

Analysis of Results

As at 31 December 2001, the total turnover of the Group amounted to RMB1,863,824,000, representing a decrease of 6.68% over the same period last year. The consolidated loss after taxation and minority interests amounted to RMB117,799,000, representing a 25% decrease over the previous year. The loss per share amounted to RMB15.01 cents.

Turnover of the Group fell slightly compared to last year as income from both tractors and construction machinery fell 13.16% and 26.56% respectively as compared with the same period last year. However, turnover of road machinery operation, the other business segment of the Group, increase 10.13% from last year. This was resulting from achievements in adjusting the business structure of the Group.

In 2001, there was no real improvement in the sliding trend of sales volume of China's tractor industry. The main reason for a decrease in sales income of the Company's tractors operation was a relatively large fall (approximately 55%) in sales for its main product 70/80 crawler tractors. Sales of the Company's small-wheeled tractors also fell (approximately 14%). In face of severe external market conditions, the management of the Company has put much efforts on management strategies and further reinforced its adjustment to the product mix and business structure. In this way, the Company has met the market demands on its products. In 2001, sales of 1002/1202 crawler tractors and 30/40 medium-wheeled tractors, both new models in replace of old product, rose 36.68% and 758.10% in 2001 respectively as compared with the same period last year. Although still in preliminary stage, the adjustment to the product mix has achieved initial success and set a basis for new source of profit growth.

The management has included external sources of operating income into its profit target assessment and formulated relevant enhancement policies, which were to put various production units into market for competition and also to seek new source of economic growth. In 2001, the Company's income and realised gross profit for its new businesses rose 2.29 times and 2.28 times respectively compared with the same period last year, creating the best results ever since the establishment of the Company. As such, the creation of new businesses has led to a reduction in loss.

財務成果分析

本集團截至二零零一年十二月三十一日止，共實現營業額為人民幣1,863,824,000元，較上年同期下降了6.68%，除稅及少數股東權益後綜合虧損額為人民幣117,799,000元，與上年同期相比減虧25%。每股虧損額為人民幣15.01分。

本集團營業額較去年相比略有下降，其中拖拉機業務及工程機械業務收入與去年同期相比分別下降了13.16%和26.56%，而本集團的另一業務板塊路面機械業務本年度的營業額與去年相比上升了10.13%。這是本集團進行產業結構調整取得的成果的具體體現。

二零零一年全國拖拉機行業市場銷售量下滑的趨勢沒有得到根本的改善。本公司拖拉機業務收入下降主要是由於主導產品70/80履拖銷量下降幅度較大(約為55%)，小輪拖銷量也有下降(約為14%)。面對嚴峻的外部市場環境，公司經營層在經營策略上下功夫，加大產品結構調整和產業結構調整的力度，使產品順應市場需求，在二零零一年本公司新型換代產品1002/1202履拖及30/40中型輪式拖拉機產品的銷量與去年同比分別上升了36.68%和758.10%，雖未形成規模，但產品結構調整初獲成效，而且將成為本公司新的盈利增長點。

經營層把對外開拓經營收入納入目標效益考核指標，制定相關的鼓勵政策，積極引導各生產單位參與市場競爭，努力開源尋求新的經濟增長點，二零零一年公司開拓收入和實現毛利同比增長2.29倍和2.28倍，創造了公司成立以來的最好水平，該項開拓經營的創收使得公司的虧損有一定程度減低。

Management Discussion & Analysis 管理層討論及分析

Cost Analysis

In respect of cost control, the management still implement “Fully Comprehensive, Multi-dimensional and Stringent Control on Water, Electricity, Heat and Gas” as the framework of target cost management. The comprehensive cost control system was also established through dimensions on “Reinforcement in Management, Emphasis on Technology and Employment of Capital”, and there were signs of cost and expenses reduction. In 2001, amidst fall of income, the Company has began to implement such measures as value engineering, strategic procurement, target cost management system, security risk management system and resulted in a decrease of variable cost and controllable expenses.

For the year ended 31 December 2001, the administrative expenses of the Company amounted to RMB134,514,000, a rise of 7.76% from the same period last year. The main reason for increase in administrative expenses was consultancy fees paid to management consultants in 2001. Apart from this, all other expenses under administrative expenses decreased from the same period last year. Based on the principle of “Top-down from management and Bottom-up from unit cost”, the Company managed to raise efficiency of procurement funds utilization by implementing a public tender for all office equipments and comparative pricing in procurement.

