
Deferred taxation credits	25	<u>(1,197)</u>	<u>(618)</u>
		(4,314)	(11,663)
Minority interests		<u>(52,116)</u>	<u>(23,579)</u>
Net assets		<u>851,618</u>	<u>852,807</u>
Shareholders' equity			
Share capital	26	448,887	390,336
Reserves	27	<u>402,731</u>	<u>462,471</u>
		<u>851,618</u>	<u>852,807</u>

On behalf of the Board

Zhang Min

Ma Min Liang

Director

Director

The explanatory notes form an integral part of these financial statements.

Consolidated Cash Flow Statement

For the year ended 31 December 2004

	Note	<u>2004</u> Rmb'000	Rmb'000	<u>2003</u> Rmb'000	Rmb'000
Operating activities					
Net cash flow from operating activities	28		15,917		(97,340)
Investing activities					
Interest received		3,347		3,956	
Net cash flow from accepting donated subsidiary		-		113	
Proceeds from disposal of fixed assets		37,937		54,022	
Proceeds from disposal of long-term investments		1,775		12,061	
Proceeds from disposal of short-term investments		72,560		-	
Dividend received		13,452		1,540	
Purchases of fixed assets		(36,058)		(8,878)	
Increase in short-term investment		(100,200)		(100)	
Net cash outflow of disposal of subsidiary	29	77,950		13,515	
Purchases of intangible assets		(89,579)		-	
Increase in long-term investments		<u>23,5</u>		<u>(4,454)</u>	
		<u>25</u>			
Net cash flow (used in) / from investing activities before Abnormal gains		4,709		71,775	
Abnormal gains		<u>-</u>		<u>-</u>	
Net cash flow (used in) / from investing activities			4,709		71,775
Financing activities					
Dividend paid to minority interest		-		(1,625)	
Interest expenses		(39,283)		(35,874)	
Repayment of bank loan		(932,883)		(707,909)	
Proceeds from outside shareholders		-		325,526	
New borrowed bank loan		<u>862,347</u>		<u>836,285</u>	
Net cash flow from / (used in) financing activities			(109,819)		416,403
Effect of foreign exchange rate changes			<u>(4</u>		<u>(60)</u>
			<u>51)</u>		
Increase in cash and cash equivalents			<u>(89,644)</u>		<u>390,778</u>
Cash and cash equivalents at 1 January 20023			<u>635,610</u>		<u>244,832</u>
Cash and cash equivalents at 31 December 2003			<u>545,966</u>		<u>635,610</u>

The explanatory notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2004

	24	25	26			
	Notes	Share capital	Capital surplus	Other reserves	Accumulated losses	Total
	27	28				
	29	30 Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000
Balance at 31 December 2002		252,466	269,192	19,701	(34,511)	506,848
Net income for 2003					13,988	13,988
Transfer to reserves				4,429	(4,429)	
Transfer to Share capital		37,870	(37,870)			
B share issue		100,000	222,640			322,640
Others		<u>-</u>	<u>(11,985)</u>	<u>(9,840)</u>	<u>31,156</u>	<u>9,331</u>
Balance at 31 December 2003		<u>390,336</u>	<u>441,977</u>	<u>14,290</u>	<u>6,204</u>	<u>852,807</u>
Net income for 2004					1,817	1,817
Transfer to reserves				11,488	(11,488)	
Transfer to Share capital	27	58,551	(58,551)			
Other Equity change of subsidiary			189			189
Others				<u>(1,158)</u>	<u>1,158</u>	
Balance at 31 December 2004		<u>448,887</u>	<u>383,615</u>	<u>24,620</u>	<u>(2,309)</u>	<u>854,813</u>

The explanatory notes form an integral part of these financial statements.

Notes to the financial statements
for the year ended 31 December 2004
(Expressed in RMB)

1. Group background

SGSB Group Co., Ltd. (the “Company”) is a joint stock limited company incorporated in the People’s Republic of China (the “PRC”). The Company is listed on the Shanghai Stock Exchange. The Company and its subsidiaries (the “Group”) are mainly engaged in the manufacturing and sale of sewing machines and related spare parts. The activities of the Group’s subsidiaries are set out in Note 3 of the financial statements.

The address of the Company is as follows:

12th Floor, Orient Mansion,
No. 1500 Century Avenue, Pudong New Area,
Shanghai, PRC.

2. Principal accounting policies

Statement of compliance

The financial statements of the Group have been prepared in accordance with [International Finance Report Standards \(“IFRS”\)](#). The Group also prepares a set of financial statements that comply with the PRC accounting regulations. A reconciliation of the Group’s results and shareholders’ equity under [IFRS](#) and PRC accounting regulations is presented in note 35 of the financial statement. A summary of the principal accounting policies is set out below:

A. Basis of preparation of the accounts

The consolidated financial statements have been prepared in accordance with [International Finance Report Standards \(“IFRS”\)](#). This basis of accounting differs from that used in the management accounts of the Company and its subsidiaries which were prepared in accordance with generally accepted accounting principles and financial regulations applicable to enterprises in the PRC (“PRC GAAP”).

The consolidated financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management’s best knowledge of current event and actions, actual results ultimately may differ from those estimates.

2. Principal accounting policies-continued

B. Basis of consolidation

The consolidated financial statements of the Group include the financial statements of the Company and all its subsidiary companies made up to 31 December each year. The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from or to the date of their acquisition or disposal, as appropriate.

All material inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated; unrealized losses are also eliminated unless cost cannot be recovered. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

(1) Subsidiary companies

Subsidiary undertakings, which are those entities in which the Group, directly or indirectly, has an interest of more than one half of the voting rights or otherwise has power to exercise control over the operations, are consolidated.

Subsidiaries are consolidated from the date on which effective control is transferred to the Group and are no longer consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus costs directly attributable to the acquisition. The excess of the cost of acquisition over the fair value of the net assets of the subsidiary acquired is recorded as goodwill. See note (G) for the accounting policy on goodwill. Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated; unrealized losses are also eliminated unless cost cannot be recovered. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Separate disclosure is made of minority interests in the financial statements. Minority interests represent the interests of outside shareholders in the operating results and net assets of subsidiaries.

Details of the Group's subsidiaries are set out in note 3.

(2) Associates

Associates are entities over which the Group generally has between 20% and 50% of the voting rights, or over which the Group has significant influence, but which it does not control. Investments in associates are accounted for by the equity method of accounting. Under this method, the Company's share of the post-acquisition profits or losses of associates is recognized in the income statement and its share of post-acquisition movements in reserves is recognized in reserves. The cumulative post-acquisition movements are adjusted against the

cost of the investment. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates; unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The Group's investments in associates include goodwill (net of accumulated amortization) on acquisition. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group will not recognize further losses, unless the Group has incurred obligations or made payments on behalf of the associate.

2. Principal accounting policies-continued

B. Basis of consolidation-continued

(2) Associates-continued

Particulars of the Group's principal associates are shown in note 13.

(3) Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

C. Foreign currency translation

(1) Measurement currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the "measurement currency"). The consolidated financial statements are presented in Renminbi ("RMB"), which is the measurement currency of the Group.

(2) Transactions and balances

Foreign currency transactions are translated into the measurement currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognized in the consolidated income statement.

Translation differences on other monetary financial assets measured at fair value are included in foreign exchange gains and losses.

(3) Group companies

Income statements and cash flows of foreign entities are translated into the Group's reporting currency at average exchange rates for the year and their balance sheets are translated at the exchange rates ruling on 31 December. Exchange differences arising from the translation of the net investment in foreign entities are taken to shareholders' equity. When a foreign entity is sold, such exchange differences are recognized in the consolidated income statement as part of the gain or loss on sale.

D. Impairment of assets

An assessment is made at each balance sheet date of whether there is any indication of impairment of any asset, or whether there is any indication that an impairment loss previously recognized for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated.

An asset's recoverable amount is calculated as the higher of the asset's value in use or its net selling price.

An impairment loss is recognized only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to the income statement in the period in which it arises.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, however not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortization), had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is credited to the income statement in the period in which it arises.

E. Fixed assets

All property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment charge.

Depreciation is calculated on the straight-line method to write off the cost of the assets to their residual values over their estimated useful lives as follows:

Buildings	
20 years	
Plant and machinery	10 years
Motor vehicles	5 years
Furniture, fixtures and office equipment	5 years

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in operating profit.

Repairs and maintenance are charged to the consolidated income statement during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

F. Construction in progress

Construction in progress represents fixed assets under construction and is stated at cost. This includes the cost of construction as well as interest charges arising from borrowings used to finance the construction during the construction period. Depreciation is not provided on construction in progress until the related asset is completed and ready for intended use.

