

董事會謹向股東提呈截至二零零一年十二月三十一日止年度的董事會報告及本公司經審核的帳目。

主要業務

本公司的主要業務是生產及銷售中厚鋼板、型材、線材等各類鋼材；本公司的唯一附屬公司 達的業務為煉鋼及銷售自產鋼坯，其鋼坯全部銷售予本公司。由於本集團超過90%之營業額及經營盈利均來自本集團銷售鋼鐵及其副產品業務，因此並未列示業務分部資料。

本集團的業務主要以中國為基地及在內地進行。本集團於二零零一年的所有銷售及營運均在中國境內進行（二零零零年：出口銷售為人民幣262,260,000元，約佔總銷售額之7%），且其資產均在中國境內，故並沒有披露銷售地區分部數據。

業績及分派

按照香港普遍採納的會計原則編制的本集團本年度業績及利潤分配載於本年報第54頁綜合損益表內。

本公司於二零零一年度沒有派發中期股息。

二零零一年，面對嚴峻的市場形勢，本集團更加注重產品品種、質量、價格和售後服務的提升，以降低成本為中心，充分發揮自身優勢，經營業績繼續保持了良好的增長勢頭。於本年度盈利為人民幣207,271,000元，故董事會建議派發二零零一年度末期股息每股人民幣0.03元，合共折合人民幣31,918,000元。

根據國家外匯管理局、國家稅務總局的發（1999）372號文之規定，本公司派發予股東的二零零一年度末期股息免於徵稅。

The Board of Directors have pleasure in presenting their report together with the audited accounts of the Company for the year ended 31st December 2001 to the shareholders.

Principal Business

The principal businesses of the Company are the manufacture and sale of steel products such as medium-gauge steel plates, steel sections and wire rods. Hengda, the sole subsidiary of the Company, mainly engages in the smelting and sale of steel billets manufactured from its in-house facilities. Hengda's steel billets are all sold to the Company. As over 90% of the turnover and operating profits are derived from the business of steel products and its by-products of the Group, no segment information for businesses is presented.

The Group's operations are primarily based and carried out in the PRC. All the Group's sales and operations were carried out in the PRC (2000: exports sales amounted to Rmb262,260,000, representing approximately 7% of the total sales), and all assets of the Group are located in the PRC. Therefore, no geographical segment information is presented.

Results and Appropriations

Results and appropriations of the Group for the year prepared in accordance with the accounting principles generally accepted in Hong Kong are set out in the consolidated profit and loss account on page 54 of the Annual Report.

The Company has not declared any interim dividend for 2001.

In 2001, in view of the difficult market conditions, the Group placed emphasis on enhancing product types; quality; price and after-sale services; and focused on cost reduction and fully utilised its own competitive advantages. As a result, the operating results continued to maintain growth trend. Profit for the year amounted to Rmb207,271,000. Accordingly, the Board of Directors of the Company has proposed a final dividend of Rmb0.03 per share, totalling Rmb31,918,000, for 2001.

Pursuant to the Document No. Hui Fa (1999) 372 jointly issued by the State Administration of Foreign Exchange and the State Administration of Taxation, the final dividend for 2001 to be distributed by the Company will be exempted from payment of tax.

財務概要

本集團以往五年業績及資產負債概要載於本年報第6及7頁。

股本及股東

本公司於二零零一年十二月三十一日的股本結構如下：

股份種類		每股面值人民幣 1元的股數	佔本公司總發行 股本的百分比
Share type		Number of shares with par value of Rmb1 each (in 1,000 shares) (千股)	Percentage to the Company's total issued share capital (%) (百分比)
非上市國有法人股	Unlisted State-owned Shares	650,000	61.09
香港上市的H股	H shares listed in Hong Kong	413,944	38.91
總股數	Total	1,063,944	100.00

本公司於本年度內沒有發行任何股份，股本結構並無變化。

Financial Summary

A summary of the results and the assets and liabilities of the Group for the past five years are set out on pages 6 and 7 of the Annual Report.

Share Capital and Shareholders

The structure of the Company's share capital as at 31st December 2001 was as follows:

During the year, the Company did not issue any shares and there were no changes in the share capital structure.

股本及股東 (續)

H股資料：

本公司自一九九七年八月十二日成立以來，在香港上市的H股發行情況如下：

初次公開發行

發行日期	一九九七年十月十五日
上市地點	香港
發行價	1.71港元
發行股數	410,000,000股
上市日期	一九九七年十月十七日

超額配售

發行日期	一九九七年十一月六日
上市地點	香港
發行價	1.71港元
發行股數	3,944,000股
上市日期	一九九七年十一月十日

獲准上市的H股股數：413,944,000股

於本年度內：

最高成交價	每股1.93港元
最低成交價	每股0.285港元
最後交易日收市價	每股0.91港元
總成交量	5,420,948,900股

股東數目

於二零零一年十二月三十一日，本公司共有股東536名，包括國有法人股股東1名及H股股東535名。

主要股東持股情況

於二零零一年十二月三十一日，根據香港證券(公開權益)條例第十六(一)條而設置的主要股東登記冊，顯示本公司已接獲下列持有本公司已發行股本權益的通知：

Share Capital and Shareholders (continued)