Liquidity and Financial Analysis

As at 31 December 2001, the cash and bank balances of the Group amounted to RMB913,354,000 which had decreased by RMB53,931,000, representing a decline of 5.6% compared with 2000. As at 31 December 2001, the Group's short term bank loans amounted to RMB257,060,000, an increase of RMB63,021,000 compared to 2000. The Group had no long term bank loans. As at 31 December 2001, the gearing ratio was 31.74% (total liabilities/total assets x 100%), which showed a slight decrease when compared to that of 32.39% of last year.

As at 31 December 2001, net accounts receivable of the Group amounted to RMB354,333,000, decreased by RMB129,885,000, represently a decline of 26.8% compared with 2000. The main reason for the fall in the Group's accounts receivable was that the Company put the management of accounts receivable and inventory as a priority item throughout the year and to this end, the Company has set up a supervisory team specialize in clearing up inventory and bad debts, and to set clearing guidelines to relevant departments such that the workload was spread over to personnel responsible. As a result, the Company effectively reduced the attributable cost of funds and enabled the Company's assets to remain in the most favourable status.

成本分析

在成本管理方面，經營層仍構築「全方位、立體式、水、電、熱、汽嚴格控制」的目標成本管理格局，開始建立「強管理-重技術-資本運作」全方位的成本管理體系，呈現出向降低成本和費用要效益的局面。二零零一年在收入下降的情況下，通過開展價值工程、戰略採購、建立目標成本管理體系、實行風險抵押金制度等措施，實現了變動成本及可控費用均有所下降。

截至二零零一年十二月三十一日止年度，本公司管理費用為人民幣134,514,000元，較去年相比上升了7.76%，本公司管理費用上升的主要原因是由於公司在二零零一年聘請了管理諮詢公司發生的諮詢費用，除該項支出外，管理費用中的其他費用均較去年有一定幅度的下降，公司本著「從我做起，從小做起」，對辦公用品實行統一公開招標、比價採購，由此提高了採購資金的使用效率。

資金流動性及財務分析

於二零零一年十二月三十一日，本集團現金及銀行結餘為人民幣913,354,000元，較二零零零年下降了人民幣53,931,000元，下降幅度為5.6%。於二零零一年十二月三十一日，本集團短期銀行貸款為人民幣257,060,000元，較二零零零年上升了人民幣63,021,000元，本集團長期銀行貸款為零。於二零零一年十二月三十一日，本集團的資產負債率為31.74%（負債總額／資產總額 x 100%），較去年同比的32.39%略有下降。

本集團二零零一年十二月三十一日應收賬款淨額為人民幣354,333,000元，較二零零零年下降了人民幣129,885,000元，降幅達26.8%。本集團應收賬款下降的主要原因：本年度，公司把應收賬款、存貨管理作為貫穿全年重點工作來抓，成立了專門的清欠壓庫、呆賬工作領導小組，並針對有關部門下達清欠指標，使清欠工作量化到每一個責任人，從而有效的降低了資金的佔用成本，使公司資產保持在最優狀態。

Investments

For the year ended 31 December 2001, several subsidiaries owned by the Company have mixed performance in operations, among which road machinery and building machinery businesses still achieved an uprise in growth, with RMB14,095,000 and RMB4,739,000 of profit recorded respectively, representing an increase of 19.5% and 11.5% respectively as compared with the same period last year. However, performance of First Tractor Qingjiang Tractor Company Limited, First Tractor Shenyang Tractor Company Limited and Yituo (Luoyang) Harvester Co., Ltd. was unsatisfactory with a loss in 2001.

Analysis of Assets and Financial Position of the Group

Financial Statistics

Items	Basis of calculation	As at 31 December 2001 於二零零一年 十二月三十一日	As at 31 December 2000 於二零零零年 十二月三十一日
項目	計算基準		
Gearing ratio 資產負債率	Total liabilities/total assets x 100% 負債總額/資產總額 x 100%	31.74%	32.39%
Current ratio 流動比率	Current assets/current liabilities 流動資產/流動負債	2.31	2.33
Quick ratio 速動比率	Current assets - inventories/current liabilities (流動資產-存貨)/流動負債	1.69	1.72
Debt equity ratio 債權比率	Total liabilities/shareholders' equity x 100% 負債總額/股東權益 x 100%	46.49%	47.92%