G. Intangible assets

(1) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary or associate at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is amortized using the straight-line method over its economic useful life or 10 years, whichever is shorter.

Negative goodwill represents the excess of the fair value of the Group's share of the net assets acquired over the cost of acquisition. Negative goodwill is presented in the same balance sheet classification as goodwill. To the extent that negative goodwill relates to expectations of future losses and expenses that are identified in the Group's plan for the acquisition and can be measured reliably, but which do not represent identifiable liabilities, that portion of negative goodwill is recognized in the consolidated income statement when the future losses and expenses are recognized. Any remaining negative goodwill, not exceeding the fair values of the non-monetary assets acquired, is recognized in the consolidated income statement over the remaining weighted average useful life of those assets or 10 years, whichever is shorter. Negative goodwill in excess of the fair values of those assets is recognized in the income statement immediately.

The gains or loss on disposal of an entity includes the carrying amount of goodwill relating to the entity disposed of.

(2) Land use rights

Land use rights are up-front payments to acquire long-term interest in land. These payments are stated at cost and amortized on a straight-line basis over the unexpired period of the rights or 50 years, whichever is shorter, net off accumulated impairment charge.

In previous years, land use rights were included in intangible assets and were stated at cost less accumulated amortization and accumulated impairment charge. This change in classification of land use rights does not have a significant effect on the consolidated financial statements.

(3) Other intangible assets

Expenditure to acquire know-how and trademark are capitalized and amortized using the straight-line method over its economic useful life or 10 years, whichever is shorter. Intangible assets are not revalued.

(4) Impairment

Where an indication of impairment exists, the carrying amount of any intangible asset including goodwill is assessed and written down immediately to its recoverable amount.

H. Investments

The Group classified its investments in debt and equity securities into the following categories: trading, held-to-maturity and available-for-sale. The classification is dependent on the purpose for which the investments were acquired. Management determines the classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis. Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets; for the purpose of these financial statements short term is defined as three months. Investments with a fixed maturity that management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except for maturities within 12 months from the balance sheet date which are classified as current assets. Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, are classified as available-for-sale; and are included in non-current assets unless management has the expressed intention of holding the investment for less than 12 months from the balance sheet date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.

Purchases and sales of investments are recognized on the trade date, which is the date that the Group commits to purchase or sell the asset. Cost of purchase includes transaction costs. Available-for-sale and trading investments are subsequently carried at fair value. Realized and unrealized gains and losses arising from changes in the fair value of available-for-sale and trading investments are included in the consolidated income statement in the period in which they arise.

The fair values of investments are based on quoted bid prices or amounts derived from cash flow models. Fair values for unlisted equity securities are estimated using applicable price/earnings or price/cash flow ratios refined to reflect the specific circumstances of the issuer. Equity securities for which fair values cannot be measured reliably are recognized at cost less impairment.

I. Operating leases

(1)The Group companies are the lessees

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated income statement on a straight-line basis over the period of relevant leases.

(2)The Group companies are the lessor

Assets leased out under operating leases are included in property, plant and equipment in the balance sheet. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

J. Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

When inventories are sold, the carrying amount of those inventories is recognized as an expense in the period in which the related revenue is recognized. The amount of any write-down of inventories to net realizable value and all losses of inventories are recognized as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realizable value, is recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

K. Trade receivables

Trade receivables are carried at original invoice amount less provision made for impairment of these receivables. A provision for impairment of trade receivables is established when there is an objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows, discounted at the market rate of interest for similar borrowers.

L. Cash and cash equivalents

Cash and cash equivalents are defined as cash on hand, demand deposits and short term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

Cash and cash equivalents are carried in the consolidated balance sheet at cost. For the purposes of the consolidated cash flow statement, cash and cash equivalents comprise cash on hand and bank deposits.

M. Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

A provision for warranty is recognized for all products under warranty at the balance sheet date based on past experience on the level of repairs and returns.

N. Borrowing costs

Borrowings are carried in the consolidated balance sheet at cost. Interest costs on borrowings to finance the construction of property, plant and equipment are capitalized during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed.

O. Employee benefits

(1) Pension scheme

The Group participates in a defined contribution retirement scheme organised by the respective municipal governments where the Group companies operate. The Group is required to make contributions for its employees in accordance with prescribed rules and regulations of the pension scheme. Contributions to the scheme are charged to the consolidated income statement in the year to which they relate.

(2) Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

(3) Accommodation benefits

Contributions to an accommodation fund administered by the Public Accommodation Funds Administration Center are charged to the income statement as incurred.

P. Revenue recognition

Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably. Revenue, probably obtained by the "Group" is recognized in the income statement as follows:

(1) sale of goods

Revenue is recognized when goods are delivered at the customers' premises which is taken to be the point in time when the customer has accepted the goods and the related risks and rewards of ownership. Revenue excludes value added or other sales taxes and is after deduction of any trade discounts.

(2) Rental income from operating leases

Rental income receivable under operating leases is recognized on a straight-line basis over the term of the lease.

(3) Dividends

Dividend income from unlisted investments other than associates and jointly controlled entities is recognized when the shareholder's right to receive payment is established.

(4) Interest income

Interest income is accrued on a time-apportioned basis on the principal outstanding and at the rate applicable.

Q. Income taxes

PRC income tax is provided at rates applicable to enterprises in the PRC on the income for financial reporting purposes, adjusted for income and expense items, which are not assessable or deductible for income tax legislation, practices and interpretations thereof.

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable (greater than 50%) that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

R. Dividends

Dividends are recorded in the Group's consolidated financial statements in the period in which they are approved by the Group's shareholders.

S. Government grants and subsidies

Grants and subsidies from the government are recognized at their value where there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with. When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grant or subsidy relates to an asset, the fair value is deducted in arriving at the carrying amount of the related asset.

T. Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in

presentation in the current year.

U. Accounting policies alteration & effect

new accounting policies:

Discount of commercial notes receivable is regarded as bank loans.

The new accounting policy is adopted retroactivity. The number of beginning of the period has been adjusted.

The effect of the change is set out below:

	<u>2003</u>
	Rmb '000
Notes receivable	20,000
Bank loans	51,000
Notes payable	(31,000)

V. Important accounting error correction & its effect

Items included in the financial statements of the Group have been prepared in accordance with the notice [2005] No. 15 issued by Shanghai finance office of China ministry of finance.

The Important accounting error correction is adopted retroactivity. The number of beginning of the period has been adjusted.

The effect of the correction is set out below:

<u>Items</u>	<u>Rmb '000</u>
Net assets at 31 December 2003	(6,518)
Accumulated losses at 31 December 2003	1,926
Net assets at 1 January 2003	(6,518)
Accumulated losses at 1 January 2003	(5,215)

3. Subsidiary companies

At 31 December 2004, the Company had investments in the following principal subsidiaries, all of which are unlisted companies established and are operating in the PRC:

Company's name	Registered capital RMB '000	Equity interest (%)	Principal activities
Shanghai Shanggong Import & Export Co., Ltd.	32,000	90	Provision of import and export business
Shanghai Flyingman Import and Export Co., Ltd.	10,000	80	Provision of import and export business
Shanghai Shuangchong Sewing Machine Co., Ltd.	12,000	70	Manufacturing and sale of sewing machines and spare parts
Shanghai Industrial Sewing Properties Development Co. Ltd.	5,000	90	Properties development and provision of consultation and management services
Changsha Huari Biology and Chemical Industrial Co., Ltd.	25,000	90	Manufacturing and sales of biological and chemical products
Shanghai Shangyuan Technology Development Co., Ltd.	6,000	70	Development and design of sewing machines and provision of consultation services
Shanghai Sifangtongji Purified Water Co., Ltd.	697	91.535	Manufacturing and sale of purified water
Shanghai Shanggong Jiarong Sewing Machine Co., Ltd.	4,000	55	Manufacturing and sale of household sewing machines and spare parts
Shanghai Shanggong Fangtian Machinery Co., Ltd.	3,000	60	Manufacturing and sale of sewing machines and spare parts
Shanghai Shanggong Xinda Sewing Machine Co., Ltd.	3,100	67.74	Manufacturing and sale of sewing machines and spare parts and provision of after sale services
Shanghai Shanggong Enterprise Management Co., Ltd.	1,000	90	Sale of sewing machines and provision of management services
Shanghai Butterfly Import and Export Co., Ltd.	10,000	80	Provision of import and export business
Shanghai Shanggong Songda Machinery Co., Ltd.	3,000	65	Manufacturing and sale of sewing machines and spare parts
Shanghai Shanggong Jiayuan Machinery & Electronic Technology Co., Ltd.	3,000	56	Manufacturing and sale of sewing machines and spare parts
Shanghai shanggong asset operat & manage Co.,Ltd.	30,000	90	Investing and consulting
SMPIC Corporation Ltd.	125,000	90	Manufacturing and sale of office equipment and glass products

4. Sales

Sales are mainly made in the PRC and mainly represents the sale of sewing machines and related spare parts to customers, at invoiced value net of discounts and value-added tax. No segment information is presented as over 90% of the Group's sales are derived from the sale of sewing machines in the PRC.

