



本人欣然提呈截至二零零一年十二月三十一日止年度經審核業績報告，並謹此向各位股東致意。

I'm glad to present this audited results report for the year ended December 31, 2001, and also send my greetings to all shareholders.

### (1) 公司經營情況

1. 本公司的行業類屬為：C76電器機械及器材製造業
2. 公司主營業務及所屬行業和地位：本公司及附屬公司是中國輸變電設備科研、製造、出口的主要基地，三峽工程及城鄉電網改造用輸變電設備的國內主要供應商之一。主營業務為變壓器、全封閉組合電器、高壓開關、電力電容器及封閉母線等系統保護及傳輸設備的製造和營銷。
3. 本年度經營情況：
  - (1) 全年實現銷售收入1,281,942千元，比上年減少2.89%；本年度虧損803,807千元，比上年度增長121%。
  - (2) 主要產品的市場銷售額：

### (A) OPERATIONS OF THE COMPANY

1. Industrial classification of the Company: C76 Electrical machinery and apparatus manufacturing industry
2. Main business of the Company and the industry it belongs and the position: The Company and its subsidiaries constitute a main base of China for scientific research, manufacturing and export of electrical transmission and transformation equipment, and a main domestic supplier of electrical transmission and transformation equipment for the Three Gorges project and transformation of urban and rural power grids. The main business is the manufacturing and marketing of transformers, totally enclosed compound electrical appliances, high-voltage switches, power capacitors, enclosed busbars and other system protection and transmission equipment.
3. Operations in the current year
  - (1) For the whole year, the sales revenue amounted to Rmb1,282 million, an increase of 2.89% over the previous year; the loss for the year amounted to Rmb804 million, an increase of 121% over the previous year.
  - (2) Market sales value of main products:

Product Category 產品類別		% in total sales value 佔銷售總額的百分比%		
		2001	2000	1999
變壓器、互感器	Transformer, voltage and currents transformer	43.4%	56%	55.5%
全封閉組合電器	Totally enclosed compound electrical appliances	19.9%	14.9%	14.6%
高壓開關、斷路器	High voltage switch, circuit breaker	16.2%	16.5%	21.3%
電力電容器	Power capacitor	4.2%	10.2%	6.3%
封閉母線	Closed bus bar	1.3%	1.7%	1.6%
其他	Other	15%	0.7%	0.7%
合計	Total	100%	100%	100%



(1) 公司經營情況

4. 經營中出現的問題、困難及解決方案

本公司在企業全面管理、市場拓展和研發創新等方面未能及時適應激烈競爭的市場形勢，現有組織結構模式未發揮資源整體優勢、管理體制和手段不完善、運行及考核監管機制未能真正落實，導致資金利用水平低下、內部核算不准、考核監管不利、財務狀況惡化。加之公司連續兩年發生經營性虧損，以及受"退市"和"銀團訴訟案"影響，外部環境不利於公司經營發展。同時競爭對手的迅速發展，特別是國外著名同行業公司在國內組建合資企業，使得市場競爭壓力日益嚴重。造成公司核心競爭力逐年下降，市場佔有份額和經濟效益均呈現較程度的降低，繼續出現重大虧損。為此，管理層採取了一系列措施：

- (1) 深化"人事、用工、分配"制度改革，精簡冗餘，減少經營負擔，調動和激發在崗員工的潛能，增強企業活力，實現人力資源的合理配置和有效利用。分配政策上重點向技術研發和生產的骨幹人員傾斜，留住人才，用好人才，為企業進一步發展奠定基礎。

(A) OPERATIONS OF THE COMPANY

4. Problems, Difficulties in Operations and Solutions

The Company was unable to timely cope with the market situation of fierce competition in the aspects of enterprise comprehensive management, market promotion, innovation in research and development and other aspects. The current organizational setup failed to give play to the integrated advantages of resources, the management system and means were imperfect, the operating and examination supervision mechanisms failed to be really implemented. All these led to low efficiency of capital utilization, inaccurate internal accounting, weak examination supervision and deterioration of financial status. In the meantime, as the Company had suffered operating loss for two consecutive years, as well as impact of such factors as "market quit" risk and the "suit case over the syndicated loan", the Company's credibility in banks and clients has declined, which in turn affected normal production and operation. The Company also felt increasingly greater market competition pressures as rivals developed quickly, particularly foreign rivals launched joint ventures in China. Accordingly, the Company's core competitiveness declined year by year, its market share and economic efficiency declined substantially, and continuous significant loss took place. In response to all these, the management took a series of measures:

- (1) Deepening reform of the personnel, employment and distribution systems to streamline the staff size, reduce operating burdens, initiate and stimulate the potential capacities of in-service staff members, enhance the vitality of the enterprise and realize rational distribution and effective utilization of human resources. In the distribution policy, inclination was mainly granted to backbone personnel in technological research and development and production. This is to keep talents stay, make good use of talents and lay a basis for further development of the enterprise.