H Share Information:

Details of the issue of the Company's H shares listed in Hong Kong since the establishment of the Company on 12th August 1997 are as follows:

Pursuant to initial public offering:

Date of Issue:	15th October 1997
Place of listing:	Hong Kong
Issue price:	HK\$1.71
Number of shares issued:	410,000,000 shares
Date of listing:	17th October 1997

Pursuant to over-allotment option

Date of Issue:	6th November 1997
Place of listing:	Hong Kong
Issue price:	HK\$1.71
Number of shares issued:	3,944,000 shares
Date of listing:	10th November 1997

Number of H shares approved for listing: 413,944,000 shares

During the year:

Highest trading price	HK\$1.93 per share
Lowest trading price	HK\$0.285 per share
Closing price on the last trading day	HK\$0.91 per share
Total transaction volume	5,420,948,900 shares

Number of shareholders

At 31st December 2001, the Company's total number of shareholders was 536, which included one shareholder of State-owned shares and 535 shareholders of H shares.

Substantial shareholders

At 31st December 2001, the register of substantial shareholders maintained under Section 16(1) of the Hong Kong Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance") showed that the Company had been notified of the following interests in the Company's issued share capital:

股本及股東 (續)

Share Capital and Shareholders (continued)

股東名稱 Name of shareholder	股份類別 Class of shares held	持股數 Number of shares held (千股) (in thousand shares)	佔已發行總股本 Percentage to total issued share capital 百分比 (%)
重慶鋼鐵(集團)有限責任公司 Chongqing Iron & Steel Company (Group) Limited	國有法人股 State-owned share	650,000	61.09
HKSCC NOMINEES LIMITED HKSCC Nominees Limited	H股 H share	403,786	37.95

購買、出售或贖回本公司證券

於本年度內，本公司並無贖回本公司的任何已發行的證券。本公司或其附屬公司於該期間內並無購買或出售本公司的任何上市證券。

Purchase, Sale or Redemption of the Company's Securities

During the year, the Company has not redeemed any of its issued securities, neither the Company nor its subsidiary has purchased, or sold any of the Company's securities.

優先購買權

中國法律及本公司章程並無有關優先購買權的規定。

Pre-emptive Rights

There is no provision for pre-emptive rights under PRC Laws and the Company's Articles of Association.

募股資金用途

本公司一九九七年度發行H股共籌得資金折合人民幣約6.901億元，計劃使用資金2億元用於償還銀行貸款，其餘資金用於投資技改項目。為減少貸款利息，提高資金使用效率，增加公司效益，本公司於一九九七年度和一九九八年度內較原計劃分別增加了約人民幣1億元和約人民幣2.0975億元(共計約人民幣3.0975億元)用於償還銀行高息貸款，待本集團技改需要使用資金時，再向銀行借款。截至二零零零年十二月三十一日止，募股資金作為補充及改造生產設施已完全投入使用。

募股資金各年使用情況：

年度
Year

一九九七 1997
一九九八 1998
一九九九 1999
二零零零 2000

合計 Total

Use of Proceeds from the New Issue

The Company raised Rmb690.1 million from its issue of H shares in 1997, of which Rmb200 million was intended to be used for repayment of bank loans and the balance was planned to be used for investment in technological renovation projects. In order to reduce bank loan interests, enhance capital utilisation and improve the operating results of the Company, the Company used Rmb100 million and Rmb209.75 million (totalled Rmb309.75 million) in addition to the original budgeted amounts in 1997 and 1998 respectively to repay bank loans which were high interest-bearing. The Group will obtain new loans from banks when the Company's technological renovation projects require funds. The proceeds planned to be used for investment in technological renovation projects have been fully utilised at the end of 31st December 2000.

Details of the use of proceeds in each of the following years:

使用募股資金情況
Use of proceeds
(人民幣百萬元)
Rmb' million

313.3
280.5
59.6
36.7

690.1

董事及監事

截至二零零一年十二月三十一日止，本公司董事、監事之名錄如下：

董事：

執行董事

唐民偉先生 董事長
潘向宇先生
陳山先生
董榮華先生
曾朝碧女士

獨立非執行董事

趙志鎬先生
吳中福先生

監事：

朱建派先生 監事會主席
劉秀英女士
黃幼和先生
蘇全林先生
袁學兵女士
(於二零零一年六月七日獲委任)
王祖琴女士
(於二零零一年六月七日離任)

按照本公司章程第九十三條及第一百二十一條，董事及監事的任期由委任或連任之日起計為期三年，並可再獲委任或重選連任。

董事、監事及高級管理人員的詳細資料載於本報告書第39至43頁。

Directors and Supervisors

Directors and supervisors of the Company who held offices during the year ended 31st December 2001 are as follows:

