

經營業績

二零零一年度，面對中國鋼材產量增長，市場價格回落的嚴峻形勢，本集團扎實開展「成本年」活動，努力促銷增產、保價回款、降耗降本，經營業績穩定提高。截至二零零一年十二月三十一日止年度，本集團實現營業額人民幣3,760,029,000元，本年度盈利人民幣207,271,000元，分別比上年增長1%和4.32%；每股盈利人民幣0.195元。

1. 保價促銷，鋼材平均價格上升

二零零零年三月份開始，鋼材市場呈現回暖態勢，價格逐月上揚。二零零一年前五個月本公司鋼材價格基本穩定，上半年平均售價2,277元／噸，但至六月份開始逐月下滑，到十二月份降至2,136元／噸。面對市場價格下跌勢頭，本集團大力調整品種結構，及時調整定價策略，全年本集團鋼材平均售價2,256元／噸，比上年上升3.43%，增加利潤約人民幣112,800,000元。其中，中厚板平均售價2,441元／噸，型材（包括螺紋鋼）平均售價2,287元／噸，分別比上年上升5.90%和4.43%；初軋坯2,008元／噸，與上年基本持平；線材1,910元／噸，比上年下降1.50%。

Operating Results

The Group achieved steady growth in its results in 2001 amid growth in domestic production and falling prices of steel products. This year was designated as “Year of Cost Management”, the Group strived to increase production and sales, to ensure full collection of sales revenues and to reduce consumption and production costs. For the year ended 31st December 2001, the Group's turnover amounted to Rmb3,760,029,000 and profit for the year amounted to Rmb207,271,000, representing growth of 1.00% and 4.32% as respectively. Earnings per share amounted to Rmb0.195.

1. Maintaining prices while boosting sales, average steel prices increased

The steel market started to recover in March 2000, and prices recorded month-on-month increases. Prices of the Company's steel products remained stable during the five months to May 2001. The average selling price for the first half of the year was Rmb2,277 per tonne. However, steel prices slid since June 2001 and onwards, and reached Rmb2,136 per tonne by December. In view of falling prices, the Group made swift efforts to re-align its product mix and adjust its pricing strategy in a timely manner. The average selling price of the Group's steel products for the year was Rmb2,256 per tonne, representing an increase of 3.43% as compared to the previous year and contributed approximately Rmb112,800,000 in profits. The average selling prices of medium-gauge steel plates and steel sections (including spiral-grained steel) were Rmb2,441 and Rmb2,287 per tonne respectively, up by 5.90% and 4.43% respectively as compared to the previous year. The average selling price of rolled billets maintained at Rmb2,008 per tonne as compared to the previous year. Wire rods were sold at an average price of Rmb1,910, down by 1.50% as compared to previous year.

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2. 開拓市場，鋼材銷量增加

二零零一年，本集團繼續以營銷為突破口，堅持以周邊市場為主，穩定長期客戶，開發新客戶，大力促銷，開拓市場，保證了合同的全部兌現。全年本集團對外銷售鋼材150.80萬噸，比上年增長5.90%。其中：銷售中厚板69.43萬噸，型材（包括螺紋鋼）31.79萬噸，線材16.47萬噸，初軋坯33.11萬噸；中厚板和初軋坯略有增長，型材和線材分別比上年增長15.85%和27.28%。二零零一年本集團未銷售連鑄坯（二零零零年銷售14.50萬噸）：未出口鋼材（坯）（二零零零年出口16萬噸）。

3. 增產降耗，產品成本降低

本集團視成本為第一競爭力，強化內部管理，不斷降低成本。全年本集團在十二月開始的5#高爐、3#燒結機大修及配套檢修的情況下，實現了生產穩定提高，焦炭、生鐵、鋼和鋼材產量均創歷史最好水平，分別生產106.87萬噸，159.56萬噸，171.98萬噸和152.48萬噸，比上年增長2.39%、4.53%、6.29%和8.88%，降低固定成本約人民幣38,000,000元。通過科技攻關，主要消耗下降，降低成本約人民幣24,600,000元。其中：噸鋼綜合能耗866公斤標煤，比上年下降3%；鋼材綜合成材率90.50%，比上年提高0.5個百分點。通過招標採購，優化運輸等，主要原輔料採購成本降低約人民幣12,300,000元。

Operating Results (continued)

2. Exploring new markets to increase sales

The Group continued to seek breakthroughs in its marketing efforts in 2001, with particular focus on peripheral regions. New customers were secured while existing customer bases were reinforced. Strong efforts were made to ensure compliance with the requirements of the sales contracts. The Group sold a total of 1,508,000 tonnes of steel products in the year, representing a year-on-year increase of 5.90%, including 694,300 tonnes of medium-gauge steel plates, 317,900 tonnes of steel sections (including spiral-grained steel), 164,700 tonnes of wire rods and 331,100 tonnes of rolled billets. Sales of medium-gauge steel plates and rolled billets increased slightly as compared to the previous year, while sales of steel sections and wire rods grew by 15.85% and 27.28% respectively. The Group did not market any continuous casting billets or export any steel products (billets) in 2001, while 145,000 tonnes of continuous casting billets were sold and 160,000 tonnes of steel products (billets) were exported in 2000.