(1) 公司經營情況 (續)

(A) OPERATIONS OF THE COMPANY (Continued)

4. 經營中出現的問題、困難及解決方案  
(續)

4. Problems, Difficulties in Operations and Solutions (Continued)

(2) 以中標"三峽"工程重大電力設備項目為契機，推動實施引進--消化--吸收--提高的技術發展戰略，在引進吸收西門子、ABB公司變壓器和GIS製造技術的同時，促進企業技術管理和開發水平的提高，不斷增強企業的技術開發和結構調整能力，為企業的技術發展拓展空間。

(2) Taking advantage of the opportunity of winning the bid for supplying major power equipment to the Three Gorges project, promoting the implementation of the "importation-digestion-absorption-improvement" technology development strategy. While importing the transformer and GIS manufacturing technologies of Siemens and ABB, the Company made efforts to raise its technological management and development level, constantly enhance its technology development and structural adjustment capacity, and create space for its technological development.

(3) 強化管理，提高產品製造質量和技術含量，相對減少消耗，降低成本。通過採取招標採購、改進設計和製造工藝、加強核算降低物料消耗等措施，消化減利因素。

(3) Intensifying management, raising product manufacturing quality and technological contents, relatively reducing consumption and lowering cost. The Company took such measures as procurement through bidding, improving designing and manufacturing processes, strengthening accounting and lowering material consumption to offset the profit decline factor.

(4) 加強與國際知名公司的合資工作，實施合資合作發展戰略，提高核心競爭力。

(4) Strengthening joint venture work with internationally famous companies and implementing joint venture and cooperation development strategy to enhance core competitiveness.



(1) 公司經營情況 (續)

5. 出現重大虧損的原因：

(1) 由於市場競爭激烈，壓價競標，產品銷售價格連年持續下降，本年在上年下降的基礎上又降低8%，相對成本升高，導致虧損增加。儘管採取降耗措施消化了4.6個百分點，但銷售利潤率仍然下降3.4個百分點，影響利潤44,500千元。

(2) 費用持續增加。本年度營業費用、管理費用、財務費用分別比上年增加了30,875千元、247,012千元和22,288千元，淨增300,175千元。

營業費用比上年增加的主要原因是：1為了應對市場激烈競爭的局面，企業在佔領和開拓市場方面不斷加大投入，增加費用15,000千元；2為爭取訂單，原來由用戶承擔的運輸費用現改由製造商承擔，全年增支運費18,000千元。

管理費用比上年增加，主要因為企業為降低經營負擔，實施裁員計劃，因支付裁員補償金，增支12,000千元，以及提取壞帳準備金260,843千元。

財務費用增長主要是收取關聯方資金佔用費減少，以及在建工程利息資本化。

(3) 本年度營業外支出增加，根據企業會計制度規定計提固定資產減值準備154,435千元。

(A) OPERATIONS OF THE COMPANY (Continued)

5. Reasons for Significant Loss

(1) Due to fierce market competition and bidding at low prices, the product selling price dropped year by year. In the year, it further declined by 8% on the basis of the decline in the previous year, which relatively raised the cost and resulted in bigger loss. Though consumption reduction measures were taken to digest 4.6 percentage points, the sales profitability still fell 3.4 percentage points, which affected profit by Rmb44.5 million.

(2) Expenses continued to increase. In the year, the cost of sales, management expenses and financial cost increased by Rmb30.875 million, Rmb247.012 million and Rmb22.288 million respectively over the figures for the previous year, causing a net increase of Rmb300.175 million.

The main reasons for the increase of sales cost were: a) In order to cope with fierce market competition, the Company increased inputs in market promotion and consolidation by Rmb15 million; b) In order to vie for orders, the transport fees originally shouldered by clients were shouldered by the manufacturer, which led to an increase of Rmb18 million in transport fees for the whole year.

The main reason for the increase in management expenses was the implementation of the staff reduction program in order to lower the operating burdens of the Company. It resulted in additional expenses of Rmb12 million in wage and welfare expenses for compensations to the staff members laid off as well as provision for bad debt amounting to Rmb260.843 million.