Directors:

Executive Directors

Mr. Tang Min Wei *Chairman*
Mr. Pan Xiang Yu
Mr. Chen Shan
Mr. Dong Rong Hua
Ms. Zeng Chao Bi

Independent Non-executive Directors

Mr. Chiu Chi Cheong, Clifton
Mr. Wu Zhong Fu

Supervisors:

Mr. Zhu Jian Pai *Chairman of the Supervisory Committee*
Ms. Liu Xiu Ying
Mr. Huang You He
Mr. Su Quan Lin
Ms. Yuan Xue Bin
(appointed on 7th June 2001)
Ms. Wang Zu Qin
(resigned on 7th June 2001)

Pursuant to Articles 93 and 121 of the Articles of Association of the Company, the term of directors and supervisors shall be three years commencing from the date of appointment or re-appointment, and may be re-appointed to serve consecutive terms.

Brief biographies of the directors, supervisors and senior management are set out on pages 39 to 43 of the Annual Report.

董事、監事及其他高級管理人員變動情況

- 1、 董事會於二零零一年三月二十六日作出決議，解聘劉大衛先生擔任本公司董事會秘書職務，終止其本公司授權代表；聘任游曉安先生為本公司董事會秘書，並委任其為本公司授權代表。
- 2、 於二零零一年六月七日舉行的本公司股東周年大會，同意王祖琴女士因退休提出的辭呈，選舉袁學兵女士加入監事會，任期三年。
- 3、 於二零零一年六月二十二日，經本公司總經理唐民偉先生提名，董事會聘任陳山先生、孫毅傑先生為本公司副總經理，同時解聘董榮華先生、郭德勇先生本公司副總經理職務。
- 4、 於二零零一年十一月十九日，經本公司總經理唐民偉先生提名，董事會聘任楊志煒先生、陳亞雄先生為本公司副總經理，劉加才先生為本公司副總經理和總工程師，同時解聘陳洪先生本公司副總經理職務。

Change of Directors, Supervisors and Senior Management

1. On 26th March 2001, the Board of Directors resolved to dismiss Mr Liu Da Wai from his office as the Secretary to the Board of Directors and to terminate his capacity as the Authorised Representative of the Company. Mr You Xiao An was appointed as the Secretary to the Board of Directors and the Authorised Representative of the Company.
2. At the annual general meeting of the Company held on 7th June 2001, the resignation submitted by Ms Wang Zu Qin due to retirement was accepted and Ms Yuan Xue Bin was appointed as a member of the supervisory committee for a term of three years.
3. On 22nd June 2001, upon the nomination by Mr Tang Min Wei, the Company's General Manager, the Board of Directors appointed Mr Chen Shan and Mr Sun Yi Jie as the Company's Deputy General Managers and dismissed Mr Dong Rong Hua and Mr Guo De Yong from their offices as Deputy General Managers of the Company.
4. On 19th November 2001, upon the nomination by Mr Tang Min Wei, the Company's General Manager, the Board of Directors appointed Mr Yang Zhi Wei and Mr Chen Ya Xiong as the Company's Deputy General Managers, Mr Liu Jia Cai as the Company's Deputy General Manager and Chief Engineer, and dismissed Mr Chen Hong from his office as the Company's Deputy General Manager.

董事、監事服務合約

除袁學兵女士與本公司簽訂了於二零零四年六月八日屆滿的任期三年的服務合約外，其餘董事及監事均與本公司訂立了於二零零三年八月十一日屆滿的服務合約，雙方均可以三個月的通知終止該合約。

本公司獨立非執行董事概沒有與本公司簽訂服務合約。

董事及監事權益

於二零零一年十二月三十一日，根據本公司依據香港證券(公開權益)條例第二十九條而設置的登記冊所載記錄，各董事及監事在 達股份中的權益如下：

姓名

Name

個人權益持有股數

Number of shares held under personal interests

潘向宇	Pan Xiang Yu	1,600
陳山	Chen Shan	800
袁學兵	Wang Zu Qin	800

除上述披露者外，各董事、監事或彼等的聯繫人於二零零一年十二月三十一日概無於本公司或其相聯法團的股份中擁有任何權益。

於本年度內，本公司並無授予董事、監事或彼等的配偶或十八歲以下子女認購本公司股份的權利。

本公司、其附屬公司、其同系附屬公司及其母公司概無於本年度內簽訂任何涉及本公司的業務而本公司董事或監事直接或間接在其中擁有重大權益的重要合約。

本公司、其附屬公司、其同系附屬公司及其母公司概無於本年度內參與任何安排，使本公司董事或監事可藉以收購本公司或任何其他法人團體的股份或債券而獲得利益。

Directors' and Supervisors' Service Contracts

Except for Ms Yuan Xue Bin who has entered into a three-year service contract with the Company which will expire on 8th June 2004, all other directors and supervisors of the Company have entered into service contracts with the Company which will expire on 11th August 2003. Either parties may terminate the service contract by serving three months notice.