3. Increased production with lower consumption and product costs

The Group considers that cost control is the key to maintain its competitiveness, and continued to strengthen its internal management and procure cost reductions during the year. Despite the overhaul of Blast Furnace 5# and Sintering Unit 3# together with the maintenance works of their auxiliary units, the Group achieved steady growth in its production. The production volumes of coking coal, pig iron, steel and steel products achieved historical high records of 1,068,700 tonnes, 1,595,600 tonnes, 1,719,800 tonnes and 1,524,800 tonnes respectively, marking year-on-year increases of 2.39%, 4.53%, 6.29% and 8.88% respectively. Fixed costs were reduced by Rmb38,000,000. Major consumption indicators were lowered to achieve cost reductions of approximately Rmb24,600,000, through technological breakthroughs. The aggregate energy consumption rate per tonne was 866 kg of standard coal, a 3% reduction as compared to the previous year. The consolidated output ratio was 90.50%, representing a year-on-year increase of 0.50%. Through the tendering system on purchases and optimized transportation arrangements, the procurement costs for major raw materials and auxiliary materials were reduced by approximately Rmb12,300,000.

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4. 客觀影響，部分支出增加

因十二月份5#高爐、3#燒結機大修及配套設備檢修等，二零零一年本集團支出修理費約人民幣246,657,000元，比上年增加約人民幣39,217,000元。

二零零一年，本集團實行「工效掛鉤」辦法，因效益增長，工資及附加費比上年增加約人民幣65,378,000元。

二零零一年，本集團為了提高鋼質，全年通過LF爐精煉鋼水14萬噸，增加成本約人民幣18,200,000元；球團礦至五月投產，因處於達產過程和配礦條件變化，增加成本約人民幣17,000,000元；處理不能用備件約人民幣20,200,000元。

二零零一年，本集團提取固定資產減值準備約人民幣39,671,000元使其其他經營開支比上年增加約人民幣28,260,000元，提取壞帳準備約人民幣32,290,000元，使行政開支比上年增加約人民幣34,419,000元。

Operating Results (continued)

4. Increase in certain expenditures owing to external factors

The Group incurred repairs and maintenance costs of approximately Rmb246,657,000 in 2001 for the overhaul of Blast Furnace 5# and Sintering Unit 3# together with the maintenance of their auxiliary units, which was approximately Rmb39,217,000 more as compared to the previous year.

The Group implemented a remunerations system in 2001 that linked to working efficiency. As a result of improved performance, expenditure relating to wages and bonuses increased by approximately Rmb65,378,000 as compared to previous year.

The Group also processed 140,000 tonnes of melted steel using the LF furnace in 2001 with a view to enhance steel quality, resulting in additional costs of approximately Rmb18,200,000. Additional costs of approximately Rmb17,000,000 was incurred in relation to the spherical ore plant, which commenced operation in May, as it was not yet at full operating capacity and affected by changes in iron ore conditions. In addition, expenses of approximately Rmb20,200,000 were incurred in relation to the disposal of obsolete spare parts.

In 2001, provisions have been made in respect of impairment of fixed assets and doubtful debts amounted to approximately Rmb39,671,000 and Rmb32,290,000 respectively, resulting in the increase of other operating expenses and administrative expenses by Rmb28,260,000 and Rmb34,419,000 respectively.

財務狀況

二零零一年，本集團進一步強化資金管理，貸款回收增加，資金周轉加快，資產負債率下降，資金支付正常，財務狀況良好。

1. 於二零零一年十二月三十一日，本集團資產總額為人民幣4,306,474,000元，資產負債率(負債總額／資產總額×100%)為48.73%，比上年末下降1.67個百分點；流動比率(流動資產／流動負債×100%)為87.72%，比上年末下降20.14個百分點，主要是短期銀行貸款增加，但銀行同意到期時可續貸。
2. 於二零零一年十二月三十一日，本集團現金和銀行存款結餘為人民幣319,374,000元，比上年末減少12,915,000元。原因是：二零零一年度，本集團經營業務現金流入淨額為人民幣633,236,000元，用於支付利息和派發股息等人民幣101,031,000元、購置固定資產等投資淨支出人民幣495,381,000元、償付母公司欠款等融資淨支出人民幣49,739,000元。
3. 於二零零一年十二月三十一日，本集團向銀行貸款人民幣1,004,200,000元，比上年末淨增加人民幣17,000,000元。其中：一年以上的長期借款人民幣363,000,000元，一年內到期的長期借款人民幣75,000,000元，短期借款人民幣566,200,000元。

Financial Position

The Group further enhanced its cash management in 2001, which is evidenced by the increased collection of receivables, improved cashflow, a lower gearing ratio and normalised payment schedules. A sound financial position was maintained.