5. Other income

	<u>2004</u>	<u>2003</u>
	Rmb '000	Rmb '000
Other income:		
Proceeds from selling raw materials	1,127	1,051
Rental income	10,818	6,770
Trademark management	392	697
Service	4,831	2,504
Technical advise	4	256
Interest income	4,794	3,956
Other gains from investments	75,562	18,308
Gains from disposal of fixed assets	32,599	42,525
Others	<u>2,814</u>	<u>4,146</u>
	<u>132,941</u>	<u>80,213</u>
Other operating expenditure		
Provision for bad and doubtful debts	8,729	(16,113)
Provision for impairment loss of inventories	2,511	(3,691)
Provision for impairment loss of long-term investments	29	(949)
Provision for impairment loss of other investments	24	-
Provision for impairment loss of fixed assets	(6,280)	(45)
Loss from disposal of long-term investments	-	406
Others	<u>87</u>	<u>435</u>
	<u>5,100</u>	<u>(19,957)</u>
Net income from other operating	<u>127,841</u>	<u>100,170</u>

6. Finance costs

	<u>2004</u>	<u>2003</u>
	Rmb '000	Rmb '000
Interest expense	30,808	36,334
Net exchange losses	452	68
Others	<u>1,192</u>	<u>1,004</u>
	<u>32,452</u>	<u>37,406</u>

7. Profit before taxation

		<u>2004</u>	<u>2003</u>
	notes	Rmb '000	Rmb '000
Included in the profit before income tax are the following revenue items:			
Operating revenue	4	1,019,351	858,666
Other income	5	<u>132,941</u>	<u>80,213</u>
Total revenue		1,152,292	938,879
Profit before income tax is arrived at after charging the following expenses:			
Other operating expenses	5	5,100	(19,957)
Interest expenses	6	<u>30,808</u>	<u>36,334</u>
Less: Transfer to construction in progress		<u>-</u>	<u>-</u>
		30,808	36,334
Exchange loss	6	452	68
Depreciation of fixed assets	11	36,467	32,589
Amortization of intangible assets	10	16,673	12,115
Staff costs:			
-Wages and salaries		<u>48,574</u>	<u>40,555</u>
-Retirement costs (defined contribution fund)		<u>13,215</u>	<u>4,652</u>
		61,789	45,207

8. Income taxation

Pursuant to relevant PRC tax regulations, the income tax rate applicable to the Company is 15%. The Group's subsidiaries are subject to tax rates applicable to enterprises in the PRC.

	<u>2004</u>	<u>2003</u>
	Rmb '000	Rmb '000
Company and subsidiaries	13,029	5,016
Share of taxation of associates	<u>367</u>	<u>74</u>
	<u>13,396</u>	<u>5,090</u>

9. Earnings per share

Earning per share is calculated by dividing the net profit attributable to shareholders for the year ended 31 December 2004 of RMB 1,817,000 (2003: RMB 13,988,000) and the number of 448,886,777 "A" and "B" shares in issue (2003: 298,669,661 shares) during the year.

10. Intangible assets

	Goodwill	Trademark	Land use rights	Know-how	Total
	Rmb '000	Rmb '000	Rmb '000	Rmb '000	Rmb '000
Original value:					
At 12 December 2003	112,062	20,161	71,616	2,437	206,276
Additions	23,553	-	211,175	9	234,738
	<u> </u>	<u> </u>	<u>(50,415)</u>	<u>(120)</u>	<u>(50,535)</u>
Disposal	-	-	-	-	-
At 12 December 2004	<u>135,615</u>	<u>20,161</u>	<u>232,376</u>	<u>2,327</u>	<u>390,479</u>
Amortization:					
At 12 December 2003	43,969	5,040	52,291	743	102,043
Amortization (note 8)	12,445	2,016	2,165	48	16,674
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Written back for the year	-	-	-	-	-
At 12 December 2004	<u>56,414</u>	<u>7,056</u>	<u>54,456</u>	<u>791</u>	<u>118,717</u>
Net value					
At 12 December 2003	<u>68,093</u>	<u>15,121</u>	<u>19,325</u>	<u>1,694</u>	<u>104,233</u>
At 12 December 2004	<u>79,201</u>	<u>13,105</u>	<u>177,920</u>	<u>1,536</u>	<u>271,762</u>

11. Fixed assets

	Buildings	Machinery and equipment	Motor vehicles	Furniture and office equipment	Total
	Rmb '000	Rmb '000	Rmb '000	Rmb '000	Rmb '000
Cost:					
At 12 December 2003	195,356	465,660	20,830	16,722	698,568
Addition	69,892	41,629	8,588	4,655	124,764
Transfer from construction in progress (Notes 12)	6,710	4,583	-	-	11,293
Disposal	<u>(27,867)</u>	<u>(96,349)</u>	<u>(7,132)</u>	<u>(2,356)</u>	<u>(133,705)</u>
At 12 December 2004	<u>244,091</u>	<u>415,523</u>	<u>22,286</u>	<u>19,021</u>	<u>700,921</u>
Accumulated depreciation:					
At 12 December 2003	56,313	269,903	13,290	12,608	352,114
Charge for the year (Notes 7)	22,071	45,995	4,542	4,515	77,123
Written back for the year	<u>(15,326)</u>	<u>(65,314)</u>	<u>(3,839)</u>	<u>(2,198)</u>	<u>(86,677)</u>
At 12 December 2004	<u>63,058</u>	<u>250,584</u>	<u>13,993</u>	<u>14,925</u>	<u>342,560</u>
Provision for impairment of fixed assets:					
At 12 December 2003	11,199	71,136	-	-	82,335
Charge for the year	-	-	-	-	-
Written back for the year	<u>(6,280)</u>	<u>(792)</u>	<u>-</u>	<u>-</u>	<u>(7,072)</u>
At 12 December 2004	<u>4,919</u>	<u>70,344</u>	<u>-</u>	<u>-</u>	<u>75,263</u>
Net book value after provision:					
At 12 December 2003	<u>127,844</u>	<u>124,621</u>	<u>7,540</u>	<u>4,114</u>	<u>264,119</u>

At 12 December 2004	<u>176,114</u>	<u>94,595</u>	<u>8,293</u>	<u>4,096</u>	<u>283,098</u>
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(a)The Group's buildings are all situated in the PRC and on the land for which the Group has been granted land use rights for an unspecified period.

(b)Bank loans are secured on buildings and plant and machinery to the net book amount of RMB72,790,000 (note 23).

The Company's directors are of the opinion that the provision for impairment of fixed assets is adequate and appropriate.

12. Construction in progress

	<u>2004</u>	<u>2003</u>
	Rmb '000	Rmb '000
At 12 December 2003	9,248	9,569
other	-	873
Additions	20,774	4,138
Transfer to fixed assets	(11,293)	(1,750)
Transfer to others	<u>(10,280)</u>	<u>(2,977)</u>
	8,449	9,853
Provision for impairment of construction in progress	<u> </u>	<u>(605)</u>
	=	
At 12 December 2004	<u>8,449</u>	<u>9,248</u>

No interest costs on borrowings are capitalized during the year (2003: Nil).

The Company's directors are of the opinion that the provision for impairment of construction in progress is adequate and appropriate.