None of the independent non-executive directors of the Company has entered into any service contract with the Company.

Directors' and Supervisors' Interests

At 31st December 2001, the interests of the directors and supervisors in the shares of Hengda, as recorded in the register maintained under Section 29 of the SDI Ordinance were as follows:

Save as disclosed above, none of the directors, supervisors or their associates had any interest in the shares of the Company or its associated corporations at 31st December 2001.

During the year, none of the directors or supervisors or their spouses or children under 18 years of age has been granted by the Company the rights to subscribe for the Company's shares.

No contracts of significance in relation to the Company's business to which the Company, its subsidiary, its fellow subsidiaries or its holding company was a party and in which a director or supervisor of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

At no time during the year was the Company, its subsidiary, its fellow subsidiaries or its holding company a party to any arrangements to enable the directors or supervisors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

與母公司訂立的重大合約

1. 服務和供應協議

根據一九九七年九月二十九日訂立的服務和供應協議，母公司同意供應或促使其附屬公司(母公司及其附屬公司但不包括本集團，以下統稱「母公司集團」)供應若干設備及物料予本集團，並為本集團提供若干福利及支援服務；而本公司亦同意供應或促使其附屬公司供應若干物料並提供若干服務(包括供應水、電及煤氣)予母公司集團。該協議於一九九七年九月二十九日生效，為期十年。此等服務的應付費用是根據協議規定按市價或政府監管價格(如適用)釐訂。

2. 土地租賃協議

根據一九九七年八月十四日及一九九七年八月十三日訂立的土地租賃協議(分別經一九九七年九月二十九日訂立的補充協議修改)，本公司及達分別向母公司租賃本集團廠房所附畝的土地，分別從一九九七年八月十四日及一九九七年八月十三日起計，為期五十年。一九九八年至二零零零年每年租金總額為人民幣11,994,000元。其後租金最多每隔三年由本集團與母公司協議調整一次，增幅不得超過最後適用租金的10%。

於二零零一年一月十二日，本公司和達分別與母公司簽訂了《關於調整土地使用權租金的補充協議》，對本集團租賃母公司土地的租金進行調整。增幅為最後適用租金的10%，即二零零一年至二零零三年本集團每年需支付租金總額約為人民幣13,200,000元。

Material Contracts with the Holding Company

1. Service and supply agreement

Under the service and supply agreement dated 29th September 1997, the Holding Company has agreed to supply or to procure its subsidiaries (the Holding Company and its subsidiaries excluding the Group are hereinafter collectively referred to as the "Holding Company Group") to supply certain equipment and materials and to provide certain welfare and support services to the Group; and the Company has agreed to supply or to procure its subsidiary to supply certain materials and to provide certain services including the supply of water, electricity and gas to the Holding Company Group. The agreement is effective from 29th September 1997 for a term of 10 years. The consideration payable for these services is based, if applicable, on market prices or government-regulated prices, as provided for in the agreement.

2. Land leasing agreements

Under the lease agreements dated 14th August 1997 and 13th August 1997, each as amended by a supplementary agreement dated 29th September 1997, the Company and Hengda lease land on which the Group's plants are located from the Holding Company for a term of 50 years from 14th August 1997 and 13th August 1997 respectively. For the years 1998 to 2000, the total rental is Rmb11,994,000 per annum. Thereafter, the rent will be adjusted not more than once every three years by agreement between the Group and the Holding Company subject to a maximum increment of 10% of the latest applicable rental amount.

On 12th January 2001, the Company and Hengda respectively entered into supplementary agreements with the Holding Company in respect of the adjustment on the rental for the lease of land. The rental for the lease of land by the Group from the Holding Company was increased at a 10% increment based on the latest applicable rental amount. The annual rental amount paid by the Group will be approximately Rmb13,200,000 for the years 2001 to 2003.

關連交易

- 1、本集團截至二零零一年十二月三十一日止年度進行之重大有關連人士交易載於帳目第86至88頁之附注26。根據香港聯合交易所有限公司證券上市規則(「上市規則」)，該等交易亦構成關連交易。
- 2、按照上市規則第十四章須予批露之關連交易如下：

(1) 已獲豁免的關連交易

在香港聯合交易所有限公司(「聯交所」)於一九九七年十一月二十八日及一九九九年十二月七日發出的函件中(有關詳情列於以下第(3)段「銷售鋼材產品」)所列條件得到滿足的情況下，招股說明書第76頁至第80頁中第(2)、(4)至(9)段及本年報第86至88頁所述的本集團與母公司集團之間的關連交易(「該等交易」)，已獲聯交所豁免嚴格遵守上市規則第十四章的規定。