1. At 31st December 2001, the Group's total assets amounted to Rmb4,306,474,000. The Group's gearing ratio (total liabilities / total assets X 100%) was 48.73%, 1.67% lower as compared to the previous year; and the liquidity ratio (current assets / current liabilities X 100%) was 87.72%, 20.14% lower as compared to the previous year. This was mainly due to the increase in short-term bank loans, for which the bankers had agreed to extend upon maturity.
2. At 31st December 2001, the Group's cash and bank balances amounted to Rmb319,374,000, reflecting a reduction of Rmb12,915,000 as compared to the previous year. This was the net result of a net cash inflow from operating activities amounting to Rmb633,236,000, interest and dividend payments amounting to Rmb101,031,000, expenditure for investment in fixed assets amounting to Rmb495,381,000 and net cash outflow from financing, including the repayment of amounts owed to the parent company amounting to Rmb49,739,000.
3. At 31st December 2001, the Group's bank loans amounted to Rmb1,004,200,000, a net increase of Rmb17,000,000 as compared to the previous year. This included long-term borrowings due after 1 year amounting to Rmb363,000,000, long-term borrowings due within 1 year amounting to Rmb75,000,000 and short-term borrowings amounting to Rmb566,200,000.

財務狀況 (續)

4. 於二零零一年十二月三十一日，本集團各種存貨淨值為人民幣739,677,000元，比上年末增加人民幣74,856,000元。其中：庫存礦石增加，使原材料增加約人民幣22,627,000元；庫存鋼坯增加，使在製品增加約人民幣38,495,000元；庫存鋼材增加，使製成品增加約人民幣21,941,000元。
5. 因本集團二零零一年貨款回收率為103.59%，使本集團貿易及其他應收款可變現淨值為人民幣425,646,000元，比上年末下降人民幣161,509,000元。其中：貿易應收款下降人民幣109,373,000元，應收同系附屬公司款下降人民幣14,285,000元，預付款下降人民幣29,689,000元。
6. 二零零一年度，本集團資本性支出為人民幣425,328,000元。其中：高爐噴煤約人民幣64,220,000元，球團豎爐約人民幣86,780,000元，焦爐煤氣脫硫脫氰約人民幣49,170,000元，11輥矯直機改造約人民幣20,420,000元，景星白雲石礦約人民幣15,750,000元，大寶坡石灰石礦約人民幣10,590,000元。於二零零一年十二月三十一日，本集團球團豎爐，景星白雲石礦、大寶坡石灰石礦等完工轉固約人民幣292,841,000元。

Financial Position (continued)

4. At 31st December 2001, the carrying amount of the Group's inventories amounted to Rmb739,677,000, a net increase of Rmb74,856,000 as compared to the previous year. This included an increase of approximately Rmb22,627,000 in raw materials as a result of purchase of additional iron ores, an increase of approximately Rmb38,495,000 in works-in-progress as a result of purchase of steel billets and an increase of approximately Rmb21,941,000 in finished goods as a result of additional production of steel products.
5. The Group's revenue collection rate in 2001 was 103.59%. As such, the net realisable value of the Group's trade and other receivables amounted to Rmb425,646,000, representing a net decrease of Rmb161,509,000 as compared to the previous year. Trade receivables decreased by Rmb109,373,000, amounts receivable from fellow subsidiaries decreased by Rmb14,285,000 and prepayments decreased by Rmb 29,689,000.
6. The Group's capital expenditure in 2001 amounted to Rmb425,328,000. This included approximately Rmb64,220,000 for the blast furnace coal blower project, approximately Rmb86,780,000 for the spherical furnace, approximately Rmb49,170,000 for the desulfurization and dehydrogenation of coking coal, approximately Rmb20,420,000 for the modification of the 11-roll straightener, approximately Rmb15,750,000 for the Jingxi Dolomite Mine, and approximately Rmb10,590,000 for the Dabaopo Mine. At 31st December 2001, approximately Rmb292,841,000 was reclassified to fixed assets following the completion of the spherical furnace, Jingxi Dolomite Mine and Dabaopo Mine projects.