13. Investments in associates

	<u>2004</u>	<u>2003</u>
	RMB'000	RMB'000
At beginning of year	26,828	161,707
other	50,261	(134,006)
Share of increase in reserves	-	113
Share of results before tax	(805)	(844)
Share of tax (note 9)	(366)	(74)
Share of results after tax	(1,171)	(918)
Dividends received	-	(68)
Reversal of provision for impairment	<u>(23,800)</u>	<u>-</u>
At end of year	<u>52,118</u>	<u>26,828</u>

Particulars of the associates, which were all established and operate in the PRC, are as follows:

Company's name	equity interest (%)	Principal activities
Shanghai Fuhua Light Industrial Machinery Co., Ltd	55%	Manufacturing and sale of sewing machine
Shanghai Industrial Materials Trading Company	100%	Sale of industrial sewing machines and related spare parts
Shanghai Yongde Economic Development Co., Ltd	80%	Electric equipment and parts, construct hardware
Shanghai Baoling Complete Engineering Equipment Co., Ltd	90%	Construct material
Wuxi Shanggong sewing machine Co., Ltd	80%	Manufacturing and sale of sewing machine
Nantong Shanggong sewing machine Co., Ltd	65%	Manufacturing and sale of sewing machine
Shanghai Juki Sewing Machine Co., Ltd.	30%	Manufacturing and sale of household sewing machine
Shanghai Industrial Sewing Machine Maoqiao Paint Coating Factory	54.49%	Manufacturing of paint coating
Shanghai Shanggong Motor Vehicles Transportation Services Company	100%	Provision of transportation services
Shanghai Sewing Machine No. 4 Factory Sijing Associated Factory	68%	Manufacturing of sewing machine parts
Changshu Qixing Electroplate Hardware Co., Ltd.	45%	Manufacturing of hardware
Shanghai Xin-hu glasswork	20%	Manufacturing and sale of glassware
Shanghai SMPIC Hui-he Office Equipment Co.,Ltd.	30%	Manufacturing and sale of office equipment
Shanghai Number-Machine work Sales Department	100%	Manufacturing and sale of Number-Machine
Shanghai Baochi Great Wall Printing Number Machine Co. , Ltd.	20%	Manufacturing and sale of Number-Machine
Shanghai Baolilai Image Co. , Ltd.	27%	Sale of Video Manufacture
Shanghai SMPIC Light Communication Co.,Ltd.	30%	Manufacturing and sale of Communications Materials
Shanghai SMPIC ChangFeng Kryptol Co.,Ltd.	20.77%	Manufacturing and sale of Kryptol
Shanghai Yichang Office Equipment Co.,Ltd	50%	Manufacturing and sale of office equipment

14. Long-term investments

	<u>2004</u>	<u>2003</u>
	Rmb '000	Rmb '000
Listed investments	28,118	27,507
Unlisted investments	44,865	38,043
Others	<u>1,055</u>	<u>1,087</u>
	74,038	66,637
Provision for impairment of long-term investments	<u>(1,837)</u>	<u>(1,808)</u>
	<u>72,201</u>	<u>64,829</u>

Long-term investments represent listed and unlisted investments in the PRC incorporated companies of not more than 20% of their share capital/paid up capital. Investments in

listed companies represent various legal person shares in certain listed companies in the PRC. Pursuant to the Standard Opinion on Joint Stock Companies Limited by Shares issued by relevant PRC authorities, legal person shares are not transferable and not allowed to be traded on the stock markets except with the approval of relevant authorities. Such investments are measured at cost.

At 31 December 2004, available-for-sale investments other than the investments in legal person shares of the Group have neither a quoted market price in an active market nor a fixed maturity, and are measured at cost after assessment of impairment.

The Company's directors are of the opinion that the diminution provision for impairment of long-term investment is adequate and appropriate.

15. Inventories

	<u>2004</u>	<u>2003</u>
	Rmb '000	Rmb '000
Raw materials	49,242	58,592
Work in progress	28,549	27,891
Finished goods	157,248	106,876
Low-value consumable goods	<u>2,293</u>	<u>1,259</u>
	237,332	194,618
Provision for impairment of inventories	<u>(33,753)</u>	<u>(32,328)</u>
	<u>203,579</u>	<u>162,290</u>

The Company's directors are of the opinion that the diminution provision for impairment of inventories is adequate and appropriate.

16. Trade receivable

	<u>2004</u>	<u>2003</u>
	Rmb '000	Rmb '000
Trade receivable	229,216	336,866
Provision for bad debts	<u>(48,218)</u>	<u>(58,761)</u>
	<u>180,998</u>	<u>278,105</u>

Concentrations of credit risk with respect to trade receivables are limited due to the Group's large number of customers, who are mainly dispersed in the PRC, cover the spectrum of manufacturing and distribution and have a variety of end markets in which they sell. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade receivables.

17. Due from / (to) shareholders

The amounts due from/(to) shareholders are unsecured, interest-free and are repayable on demand.

18. Due from / (to) associates

The amounts due from/(to) associates are unsecured, interest-free and are repayable on demand.

19. Due from / (to) related companies

The amounts due from/(to) related companies are unsecured, interest-free and are repayable on demand.

20. Prepayments and other receivables

	<u>2004</u>	<u>2003</u>
	Rmb '000	Rmb '000
Prepayments	7,468	48,773
Other receivables	<u>121,885</u>	<u>75,085</u>
	129,353	123,858
Provision for bad debt	<u>(23,438)</u>	<u>(23,125)</u>
	<u>105,915</u>	<u>100,733</u>

The Company's directors are of the opinion that the diminution provision for prepayments and other receivables is adequate and appropriate.

21. Short-term investments

	<u>2004</u>	<u>2003</u>
	Rmb '000	Rmb '000
Security investment	1,387	411
Other investment	<u>28,300</u>	<u>-</u>
	<u>29,687</u>	<u>411</u>

22. Accruals and other payables

	<u>2004</u>	<u>2003</u>
	Rmb '000	Rmb '000
Advances from customers	14,401	14,624
Other payables and accrued liabilities	<u>84,572</u>	<u>60,344</u>

98,973 74,968

23. Bank loans

	<u>2004</u>	<u>2003</u>
	Rmb '000	Rmb '000
Bank loans:		
Secured	514,460	545,860
Unsecured	<u>88,070</u>	<u>150,126</u>
	<u>602,530</u>	<u>695,986</u>
Bank loans:		
Due in one year	601,510	688,210
Long-term loan repaid in one year	<u>1,020</u>	<u>7,776</u>
	<u>602,530</u>	<u>695,986</u>

(a) The bank loans include secured bank loans in a total amount of RMB72,790,000 (2003: RMB65,330,000). The bank loans are secured over certain of the buildings of the Group (note 11).

(b) Certain bank borrowings of the Group were guaranteed by the following companies:

	<u>2004</u>	<u>2003</u>
	RMB'000	RMB'000
Shanghai Huayuan Enterprise Development Co., Ltd.*	127,870	117,870
Shanghai Construction Material (Group) Company*	70,500	99,500
China Huayuan Group Co., Ltd.*	97,300	99,300
Shanghai Economic Technique Investment Guarantee Company Shanghai Branch	-	7,225
Shanghai Jiuhe Enterprise Development Co., Ltd.	2,000	2,000
Shanghai Industry Economic Assurance Co., Ltd.	<u>10,000</u>	<u>-</u>
	<u>307,670</u>	<u>325,895</u>

* The Group has provided cross guarantees for bank borrowings granted to these companies. Details are shown in note 31.

(c) The bank loans RMB134,000,000 (2003: RMB154,635,000) are pledged over export refund ,bank deposit and trade receivable.

24. Borrowings

	<u>2004</u>	<u>2003</u>
	<u>RMB'000</u>	<u>RMB'000</u>
Bank borrowings:		
Secured	-	1,875
Unsecured	<u>1,490</u>	<u>3,428</u>
	<u>1,490</u>	<u>5,303</u>
Other borrowings		
Long term accounts payable	<u>1,627</u>	<u>5,742</u>
	<u>3,117</u>	<u>11,045</u>

25. Deferred taxation credits

	<u>2004</u>	<u>2003</u>
	<u>RMB'000</u>	<u>RMB'000</u>
Deferred taxation credit:	<u>1,197</u>	<u>618</u>

No provision for deferred taxation has been made in the financial statements as the effect of temporary timing differences is not material to the Group.

The amount above is recognized by one of the group's subsidiary due to donation.

26. Share capital

At 31 December 2004, the registered and issued share capital of the Company are as follows:

	<u>2004</u>	<u>2003</u>
	<u>Rmb '000</u>	<u>Rmb '000</u>
A shares of par value of Rmb 1 each issued to:		
State government of the PRC	143,468	124,754
PRC corporate investors	40,844	35,517
PRC individual investors	<u>20,631</u>	<u>17,940</u>
	204,943	178,211
B shares of RMB 1 each issued to:		
Overseas investors & inland investors	<u>243,944</u>	<u>212,125</u>
	<u>448,887</u>	<u>390,336</u>

(a) The holders of A and B shares carry equal rights with respect to the distribution of the Company's assets and profits and are ranked pari passu in all other respects.