本公司獨立非執行董事已審閱本年度的該等交易，並確認：

- (a) 該等交易乃於本集團日常業務中進行；
- (b) 該等交易乃按正常商業條款(即為參考類似性質的交易或由中國的類似公司所訂立的交易條款)而訂立，如無可供比較的交易，則按對本公司股東而言公平合理的條款訂立；

Connected Transactions

1. Details of the related party transactions entered into by the Group during the year ended 31st December 2001 are set out in note 26 to the Accounts on pages 86 to 88. Such transactions also constituted connected transactions under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").
2. The connected transactions discloseable according to Chapter 14 of the Listing Rules are set out below:

(1) Connected transactions that have been granted waivers

Connected transactions between the Group and the Holding Company Group described in paragraphs (2), (4) to (9) on pages 76 to 80 of the Prospectus and pages 86 to 88 of this Annual Report (the "Transactions") have been waived by The Stock Exchange of Hong Kong Limited (the "Stock Exchange") from strict compliance with the provisions of Chapter 14 of the Listing Rules, provided that the conditions as set out in the letters from the Stock Exchange dated 28th November 1997 and 7th December 1999 (details of which are set out in paragraph (3) headed "Sale of Steel Products" below) are fulfilled.

The independent non-executive directors of the Company have reviewed the Transactions during the year and have confirmed that:

- (a) the Transactions have been entered into in the ordinary course of business of the Group;
- (b) the Transactions have been entered into on normal business terms (i.e. terms determined with reference to transactions of a similar nature or entered into by similar companies in the PRC) or, where there was no available comparisons, on terms that were fair and reasonable so far as the shareholders of the Company are concerned;

關連交易 (續)

- (c) 該等交易乃按以下條款訂立：
(1) 根據管制該類交易的協議條款，或(2) 在沒有協議的情況下，按照不遜於給予第三者的條款；
- (d) 該等交易並沒有超過詳列於招股說明書第78至81頁及本公司一九九九年十月二十一日所發有關銷售鋼材產品通函內第5頁的豁免額。

(2) 母公司質押所持股份

本公司於一九九九年一月十八日發佈公告，公佈母公司於一九九八年十月十三日，將其持有的650,000,000股每股面值人民幣1元的本公司股份(「質押股份」)質押予中國的一家銀行(「該銀行」)，作為本公司履行有關該銀行於一九九八年十月十二日至二零零三年十月十二日期間向本公司提供本金不超過人民幣650,000,000元貸款的還貸責任的擔保。質押股份乃母公司持有本公司股權的全部，佔本公司已發行總股本的61.09%。

上述質押於二零零一年十二月三十一日尚未撤銷。

Connected Transactions (continued)

- (c) the Transactions were entered into: (1) in accordance with the terms of the agreements that governed the Transactions, or (2) where there was no such agreement, on terms no less favourable than those available to third parties;
- (d) the amount of each of the Transaction has not exceeded the cap set out on pages 78 to 81 of the Prospectus and page 5 of the circular relating to the sale of steel products issued by the Company dated 21st October 1999.

(2) Pledge of Shares by the Holding Company

On 18th January 1999, the Company published an agreement in respect of the pledge by the Holding Company of 650,000,000 shares of Rmb1 each in the Company (the "Pledged Shares") to a bank in the PRC (the "Bank") on 13th October 1998 by way of security for repayment obligations of the Company in respect of loans up to a maximum principal amount of Rmb650,000,000 extended to the Company by the Bank during the period from 12th October 1998 to 12th October 2003. The Pledged Shares represent the Holding Company's entire stake in the Company and represent 61.09% of the issued share capital of the Company.

The above pledge has not been released as at 31st December 2001.

委託存款及逾期定期存款

於本年度內，本集團未有存於中國境內金融機構的委託存款，也沒有定期存款在本年度內已經到期而又未能取回的情況。

資產抵押及或然負債

本集團以若干固定資產為銀行貸款作抵押。於二零零一年十二月三十一日，本集團已抵押固定資產賬面淨值為人民幣321,689,000元（二零零零年：人民幣203,232,000元）。

本集團於二零零一年十二月三十一日並無或然負債（二零零零年：無）。

匯率風險

於本年度內，本集團並無任何外幣負債或存款，亦不存在任何匯率風險（二零零零年：無）。

重大訴訟

本集團於本年度內概無涉及任何重大法律訴訟或仲裁。

Designated Deposits and Overdue Time Deposits

During the year, the Group had not placed any designated deposits with any financial institutions in the PRC, nor had it failed to collect any time deposits upon maturity during the year.

Pledge of Assets and Contingent Liabilities

The Group has pledged certain of its fixed assets as security for bank loans. As at 31st December 2001, the net book value of the Group's pledged fixed assets amounted to Rmb321,689,000 (2000: Rmb203,232,000).

As at 31st December 2001, the Group had no contingent liabilities (2000: nil).

Foreign Exchange Risk

During the year, the Group had no foreign currency borrowings or deposits. Accordingly, there was no foreign exchange risk for the Group (2000: nil).