An increase in finance cost was due to a reduction in interest income from a related party and capitalization of interests for construction in progress.

(3) In order to implement the new accounting system, some accrual items were added for the current year. In the prudence principle, the Group recognised an impairment loss on fixed assets of Rmb154.435 million.



(2) 公司財務情況：

(B) FINANCIAL STATUS

1. 主要財務資料比較：

1. Comparison of Main Financial Data: (Unit: Rmb'000)

	2001	2000	增減比例 Increase (decrease)%	原因 Reason
資產總額： Gross assets	3,884,190	4,454,892	(12.81%)	生產設施擴大 Expansion of production capacity
長期負債 Long-term liabilities	380,791	565,729	(32.7%)	項目貸款增加 Increase of project loans
股東權益 Shareholders' equity	333,138	1,125,563	(70.4%)	本年度虧損及房屋循環資金移後扣減所致 Because of loss in the current year and carryover of housing revolving funds
主營業務利潤 Main operating profit	176,709	167,436	5.54%	市場競爭激烈導致售價下跌 Selling price fall caused by fierce market competition
淨利潤 Net profit	(803,807)	(363,597)	(121%)	銷售收益下降及原材料進口增加 Decline of sales revenue and increase of raw material imports

2. 本公司董事會已討論並同意香港摩斯倫會計師事務所及岳華會計師事務所有限責任公司出具的拒絕表示意見的審計報告，對審計報告中所涉及事項說明如下：

2. The Board of Directors of the Company has discussed and agreed to the disclaimer of opinion in the Auditor's Report made by Moores Rowland Certified Public Accountants of Hong Kong and YueHua Certified Public Accountants. It makes the following statements with regard to the matters involved in the Auditor's Report:

- (1) 本公司董事會確任，本公司及本集團依據《企業會計準則》和《股份有限公司會計制度》等有關規定編制的2001年度的會計報表，真實、公允地反映了本公司2001年度的財務狀況和經營成果。
- (2) 對非標準無保留審計意見涉及事項的基本情況：詳見會計報表附注。

- (1) The Board of Directors of the Company confirms that the accounts of the Company and the Group for the year of 2001 compiled according to the Enterprise Accounting Standards, the Accounting System of Stock Limited Companies and other related rules truly and fairly reflect the financial status and operating results of the Company for the year of 2001.
- (2) With regard to the fundamentals of matters involved in non-standardized audited opinion without reservation, see Notes to the Accounts.



(2) 公司財務情況：(續)

- (3) 註冊會計師對以上事項的基本意見：詳見審計報告。
- (4) 對審計報告涉及事項，公司董事會說明如下：
- a. 關於銀團貸款及遼信存款：詳見會計報表附注七(一)。根據公司2002年3月19日與銀團達成的還款原則方案，銀團方已申請並獲得香港高院批准，將清盤聆訊延遲至2002年4月29日。目前，公司正與銀團方商談具體還款協定，並積極籌措資金還款資金。遼信清算組亦表示，一旦簽訂正式還款協定，將按一定比例歸還該筆遼信存款。此事項有望在短期內得到解決。

(B) FINANCIAL STATUS (Continued)

- (3) With regard to the auditors' opinion to the above-mentioned matters, see the Auditor's Report.
- (4) With regard to the matters involved in the Auditor's Report, the Board of Directors of the Company makes the following statements:
- a. With regard to the syndicated loan and the Liaoning Trust's deposit: See Note 7 (1) to the Accounts for details. According to the principal repayment program reached between the Company and the syndicate on March 19, 2002, the syndicate party has applied and been approved by the high court of Hong Kong to postpone the hearing regarding liquidation to April 29, 2002. At present, the Company is negotiating with the syndicate party on specific debt repayment, agreement, and is also raising funds for the repayment. The Liaoning Trust's liquidation team also has expressed that, ever since the formal repayment agreement is signed, the said Liaoning Trust's deposit will be repaid according to a certain proportion. The matter is expected to be solved within a short period.