The A shares may only be held by the PRC Government and PRC investors; the B shares may be held by foreign investors and PRC investors as well.

(b) 58,550,449 shares were transferred to share capital by way of capitalization of capital reserve.

27. Reserves and undistributed profit/(accumulated losses)

	Capital reserve	Share premium	Other reserve	Statutory surplus reserve	Statutory public welfare fund	Discretion -ary surplus reserve	Accumul- ated losses	Total
	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000
At 31 December 2002	59,435	189,722	20,035	9,008	9,426	1,267	(34,511)	254,382
Net income for 2003	-	-	-	-	-	-	13,988	13,988
Transfer to reserves	-	-	-	2,215	2,214	-	(4,429)	-
Transfer to capital	-	(37,870)	-	-	-	-	-	(37,870)
Issue B share	-	222,640	-	-	-	-	-	222,640
Other additions	<u>3,132</u>	<u>(2,782)</u>	<u>(12,335)</u>	<u>(4,078)</u>	<u>(4,495)</u>	<u>(1,267)</u>	<u>31,156</u>	<u>9,331</u>
At 31 December 2003	<u>62,567</u>	<u>371,710</u>	<u>7,700</u>	<u>7,145</u>	<u>7,145</u>	<u>-</u>	<u>6,204</u>	<u>462,471</u>
Net income for 2004	-	-	-	-	-	-	1,817	1,817
Transfer to reserves	-	-	-	7,342	4,146	-	(11,488)	-
Transfer to capital	-	(58,551)	-	-	-	-	-	(58,551)
Equity other change of subsidiary	-	-	189	-	-	-	-	189
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>(579)</u>	<u>(579)</u>	<u>-</u>	<u>1,158</u>	<u>-</u>
At 31 December 2004	<u>62,567</u>	<u>313,159</u>	<u>7,889</u>	<u>13,908</u>	<u>10,712</u>	<u>-</u>	<u>(2,309)</u>	<u>405,926</u>

(a) Capital reserve and share premium

() Capital reserve comprises mainly surplus between the appraised value of assets transferred to the Company and the value of shares issued when the Company was converted from a state-owned enterprise into a joint stock limited company.

() Share premium represents the premium on the issue of ordinary shares. Pursuant to relevant PRC regulations, capital reserve and share premium can be used to increase ordinary shares and to reduce any losses incurred, subject to approval by shareholders at general meeting.

Capital reserve RMB58,550,449 were transferred to share capital by way of capitalization of capital reserve.

() Included in other reserve are tax liabilities and staff benefits liabilities assumed

by the major shareholder.

(b) Reserve funds

() Statutory surplus reserve

The Group is required each year to transfer 10% of the profit after tax as reported under the PRC statutory financial statements to the statutory surplus reserve until the balance reaches 50% of the registered share capital. This reserve can be used to reduce any losses incurred or to increase ordinary shares. Except for the reduction of losses incurred, any other usage should not result in this reserve balance falling below 25% of the registered capital.

() Statutory public welfare fund

The Group is required each year to transfer 5% - 10% of the profit after tax as reported under the PRC statutory financial statements to the statutory public welfare fund. This reserve is restricted to capital expenditure for staff collective welfare facilities which are owned by the Group. The statutory public welfare fund is not available for distribution to the shareholders except upon liquidation of the Company.

() Discretionary surplus reserve

The discretionary surplus reserve can be set up by means of appropriation from the retained earnings or transfer from statutory public welfare fund. Subject to approval by shareholders in general meeting, the reserve can be used to reduce any losses incurred, to increase ordinary shares or for paying dividends. Any transfer to the reserve also requires the approval of shareholders at general meeting.

() Transfer from profit for the year

The amount transferred to the statutory surplus reserve and statutory public welfare fund shall be based on the profit after tax in the statutory financial statements prepared in accordance with PRC GAAP.

(c) Profit distributable to shareholders

Pursuant to a document issued by the Ministry of Finance of the PRC, the profit after appropriation to reserves and available for distribution to shareholders shall be the lower of the accumulated distributable profits as determined based on PRC accounting regulations and the accumulated distributable profits adjusted

according to IFRS.

28. Cash generated from operations

	<u>2004</u>	<u>2003</u>
	Rmb'000	Rmb'000
Net profit	21,913	19,940
Adjustments for:		
Minority interests	(6,700)	862
Depreciation	36,467	32,773
Provision /(written back) for bad debt	8,729	(16,113)
Provision /(written back) for impairment loss of inventories	(2,511)	(3,592)
Provision /(written back) for impairment loss of long-term investment	29	(949)
Provision /(written back) for impairment loss of fixed assets	(6,550)	-
Provision /(written back) for impairment loss of short-term investment	24	-
Amortization of intangible assets	16,673	12,115
Net loss/(gain) from disposal of fixed assets	(30,967)	(2,236)
Interest (income)	(3,347)	(3,956)
Loss/(gain) from disposal of investment	(9,405)	(7,345)
Loss/(gain) from disposal of long-term investment	(63,524)	(10,558)
Interest expenses	39,283	36,334
Loss/(gain) from foreign exchange	<u>452</u>	<u>60</u>
	<u>(21,347)</u>	<u>38,744</u>
Profit before working-capital	566	57,305
Decrease/(increase) in inventories	(38,025)	13,158
Decrease /(increase) in notes receivables	86,531	(31,231)
Decrease /(increase) in accounts receivables	(115,259)	(24,321)
Decrease/(Increase) in prepayments and other receivables	(17,026)	(64,915)
Increase/(decrease) in notes payables	(27,706)	(15,215)
Increase/(decrease) in accounts payables	(818)	(34,802)
Increase/(decrease) in accruals and other payables	22,179	19,563
Increase/(decrease) in tax payables	46,800	(11,792)
Increase/(decrease) in provisions	<u>60,676</u>	<u>-</u>
	<u>17,315</u>	<u>(149,555)</u>
Cash flow from operating activities	17,917	(92,250)
Income tax paid	<u>(2,000)</u>	<u>(5,090)</u>
Net cash inflow from operating activities	<u>15,917</u>	<u>(97,340)</u>

29. Net cash outflow from disposal of subsidiary

During the year of 2004, the Group disposes Changsha Huari Biology and Chemical Industrial Co., Ltd. and Shanghai Xin-hu glasswork.

Net assets disposed:	<u>2004</u>
	Rmb '000
Cash and bank deposit	4,498
Inventories	33,573
Accounts and other receivables	70,256
Investments in associates	5,989
Real estate, works and equipment	92,953
Bank loans	65,361
Accounts and other payables	74,006
Minority interests	3,130
Total disposed value	125,864
 Payment way:	
Bank deposits	82,448
Accounts receivables	43,416
 Net cash outflow from disposal of subsidiary:	
Cash payment	-
Disposed cash and cash equivalents	<u>77,950</u>

30. Related party transactions

(a) Relationships

In the opinion of the directors, Shanghai Light Industrial Holding (Group) Company, a company incorporated in the PRC and which owns 26.40% of the Company's ordinary shares, is the major shareholder of the Company. Particulars of principal subsidiaries and associates are shown in note 3 and note 14 respectively.

(b) During 2004, the Group has the following transactions with related parties:

Kind of transaction	<u>Note</u>	<u>2004</u>	<u>2003</u>
		RMB' 000	RMB' 000
Provide finance to shareholders		197,130	171,200
Provide finance to associates		142,130	22,320
Provide finance to related companies		-	118,580

Purchase of subsidiary to shareholders	()	189,110	-
Purchase of Land use rights to shareholders	()	93,416	13,700
Disposal of subsidiary to related parties	()	89,579	-

(b) During 2004, the Group has the following transactions with related parties-continued

() During 2004, The company get 56.03% equity interest in SMPIC from Shanghai Light Industrial Holding (Group) Company by exchanging the account receivables amounted to RMB 189,110,000. Then the group owes 90% of SMPIC's share.

() During 2004, The Group paid RMB 89,579,000 to Shanghai Light Industrial Holding (Group) Company for obtaining the property right of the land of 73,855 square meters. The purchase price, evaluated by legal organization, was paid by once. All the procedures have been completed by the end of report year.

() During 2004, 80% equity interest in Shanghai Xinhua glasswork held by one subsidiary of the Group was disposed of to a related party Shanghai Pudong Investment & Management of State-owned Assets Co., Ltd. The price is RMB 93,416,000. The group realized gains from the disposal approximately RMB 46,790,000. Correlative procedures were completed.

(c) Details of balance with shareholders, associates and related parties are set out in notes 17, 18 and 19 respectively.