Material Litigation

During the year, the Company had not involved in any significant litigation or arbitration.

重大事項

- 1、於二零零一年三月三十一日18時20分，本公司球團礦技改工程實現2座豎爐點火烘爐一次成功。標誌球團礦主體工程施工結束。
- 2、於二零零一年四月九日和二零零一年八月二十九日，本公司第一屆審核委員會第一次會議和第二次會議分別順利召開。會議由趙志錕主席主持，本公司董事、監事、總會計師、副總經理、核數師列席了會議，兩次會議分別就本公司二零零零年度及二零零一年上半年業績等事項進行了認真審閱，並就相關問題向董事會提出建議。
- 3、於二零零一年六月七日，本公司召開二零零零年度股東周年大會。
- 4、於二零零一年八月二十五日，本集團煉鋼廠1#轉爐爐齡突破10,000爐，跨入了全國先進轉爐爐齡指標的行業。
- 5、於二零零一年十一月十九日，本公司董事會通過書面議案，批准本公司分別投資人民幣1,475萬元和人民幣1,611.47萬元，用於煉鋼廠1#方坯連鑄機加流改造(由四流改為五流)投資項目和動力廠2#總降壓電站電源改造投資項目。該等項目建成投產後將會提高鋼坯質量和產量，降低生產成本，使本集團的產品更具市場競爭力。
- 6、於二零零一年十一月二十八日11時30分，本公司3#、4#高爐噴煤成功啟動。
- 7、於二零零一年十二月十一日，本公司中板廠生產的E級系列造船用鋼板(E、E32、E36)取得挪威船級社(DNV)的工廠認證書。E級船鋼開發成功，填補了本公司生產高強造船用鋼板的空白。

Significant Events

1. At 18:20 on 31st March 2001, the first trial run of two vertical furnaces of the Company's spherical minerals technological renovation project was successful. This represented the completion of the major construction works for spherical minerals project.
2. The first and second meetings of the Company's first Audit Committee were held on 9th April 2001 and 29th August 2001 respectively. Mr Chiu Chi Cheong, Clifton, acted as the chairman of the meetings. The Company's directors, supervisors, chief accountant, deputy general managers and external auditors had attended the meetings. The Company's 2000 annual results and 2001 interim results were reviewed and recommendations submitted to the Board of Directors on certain issues.
3. On 7th June 2001, the Company's 2000 annual general meeting was held.
4. On 25th August 2001, the 1[#] rolling furnace of the Group's steel-smelting plant exceeded the furnace age of 10,000 times, becoming an enterprise with advanced target of furnace age for rolling furnace in the industry nationwide.
5. On 19th November 2001, the Company's Board of Directors approved by written resolutions the investment of Rmb14,750,000 and Rmb16,114,700 in respect of the line extension renovation project (increasing from 4 lines to 5 lines) of continuous casting machine for steel plates slab of 1[#] steel-smelting plant and the electricity supply renovation project of the electrical transformer of 2[#] power plant. The completion of these projects will enhance product quality and production volume; and thus, reduce production costs and improve the competitiveness of the Group's products.
6. At 11:30 a.m. on 28th November 2001, the Company's 3[#] and 4[#] blast furnace coal blowers successfully commenced operation.
7. On 11th December 2001, the "E" Graded series (E, E32, E36) of the product for shipbuilding plates produced by the Company's middle plates plant were also accredited by Det Norske Veritas (DNV). The success in the development of "E" Graded series of shipbuilding plates filled in the gap of the Company's production of high-ended shipbuilding plates products.

重大事項 (續)

- 8、於二零零一年十二月十五日，本公司焦爐煤氣脫硫脫氰工程經過一年多的改造順利完工，投入試運行。該改造工程將會降低煉焦過程中焦爐煤氣的硫含量，淨化後的煤氣可作為二次能源再利用。具有顯著的社會效益和經濟效益。
- 9、於二零零二年一月六日，本公司中板廠9-11軋矯直機區域改造工程熱負荷聯動試車成功，並投入生產運行。該改造工程將增加鋼板寬度，增強市場競爭力，提高產品產量。
- 10、於二零零二年一月二十日14時35分，本公司歷史上最大規模的跨年度大修主體工程——煉鐵廠5#高爐停爐檢修工程勝利竣工，比計劃工期提前2天零17小時25分。
- 11、於二零零二年一月二十九日，本公司董事會通過《二零零二年度生產經營計劃》和《二零零二年度職工工資計劃》兩個書面議案，明確了公司二零零二年度生產經營目標和員工激勵政策。

附屬公司

本公司旗下附屬公司之詳情載於本報告書第71頁。

管理合約

本公司並無於本年度就其整體業務或其任何重要業務的管理或行政工作簽訂或存在任何合約。

Significant Events (continued)