Analysis of Equity and Reserves

		As at 31 December 2001 於二零零一年 十二月三十一日 RMB'000 人民幣千元	As at 31 December 2000 於二零零零年 十二月三十一日 RMB'000 人民幣千元	Changes in amount increase/ (decrease) 變動金額 增加/(減少) RMB'000 人民幣千元
Share capital	股本	785,000	785,000	—
Share premium	股份溢價	1,378,840	1,378,840	—
Statutory common reserve	法定公積金	58,578	58,169	409
Statutory public welfare fund	法定公益金	58,578	58,169	409
Reserve fund	儲備基金	834	564	270
Enterprise expansion fund	企業發展基金	590	320	270
Capital reserve	資本儲備	—	—	—
Accumulated losses	累計虧損	174,088	54,931	119,157

投資情況

截至二零零一年十二月三十一日止，本公司擁有的數家附屬公司經營狀況良莠不齊，其中路面機械和建築機械仍然表現出良好的增長勢頭，本年度創利分別是人民幣14,095,000元和人民幣4,739,000元，較去年同期上升了19.5%和11.5%。一拖清江拖拉機有限公司、一拖瀋陽拖拉機有限公司及一拖(洛陽)收穫機械有限公司等幾家公司的經營情況不盡理想，在二零零一年為虧損。

集團資產及財務狀況分析

財務比率指標

股權及儲備分析

Management Discussion & Analysis 管理層討論及分析

Plan for Significant Investment and Acquisition of Capital Assets of the Group in Future

The Group will increase its investment in BCM, one of its subsidiaries, by USD19,500,000 in 2002.

Currency Exchange Risk

Normal operating activities of the Group were mainly carried out in the PRC and most of the capital income and expenditures were made in Renminbi while few of them were made in Hong Kong dollars. The debt in foreign currency is used for the payment of overseas intermediary fees and dividends to holders of H Shares. Cash balances of the Group were usually placed in the financial institutions in the form of short-term time deposits. The banking facilities of the Group were granted in Renminbi which could be repaid out of the income received in Renminbi.

For the year ended 31 December 2001 the Company has not pledged any of its foreign currency deposits.

Pledge of Assets

As at 31 December 2001, certain of the Group's buildings and machinery with a carrying value of approximately RMB34,881,000 were pledged to banks to secure certain short term bank loans granted to the Group.

Apart from this, certain deposits amounting to approximately RMB 23,302,000 were pledged to banks to secure general banking facilities granted by banks to the Group.

集團未來重大投資或購入資本資金計劃

本集團在二零零二年將會對旗下的附屬公司華晨中國機械控股有限公司再追加投資19,500,000美元。

貨幣匯兌風險

目前本集團日常經營活動仍然在國內，大量的資金收入與資金支出以人民幣為主，有少量的資金支出以港幣為貨幣種類，其外匯債務主要是用於支付境外中介費用及向H股股東派發股息。本集團現金通常以短期存款的形式存于金融機構，銀行貸款均以人民幣種借入，並可以人民幣收入來償還。

截至二零零一年十二月三十一日止年度，本集團並無任何外幣存款質押情況。

資產抵押

於二零零一年十二月三十一日，本集團以賬面值約人民幣34,881,000元之若干建築物及機器作抵押，以獲取銀行授予本集團之短期銀行貸款。

除此之外，本集團將若干存款約人民幣23,302,000元作抵押，以獲取銀行授予本集團之一般銀行信貸額度。

Number of Staff and Composition

As at 31 December 2001, there was a total of approximately 15,423 staff members, of which 9,292 were production officers, 579 were engineering technicians, 210 were financial officers and 1,504 were administrative personnel.

In 2001, the Company organised 518 training courses and a total number of 29,580 staff members joined the training which has improved their working quality.

Contingent Liabilities

Details of the contingent liabilities of the Group and the Company as at 31 December 2001 are set out in note 36 to the financial statements.

本公司員工人數及員工培訓情況

截至二零零一年十二月三十一日止，本公司共有員工人數為15,423人，其中生產人員為9,292人，工程技術人員579人，財務人員為210人，管理人員為1,504人。

本公司在二零零一年組織了518個培訓班，共有29,580人次參加了培訓，提高了公司員工的職業素質。

或然負債

本集團及本公司於二零零一年十二月三十一日之或然負債詳情載於財務報表附註36。