(d) Directors' remuneration

The total remuneration of the directors for the year was approximately RMB 2,399,600 (2003: RMB1,112,000).

31. Commitments and contingent liabilities

(a) At 31 December 2004, the Group had provided guarantees for bank borrowings granted to the following companies:

	<u>2004</u>	<u>2003</u>
	RMB'000	RMB'000
Shanghai Huayuan Enterprise Development Co., Ltd.*	140,000	100,000
Shanghai Construction Material (Group) Company*	70,000	30,000
China Huayuan Group Co., Ltd.*	30,000	100,000
Shanghai Filiale Of China Economy Technology Investment Assurance Co., Ltd.	4,250	-
Shanghai Xin-hu Glasswork	1,150	-
Shanghai Shanggong Needle Co., Ltd	19,010	30,660
Shanghai Industrial Sewing Machine Supply and Marketing Company	-	15,000

Shanghai Sewing Construction Properties Development Co. Ltd.	<u>-</u>	<u>5,000</u>
	<u>264,410</u>	<u>280,660</u>

* These companies have provided cross guarantees in respect of bank borrowings granted to the Group. Details are shown in note 23.

(b) The lawsuit, in which the group litigated for the impawn case of the national debts valued RMB 30,000,000 it entrusted Deheng Securities Co., Ltd. to realize the investment, has been concluded by the court. The court put on record the execution of this lawsuit on October 11, 2004. For that Deheng Securities Co., Ltd. was involved in several lawsuits and all its assets had been frozen and sealed up by other courts, the court didn't find any convertible assets to commute for the debts in this litigation. As a result, the court judged to suspend the related execution.

According to the Circular ZJJGZ 2004-109 by China Securities Regulatory Committee, the Group finished all the necessary register procedures of creditor's right declaration to the Trustee Office in China Huarong Assets Management Co., Ltd. which operates the assets of Deheng Securities Co., Ltd. Judging from the Announcement of Creditor's Rights Declaration towards Deheng Securities Co., Ltd. prepared by the Trustee Office, all the validated debts will be liquidated based on relative laws, regulations and policies of the country.

At 31 December 2004, the carrying amount of the investment is RMB 28,300,000, and no impairment loss is recognized.

32 . Pension scheme

The PRC companies within the Group participate in certain employee pension scheme managed by local governmental organizations. According to the relevant provisions, the Group is required to make contributions to local government organizations based on 22.5% (2003: 22.5%) of the basic salaries of the employees. The Group has no further liabilities other than the above contributions.

33.. Subsequent events (non-adjusted events)

(a) On March,35 2005, the group transfer EUR 10,000,000 to Shanggong (Europe) holding Co., Ltd which will purchase Durkopp Adler AG company.

(b) The period subsequent to the Baslance sheet, the group loan from bank RMB 84,000,000 and refund RMB 132,200,000.

34. Other significant events

(a) During 2004, the group paid RMB 16,137,400 for obtaining one building situated in PRC . All the procedures have been completed by the end of report year.

(b) During 2004, 90% equity interest in a subsidiary held by the group was disposed of in RMB 32,448,000. The group realized gains approximately RMB 534,000 from the disposal. All the procedures have been completed by the end of report year.

(c) During 2004, one subsidiary of the group transfer one building situated in PRC in RMB 30,000,000. The group realized gains RMB 22,415,000.

(d) During 2004, the major shareholder Shanghai Light Industrial Holding (Group) Company transfer 3.38% State government of the PRC of the group's to China Orient assets management company. All the procedures have been completed by the end of report year. Then it owns 26.40% of the group's ordinary shares.

(e) During 2004, the major shareholder Shanghai Light Industrial Holding (Group) Company transfer 26.40% State government of the PRC of the group's to Shanghai Pudong area state asset management office. The procedures is on the march.

(f) On February 2005, the group is renamed as "SGSB Group Co., Ltd".

(g) During 2004, the group sign formal agreement of purchase 94.98% equity interest in Dürkopp Adler AG company held by FAG company. Along with the adjustment of the item project, the group is willing to establish the Shanggong (Europe) holding Co., Ltd in Germany. The totally investment will be about ERU 17,000,000 in order to purchase Dürkopp Adler AG company. The significant condition of transaction has been completed.

35. Impact of IFRS adjustments on net income and net assets

The impact of IFRS adjustments on the PRC statutory financial statements is as follows:

	2004	
	Net profit	Net assets
	RMB'000	RMB'000
As per the PRC statutory financial statements	3,768	857,321
IFRS adjustments		
- Recognize loss	14	-
- Elimination of unrealized gains/loss on transaction to associates	150	(393)
- Write off of capitalized expenses	(2,115)	(2,115)
As restated after IFRS adjustments	<u>1,817</u>	<u>854,813</u>

36. Approval of the consolidated financial statements

The consolidated financial statements were approved and authorized for issue by the Board of Directors of the Company on 25th April 2005.

Chapter XII. For Reference

- 1. Financial Statements signed by the legal representative, chief account and accounting manager**
- 2. Original audit report signed by the certified public accountant and sealed by the accounting firm**
- 3. Original documentation and announcements about the Company, carried in the newspaper assigned by China Security regulatory Committee within report year**

SGSB Group Co., Ltd.
Chairman of BOD: Zhang Min
April 27, 2005

If the English Version of this Annual Report involves any different meanings from the Chinese Version, the latter shall be effective.

Balance Sheet

As at 31 December 2004

Prepared by SGSB.Group Co., Ltd.

RMB'