8. On 15th December 2001, the Company's coking coal gas desulphurisation and decyanidisation project was smoothly completed and commenced production after renovation works for more than one year. The renovation project will reduce the content of sulphur in coking coal gas during the process of smelting and coking. The purified gas can be reused for energy generation. This project has prominent impacts on social benefits, economic effectiveness and environmental protection.
9. On 6th January 2002, the trial run of heat co-generation for the Company's middle plate plant 9-11 roller straight machine renovation project was successful and commenced production. The renovation project will increase the width of steel plates, strengthen the competitiveness in the market and increase the production volume.
10. At 14:35 on 20th January 2002, the greatest repairs and maintenance project in the history of the Company, the repairs and maintenance works of No 5 blast furnace of steel-smelting plant was completed, which was 2 days 17 hours and 25 minutes earlier than the planned completion date.
11. On 29th January 2002, the Company's Board of Directors approved the written proposals of "2002 production and operation plan" and the "2002 staff wages plan" and clearly laid down the Company's production and operation target for 2002 and the staff remunerations policy.

Subsidiary Company

Details of the Company's subsidiary company are set out on page 71 of the Annual Report.

Management Contract

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

固定資產

本年度固定資產的變動詳情載於本年報第69至70頁。

儲備

本集團在本年度的儲備變動詳情載於本年報第77至79頁。

銀行貸款及其他借款

本集團的銀行貸款及其他借款詳情載於本年報第76、80及81頁。

利息資本化

本集團於本年度內資本化利息數額載於本年報第66頁。

員工退休福利計劃

本集團的員工退休福利計劃詳情載於本年報第62頁。

出售員工住房

於本年度內，本集團並無出售任何住房予員工，亦無就母公司出售住房予本集團員工而承擔任何費用。

Fixed Assets

Details of the movements in fixed assets during the year are set out on pages 69 to 70 of the Annual Report.

Reserves

Movements in the reserves of the Group during the year are set out on pages 77 to 79 of the Annual Report.

Bank Loans and other Loans

Details of the Group's bank and other loans are set out on pages 76, 80 and 81 of the Annual Report.

Interest Capitalisation

The amount of interest capitalised by the Group during the year is set out on page 66 of the Annual Report.

Staff Retirement and Benefits Scheme

Details of the Group's staff retirement and benefits scheme are set out on page 62 of the Annual Report.

Sale of Staff Quarters

During the Year, the Group had not sold any quarters to its employees, nor had it incurred any expenses as a result of the Holding Company's sale of quarters to the Group's employees.

人力資源及員工薪酬

為調整和優化人力資源結構，提高勞動生產率，於本年度，本集團實施人力資源結構調整與減員增效措施，精簡員工930人。於二零零一年十二月三十一日，本集團擁有員工12,431人，其中，生產操作人員10,637人，工程技術人員974人，管理人員820人。

本集團實行工效掛鉤的薪酬分配政策。員工薪酬按崗位勞動責任、勞動技能、勞動強度、勞動環境、勞動貢獻考核分配，於本年度內，本集團職工成本約人民幣267,961,000元。

本集團最珍貴的資源乃擁有高素質的員工，本集團一直注重對員工知識更新的培訓，於本年度內，培訓員工約8,137人，培訓率達到63.70%。於二零零二年度內，本集團將堅持以人才開發為重點，以技術創新為主線，優秀人才優先培養，重要人才重點培養，緊缺人才抓緊培養，以及專業技術、經營管理、生產操作等各類人才培養並重，優化人力資源結構，全面推進人才工程建設。本集團計劃於未來一年內對50%的生產操作人員進行培訓，對50%的工程技術人員和40%的管理人員進行培訓，以進一步提高員工素質。

Human Resources and Staff Remunerations

To adjust and optimise the human resource structure and enhance productivity, the Group has rationalised the human resource structure and reduced the number of staff by 930. As at 31st December 2001, the Group had 12,431 employees, including 10,637 production operators, 974 technical staff and 820 management staff.

The Group's remunerations system is linked to working efficiency. The staff remunerations were based on the evaluation and appraisal of the job responsibilities, technical skill requirements, work load, working environment and contributions. During the year, the staff cost of the Group amounted to Rmb267,961,000.

The Group's most valuable assets are its highly-skilled staff. The Group always place emphasis on staff training and their knowledge upgrading. During the year, the Group had trained 8,137 staff, representing 63.70% of total staff. In 2002, the Group will strive to place emphasis on the development of human resources, focus on development of new technology, provide priority in training for well-performing staff, put more resources in training key staff and speed up training to solve the problem of staff shortage. In addition, the Group will provide training to various types of staff in different areas such as technical skills, operation management and production operation in order to improve the staff mix and enhance human resources in all aspects. The Group plans to provide training to 50% of the production operators in the coming year. The Group will also provide training to 50% of technical staff and 40% management staff to improve their quality.