Assets	No.	Consolidated - At end of period	Consolidated - At beginning of period	Parent Company - At end of period	Parent Company - At beginning of period	Liabilities and Shareholders' Equity	No.	Consolidated - At end of period	Consolidated - At beginning of period	Parent Company - At end of period	Parent Company - At beginning of period
Current assets:						Current liabilities:					
Cash and bank	5.1	545,965,518.03	635,610,284.65	325,701,535.51	526,656,348.43	Short-term loans	5.16	601,510,000.00	688,210,000.00	465,020,000.00	437,520,000.00
Short-term investment	5.2	29,687,059.43	410,620.00	28,698,982.61	410,620.00	Bills payable	5.17	610,000.00	1,427,980.00	610,000.00	28,266,568.58
Bills receivable	5.3	2,577,432.58	90,223,932.20	840,000.00	71,193,240.07	Accounts payable	5.18	164,705,128.04	149,960,881.64	83,866,218.62	65,932,674.34
Dividend receivable		68,109.70	5,429,149.82	4,436,795.87	918,822.60	Advances on sales travels and salaries	5.19	14,401,387.23	14,623,706.77	2,163,352.10	3,771,749.90
Interest receivable		0.00	0.00	0.00	0.00	Staff welfare fund unpaid		7,030,945.01	4,151,267.77	0.00	0.00
Accounts receivable	5.4	180,997,765.43	278,105,085.79	111,469,669.70	176,789,638.69	Other outstanding payments		495,143.76	1,804,870.02	169.23	733,289.73
Other receivables	5.5	120,276,478.60	54,586,350.31	46,531,450.52	47,287,487.98	Other payables	5.22	76,835,512.84	52,877,827.71	81,945,704.49	76,743,234.98
Prepayments	5.6	7,468,201.86	48,773,320.09	1,947,039.99	7,098,594.95	Pre-paid expenses	5.23	230,225.89	142,427.45	0.00	0.00
Subsidy receivable	5.7	2,573,254.21	9,932,361.65	0.00	0.00	Contingent liabilities		0.00	0.00	0.00	0.00
Inventories	5.8	203,972,040.44	162,833,054.07	138,639,753.53	101,281,097.38	Deferred income		0.00	0.00	0.00	0.00
Deferred Expenses	5.9	210,533.86	44,124.66	0.00	0.00	Long-term liabilities to be expired within one year	5.24	1,020,000.00	7,776,000.00	400,000.00	400,000.00
Long-term investment in bonds to be expired within one year		0.00	0.00	0.00	0.00	Other current liabilities		0.00	0.00	0.00	0.00
Other current assets		0.00	0.00	0.00	0.00	Total current liabilities		872,983,185.91	866,613,638.63	635,326,154.37	614,710,107.03
Total current assets		1,093,796,394.14	1,285,948,283.24	658,265,227.73	931,635,850.10	Long-term liabilities:		0.00	0.00	0.00	0.00
Long-term investment:		0.00	0.00	0.00	0.00	Long-term loans	5.25	1,489,984.87	5,303,279.01	0.00	0.00
Long-term investment in stocks	5.10	196,954,396.29	158,662,883.90	528,810,520.82	321,904,989.10	Bonds payable		0.00	0.00	0.00	0.00
Long-term investment in bonds	5.11	1,055,000.00	1,087,500.00	1,000,000.00	1,000,000.00	Long-term accounts payable	5.26	1,626,944.32	5,742,200.66	1,474,782.00	1,474,782.00
Total long-term investment		198,009,396.29	159,750,383.90	529,810,520.82	322,904,989.10	Specific payable		0.00	0.00	0.00	0.00
Among which: variance due to consolidation		73,690,206.73	68,093,434.46	0.00	0.00	Other long-term liabilities		0.00	0.00	0.00	0.00
Among which: variance of investment in stocks		73,690,206.73	68,093,434.46	0.00	0.00	Total long-term liabilities		3,116,929.19	11,045,479.67	1,474,782.00	1,474,782.00
Fixed assets:		0.00	0.00	0.00	0.00	Deferred taxation:		0.00	0.00	0.00	0.00
Fixed assets, at cost	5.12	700,921,038.74	698,568,402.34	555,776,592.33	542,908,247.36	Deferred tax, credit	5.27	1,197,067.41	617,534.78	0.00	0.00
Less: Accumulated depreciation		342,895,348.89	353,142,443.36	292,906,159.99	272,852,734.19	Total liabilities		877,297,182.51	878,276,653.08	636,800,936.37	616,184,889.03
Fixed assets, net value		358,025,689.85	345,425,958.98	262,870,432.34	270,055,513.17	Minority Interests		52,116,378.07	23,579,068.95	0.00	0.00
Less: Provision for devaluation of fixed assets		75,262,191.48	82,334,440.32	75,111,879.85	81,391,879.85	Shareholders' equity:		0.00	0.00	0.00	0.00
Fixed assets, net amount		282,763,498.37	263,091,518.66	187,758,552.49	188,663,633.32	Share capital	5.28	448,886,777.00	390,336,328.00	448,886,777.00	390,336,328.00
Construction materials		0.00	0.00	0.00	0.00	Capital reserve fund	5.29	383,614,665.68	441,976,114.68	383,614,665.68	441,976,114.68
Construction in progress	5.13	8,448,983.17	9,248,401.61	1,342,557.50	922,127.00	Surplus reserve fund	5.30	24,620,633.62	14,290,478.50	4,546,242.52	3,900,562.02
Disposal of fixed assets		0.00	0.00	0.00	0.00	Including: Staff welfare fund		10,717,606.50	7,145,239.27	2,273,121.26	1,950,281.01
Total fixed assets		291,212,481.54	272,339,920.27	189,101,109.99	189,585,760.32	Unverified investment loss	5.32	(311,885.03)	(325,903.02)	0.00	0.00
Intangible and other assets:		0.00	0.00	0.00	0.00	Undistributed profit	5.31	510,825.49	7,073,237.47	18,184,970.04	15,602,248.04
Intangible assets	5.14	198,072,003.20	36,139,297.51	110,176,733.07	23,873,542.25	Difference of foreign currency translation		0.00	0.00	0.00	0.00
Long-term deferred expenses	5.15	5,644,302.17	1,028,092.74	4,680,000.00	0.00	Total shareholders' equity		857,321,016.76	853,350,255.63	855,232,655.24	851,815,252.74
Other long-term assets		0.00	0.00	0.00	0.00	Total Liabilities and Shareholders' Equity		1,786,734,577.34	1,755,205,977.66	1,492,033,591.61	1,468,000,141.77
Total intangible and other assets		203,716,305.37	37,167,390.25	114,856,733.07	23,873,542.25						
Deferred taxation:		0.00	0.00	0.00	0.00						
Deferred taxation, debit		0.00	0.00	0.00	0.00						
Total Assets		1,786,734,577.34	1,755,205,977.66	1,492,033,591.61	1,468,000,141.77						

Legal representative:ZhangMin

Financial director:MaMinLiang

Accountant:XuXiaoHui

Profit/Loss and Profit Distribution Statement

For the Year 2004

Prepared by SGSB Group Co., Ltd.

RMB'

Item	No.	Consolidated - During current period	Consolidated - During the same period of anterior year	Parent Company - During current period	Parent Company - During the same period of anterior year	Item	No.	Consolidated - During current period	Consolidated - During the same period of anterior year	Parent Company - During current period	Parent Company - During the same period of anterior year
1. Principal operating revenues	5.33	996,246,688.32	866,798,366.22	159,280,966.67	206,928,005.95	6. Profit available for distribution		11,998,983.71	11,502,489.11	18,830,650.54	18,451,320.82
Less: Operating cost	5.34	882,059,263.40	755,986,456.20	140,742,918.78	184,166,965.74	Less: Provision of statutory surplus reserve		7,342,037.09	2,214,625.82	322,840.25	1,424,536.39
Operating tax and subsidies	5.35	2,400,219.10	1,801,741.19	0.00	0.00	Provision of statutory public welfare reserve		4,146,121.13	2,214,625.82	322,840.25	1,424,536.39
		0.00	0.00	0.00	0.00	Fund for staff welfare and reward		0.00	0.00	0.00	0.00
2. Principal operating profit		111,787,205.82	109,010,168.83	18,538,047.89	22,761,040.21			0.00	0.00	0.00	0.00
Add: Other operating profit	5.36	17,758,328.09	14,413,400.19	5,431,428.77	6,471,490.99			0.00	0.00	0.00	0.00
Less: Operating expense		36,496,343.49	28,529,753.48	6,546,019.34	4,793,490.84			0.00	0.00	0.00	0.00
Administration expense		157,151,050.82	102,490,323.93	56,447,442.88	34,720,222.89			0.00	0.00	0.00	0.00
Financial expense	5.37	27,658,171.10	35,081,971.95	19,808,711.82	27,518,673.57	7. Profit available for distribution to shareholders		510,825.49	7,073,237.47	18,184,970.04	15,602,248.04
		0.00	0.00	0.00	0.00	Less: Dividend payable for priority shares		0.00		0.00	
3. Operating profit (loss)		(91,760,031.50)	(42,678,480.34)	(58,832,697.38)	(37,799,856.10)	Provision of discretionary surplus reserve		0.00		0.00	
Add: Investment income	5.38	74,250,899.99	17,933,050.49	56,031,748.00	12,608,522.77	Dividend payable for common shares		0.00		0.00	
Subsidy income	5.39	1,748,184.00	2,518,176.16	23,156.00	28,656.00	Dividend for common shares capitalized		0.00		0.00	
Non-operating income	5.40	33,712,084.27	53,613,611.47	242,220.61	49,732,578.49			0.00		0.00	
		0.00	0.00	0.00	0.00	8. Undistributed profit		510,825.49	7,073,237.47	18,184,970.04	15,602,248.04
Less: Non-operating expense	5.41	(5,560,006.54)	11,354,463.70	(5,763,975.27)	10,324,537.26			0.00		0.00	
4. Total profit		23,511,143.30	20,031,894.08	3,228,402.50	14,245,363.90			0.00		0.00	
Less: Income tax payable		13,029,329.67	5,015,744.27	0.00	0.00	Supplements;		0.00		0.00	
Minority interests		6,700,052.63	779,625.50	0.00	0.00	1. Profit from sale and disposal of invested units		0.00		0.00	
Add: unverified investment loss		(14,017.98)	359,078.24	0.00	0.00	2. Loss from natural disasters		0.00		0.00	
		0.00	0.00	0.00	0.00	3. Profit increase / decrease by accounting policy change		0.00		0.00	
5. Net profit		3,767,743.02	14,595,602.55	3,228,402.50	14,245,363.90	4. Profit increase / decrease by accounting estimation change		0.00		0.00	
Add: Undistributed profit at beginning of period		7,073,237.47	(4,223,562.19)	15,602,248.04	4,205,956.92	5. Loss in liabilities' restructure		0.00		0.00	
Transfer from other resources		1,158,003.22	1,130,448.75	0.00	0.00	6. Others		0.00		0.00	
		0.00	0.00		0.00			0.00		0.00	
		0.00	0.00		0.00			0.00		0.00	

Legal representative:ZhangMin

Financial director:MaMinLiang

Accountant:XuXiaoHui

Subsidiary Ledger on Provisions for Asset Devaluation
For the Year 2004

Prepared by SGSB Group Co., Ltd.												RMB'	
Item	Beginning Balance of the Year		Addition During the Year		Reversal Due to Increase of Asset Value		Reduction During the Year		Total		Ending Balance of the Year		
	Consolidated	Parent Company	Consolidated	Parent Company	Consolidated	Parent Company	Consolidated	Parent Company	Consolidated	Parent Company	Consolidated	Parent Company	
1. Total for Bad Debt Provisions	82,834,766.28	44,322,649.56	30,739,133.74	8,226,999.85	0.00	0.00	(40,618,183.07)	(18,588,519.04)	(40,618,183.07)	(18,588,519.04)	72,955,716.95	33,961,130.37	
Among which: for Account Receivable	58,761,040.39	26,146,942.73	13,513,306.24	214,445.09	0.00	0.00	(24,055,998.47)	(7,451,588.77)	(24,055,998.47)	(7,451,588.77)	48,218,348.16	18,909,799.05	
for Other Receivable	24,073,725.89	18,175,706.83	17,225,827.50	8,012,554.76	0.00	0.00	(16,562,184.60)	(11,136,930.27)	(16,562,184.60)	(11,136,930.27)	24,737,368.79	15,051,331.32	
2. Total Provisions for Declination of Short-term Investment	0.00	0.00	23,560.57	11,637.39	0.00	0.00	0.00	0.00	0.00	0.00	23,560.57	11,637.39	
Among which: for Stock Investment	0.00	0.00	23,560.57	11,637.39	0.00	0.00	0.00	0.00	0.00	0.00	23,560.57	11,637.39	
for Bond Investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
3. Total Provisions for Declination of Inventories	32,328,175.09	27,171,307.58	1,963,058.77	(684,770.89)	0.00	0.00	(537,962.69)	0.00	(537,962.69)	0.00	33,753,271.17	26,486,536.69	
Among which: for Stock Goods	16,965,098.91	12,861,266.27	2,704,707.08	702,233.79	0.00	0.00	(537,962.69)	0.00	(537,962.69)	0.00	19,131,843.30	13,563,500.06	
for Raw Materials	13,373,456.82	12,773,305.37	(227,268.17)	(419,741.12)	0.00	0.00	0.00	0.00	0.00	0.00	13,146,188.65	12,353,564.25	
4. Total Provisions for Depreciation of Long-term Investment	1,808,033.99	1,808,033.99	29,380.49	20,891.42	0.00	0.00	0.00	0.00	0.00	0.00	1,837,414.48	1,828,925.41	
Among which: for Long-term Stock Investment	1,808,033.99	1,808,033.99	29,380.49	20,891.42	0.00	0.00	0.00	0.00	0.00	0.00	1,837,414.48	1,828,925.41	
for Long-term Bond Investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
5. Total Provisions for Depreciation of Fixed Assets	82,334,440.32	81,391,879.85	942,560.47	0.00	(6,280,000.00)	(6,280,000.00)	(1,734,809.31)	0.00	(8,014,809.31)	(6,280,000.00)	75,262,191.48	75,111,879.85	
Among which: for Real Property	11,193,777.92	11,193,777.92	0.00	0.00	(6,280,000.00)	(6,280,000.00)	0.00	0.00	(6,280,000.00)	(6,280,000.00)	4,913,777.92	4,913,777.92	
for Machine & Equipment	71,140,662.40	70,198,101.93	942,560.47	0.00	0.00	0.00	(1,734,809.31)	0.00	(1,734,809.31)	0.00	70,348,413.56	70,198,101.93	
6. Total Provisions for Depreciation of Intangible Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Among which: for Patent	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
for Land Use Right	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
7. Provisions for Depreciation of Construction in Progress	604,467.62	0.00	604,467.62	0.00	0.00	0.00	(1,208,935.24)	0.00	(1,208,935.24)	0.00	0.00	0.00	
8. Provisions for Depreciation of Trust Loan	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Legal representative: ZhangMin				Financial director: MaMinLiang				Accountant: XuXiaoHui					

Cash Flow Statement

For the Year 2004

Prepared by SGSB Group Co., Ltd.

RMB'

Item	Consolidated	Parent company	Item	Consolidated	Parent company	Supplementary Information	Consolidated	Parent company
1. Cash flows from operating activities:			3. Cash flows from financing activities:			1. Adjustment of net profit to cash flows generated from operations:		
Cash inflow from sale of goods and provision of services	1,130,477,876.98	164,272,647.87	Absorption of investment	0.00	0.00	Net profit	3,767,744.02	3,228,402.50
Repayment of tax received	109,109,604.22	297,355.05	Among which: absorption of stock investment of minority shareholders by subsidiary companies	0.00	0.00	Add: Minority interests / loss	6,700,052.63	0.00
Other cash inflow relating to operating activities	7,770,553.87	32,122,516.38	Borrowings raised	861,231,680.00	713,020,000.00	Less: Unverified investment loss	(14,017.98)	0.00
Total cash inflow from operating activities	1,247,358,035.07	196,692,519.30	Other cash inflow relating to financing activities	0.00	0.00	Add: Provision for devaluation of assets	(331,704.97)	1,294,758.76
Payments for purchase of goods and receipt of services	1,003,027,155.58	197,862,914.93	Total cash inflow from financing activities	861,231,680.00	713,020,000.00	Depreciation of fixed assets	35,652,979.19	23,898,161.68
Payments to and for staff	127,849,922.52	41,364,018.94			0.00	Amortization of intangible assets	5,256,049.00	3,275,809.18
Taxation paid	27,805,691.93	4,629,471.93	Borrowings repaid	932,882,840.00	685,520,000.00	Amortization of long-term expense	813,790.57	120,000.00
Other payments relating to operating activities	72,757,922.57	47,972,171.19	Dividend, interest and profit paid	39,283,270.64	30,612,145.23	Decrease of deferred expenses (less: increase)	(792,698.22)	0.00
Total cash outflow from operating activities	1,231,440,692.60	291,828,576.99	Among which: pay for dividends of minority shareholders	0.00	0.00	Increase of pre-paid expense (less: decrease)	912,618.47	0.00
Net cash inflow / outflow generated from operations	15,917,342.47	(95,136,057.69)	Other cash outflow relating to financing activities	0.00	0.00	Loss on disposal of fixed assets, intangible assets and other long-term assets (less: decrease)	(30,967,157.09)	508,119.66
2. Cash flow from investing activities:	0.00	0.00				Loss on retirement of fixed assets	0.00	0.00
Cash inflow from retirement of investment	156,782,035.52	104,997,880.00	Total cash outflow from financing activities	972,166,110.64	716,132,145.23	Financial expense	39,020,578.59	30,612,145.23
Cash inflow from profit of investment	13,452,172.00	957,212.25	Net cash inflow / outflow generated from financing activities	-110,934,430.64	-3,112,145.23	Investment Loss (less: investment gain)	(72,904,769.88)	(56,031,748.00)
Cash gain of disposal of fixed assets, intangible assets, and other long-term investment	37,937,393.69	365,361.71				Deferred tax, credit (less: debit)	(38,002.14)	0.00
Other proceeds relating to investment activities	0.00	0.00				Decrease of inventories (less: increase)	(38,025,320.34)	(36,673,885.26)
Total cash inflow from investing activities	208,171,601.21	106,320,453.96	4. Influence of fluctuation of exchange rate	(451,581.84)	(97,853.38)	Decrease of receivables in operations (less: increase)	120,415,554.81	(41,311,970.75)
						Increase of payables in operations (less: decrease)	(53,576,390.15)	(24,055,850.69)
Cash paid for investment	76,710,773.87	100,200,000.00				Others	0.00	0.00
Purchase of fixed assets, intangible assets and other long-term assets	125,636,923.95	108,729,210.58	5. Net increase / decrease in cash and cash equivalents	-89,644,766.62	-200,954,812.92	Net cash inflow / outflow generated from operations	15,917,342.47	(95,136,057.69)
Other cash paid relating to investment activities	0.00	0.00						
Total cash outflow from investing activities	202,347,697.82	208,929,210.58				2. Investing and financing activities not relating to cash flows:		
						Capital transferred from liabilities		
Nets cash inflow / outflow generated from investment activities	5,823,903.39	-102,608,756.62				Transferable bonds to be expired within one year		
						Fixed assets transferred from financing activities		
						3. Net increase / decrease in cash and cash equivalents:		
						Cash and bank balances at end of period	545,965,518.03	325,701,535.51
						Less: Cash and bank balances at beginning of period	635,610,284.65	526,656,348.43
						Cash equivalent at end of period	0.00	0.00
						Less: Cash equivalent at beginning of period	0.00	0.00
						Net increase / decrease in cash and cash equivalents	-89,644,766.62	-200,954,812.92

Legal representative: ZhangJin

Financial director: MaMinLiang

Accountant: XuXiaoHui