主要供應商及客戶

本集團對五名最大客戶的銷售額合共佔本集團銷售總額的百分比不足30%。

以下為本集團的主要供應商所佔的本集團採購總額百分比：

最大供應商所佔的
採購總額百分比 9%

五名最大供應商合共
所佔的採購總額百分比 37%

本集團五名最大供應商中包括一家同系附屬公司。

除上述者外，本公司的董事、監事及彼等的聯繫人或任何股東(指據董事所知擁有本公司5%以上股本權益的股東)概無擁有上述主要供應商的任何權益。

Major Customers and Suppliers

The Group's sales to the five largest customers together account for less than 30% of the Group's gross sales amount.

The percentage of the Group's purchases attributable to major suppliers is as follows:

Percentage of purchases attributable
to the Group's largest supplier 9%

Percentage of purchases attributable
to the Group's five largest suppliers 37%

The Group's five largest suppliers include a fellow subsidiary.

Except for the above, none of the directors, supervisors, their associates or any shareholders (which to the knowledge of the directors owns more than 5% of the Company's share capital) has an interest in the above major suppliers.

企業所得稅政策

由於本集團在香港並無應課稅盈利，故並無撥備香港利得稅（二零零零年：無）。

根據中華人民共和國對外貿易經濟合作部於一九九八年十二月七日發出的批文和本公司於一九九九年八月三十一日獲得稅務登記證，本公司轉為外商投資的股份有限公司。根據《中華人民共和國外商投資企業和外國企業所得稅法》第八條規定，從事生產性外商投資企業從獲利年度開始首兩個獲利年度免徵企業所得稅，第三年至第五年減半徵收企業所得稅。截至二零零一年十二月三十一日止年度為本公司於上述變更後第二個獲利年度，所以本公司無撥備所得稅（二零零零年：無）。

本公司之附屬公司 達自本公司轉為外商投資股份有限公司後，亦符合從事生產性業務的外商投資企業的資格，按規定可享受從獲利年度開始首兩個獲利年度免徵企業所得稅，第三年至第五年減半徵收企業所得稅的優惠。截至二零零一年十二月三十一日止年度為 達符合上述資格後第三個獲利年度，故按減半稅率（即12%）撥備所得稅（二零零零年：無）。

Policy of Enterprise Income Tax

No Hong Kong profits tax has been provided as the Group had no taxable profit in Hong Kong for the year (2000: nil).

In accordance with an approval document issued by the Ministry of Foreign Trade and Economic Co-operation of the PRC on 7th December 1998 and the tax registration certificate received by the Company on 31st August 1999, the Company's status has been changed to that of the joint stock company with foreign investment. In accordance with Article 8 of the Income Tax Law of the PRC Enterprises with Foreign Investment and Foreign Enterprises, enterprises with foreign investment engaged in production business activities are entitled to two years exemption from income tax followed by three years of 50% reduction in income tax commencing from the first profitable year. The year ended 31st December 2001 is the Company's second profitable year after the change; accordingly, no taxation has been provided in the Company's accounts.

In accordance with the relevant regulations, the subsidiary of the Company, Hengda, is also qualified as a foreign investment production enterprise following the change in the Company's status, and is therefore entitled to two Years exemption from income tax followed by three years of 50% reduction in income tax commencing from the first profitable year. The year ended 31st December 2001 is Hengda's third profitable year after the change, income tax has been provided at 50% of the standard income tax rate (i.e. 12%) on its estimated taxable income for the year (2000: nil).

最佳應用守則

於本年度內，本公司已遵守上市規則附錄十四內所載的最佳應用守則的規定。

審核委員會

於二零零一年度，本公司共召開兩次審核委員會會議：

於四月九日，本公司已召開審核委員會會議，審閱本公司二零零零年度報告，內部控制事項報告，二零零零年度關連交易，評價本公司外聘核數師二零零零年度工作等事宜。

於八月二十九日召開的本公司審核委員會，審閱了本公司二零零一年中期財務帳目、中期報告、關連交易等事項。

核數師

本年度帳目已經由羅兵咸永道會計師事務所審核，該核數師任滿告退。董事會將在即將召開的股東周年大會上提呈一項決議案，續聘該會計師事務所為本公司二零零二年度核數師。

承董事會命
唐民偉
董事長

中國重慶
二零零二年四月九日

Code of Best Practice

During the year, the Company had complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules.

Audit Committee

In 2001, two audit committee meetings were held by the Company.

On 9th April, an audit committee meeting was held to review various matters, including the Company's 2000 annual report, internal control report, connected transactions for 2000 and the assesment of the auditors' work for 2000.

On 29th August, an audit committee meeting was held to review various matters, including the Company's 2001 interim accounts, interim report and connected transactions.

Auditors

The accounts for the year have been audited by PricewaterhouseCoopers who have already completed their term of appointment. The Board of Directors will submit a resolution to re-appoint PricewaterhouseCoopers as auditors of the Company for 2002 at the forthcoming Annual General Meeting.

By Order of the Board
Tang Min Wei
Chairman

Chongqing, PRC
9th April 2002