(2) 公司財務情況：(續)

(4) 對審計報告涉及事項，公司董事會說明如下：(續)

b. 關於應收"東北電"款項：詳見會計報表附注六(6)。于2001年度，"東北電"財務狀況及截止目前與本公司的股權關係發生重大變化，於2001年12月31日債務償還協定截止日，未能如期還款；原持有的本公司45,052萬股國有法人股，全部被凍結並陸續拍賣，持股減為11,400萬股，佔股本總額的13.05%。為維護公司及全體股東利益，公司已採取法律措施依法凍結其持有的中日合資企業古河電纜的中方股權，並經法院調解以該股權抵償部分債務，相關工作正在操作中。針對上述事實及變化，公司董事會基於謹慎原則，扣除古河電纜股權價值，計提壞帳準備101,133,791.64元。

c. 關於第三方借款：詳見會計報表附注五(4)。為有效追回借款，公司董事會已做出依法追索的決定。經法院調解，當事人達成還款協定。但截止本報告批准日，借款人未能履行還款協定，公司已申請法院採取進一步措施強制執行。基於謹慎原則，公司就此借款計提壞帳準備62,878,800元。

(B) FINANCIAL STATUS (Continued)

(4) With regard to the matters involved in the Auditor's Report, the Board of Directors of the Company makes the following statements: (Continued)

b. With regard to the accounts receivable from Northeast Electrical: See Note 6 (6) to the Accounts for details. Significant changes have happened to the financial status of NET in 2001 and its equity relationship with the Company to date. By December 31, 2001, the deadline of the Debt Repayment Agreement, the repayment failed to be made on schedule. All the 450.52 million state shares of the Company originally held by NET have been frozen and gradually been auctioned, reducing its holding to 114 million shares or 13.05% of the total share capital of the Company. In order to safeguard the interests of the Company and all shareholders, the Company has through legal means frozen according to law that company's Chinese equity in Guhe Cable, a Sino-Japanese joint venture. With the mediation by the court, the said equity has been used to offset partial debts, and the related work is under way. In response to the above fact and change, the Board of Directors of the Company has, on the basis of the prudence principle, deducted the value of the equity in Guhe, provision for doubtful debt of Rmb101,133,791.64 has been made.

c. With regard to loans to a third party: See Note 5 (4) to the Accounts for details. In order to effectively recover the loans, the Board of Directors of the Company has decided to reimburse according to law. With the mediation by the court, the interest parties have reached a repayment agreement. But up to the date of approval of this Report, the borrower has failed to execute the repayment agreement. The Company has applied to the court for taking further measures for compulsory execution. In the prudence principle, the Company has provided an amount of Rmb62,878,800 for doubtful debt with regard to the loans.





(2) 公司財務情況：(續)

(4) 對審計報告涉及事項，公司董事會說明如下：(續)

- d. 關於固定資產減值準備及存貨跌價準備：根據財政部最新規定，公司董事會確定了固定資產減值準備計提原則，並按標準對2001會計年度210,439,927元固定資產計提了154,382,891元減值準備。主要有：第一項是金都飯店物業資產，"東北電"於2000年3月以該資產抵債後，金都飯店連續兩年經營性虧損。同時，瀋陽市酒店及高檔寫字間市場環境變化，數量增多，競爭加劇，公司於2001年聘請仲介機構對金都飯店資產重新評估，參考評估結果，並依據資產實際質量及獲利能力評價，計提了8,046萬元減值準備；第二項是互感器公司資產，2001年9月，公司與阿爾斯通公司簽訂互感器項目合資協定，本公司以互感器公司存量資產計4,276萬元投資入股，剩餘閒置資產計19,362萬元，本公司正尋求盤活這部分資產的有效辦法，短期內這部分資產不能使用並發揮作用，故對此計提4,318萬元減值準備。

(B) FINANCIAL STATUS (Continued)

(4) With regard to the matters involved in the Auditor's Report, the Board of Directors of the Company makes the following statements: (Continued)

- d. With regard to impairment loss of fixed assets and provision for inventories. According to latest provisions by the Ministry of Finance, the Board of Directors of the Company has set the principles for impairment loss of fixed assets, and Rmb154,382,891 has been recognised on Rmb210,439,927 of fixed assets for the accounting year of 2001. The main assets are: First, the property assets of Jindu Hotel. Since Northeast Electrical offset the said assets for debts in March 2000, the Jindu Hotel has incurred operating loss for two consecutive years. In the meantime, the market environment for hotels and luxury office buildings in Shenyang City has changed, the number has increased and the competition has become fiercer. In 2001, the Company invited an intermediary to revalue the assets of the Jindu Hotel. With reference to the revaluation result and also in accordance with the appraisal of its actual quality and profit-making capacity of the assets, Rmb80.46 million of impairment loss has been recognised. Second, the assets of the voltage and current transformer company. In September 2001, the Company and Alstom signed a joint venture agreement on a voltage and current transformer project. The Company invested existing assets of the voltage and current transformer company valued at Rmb42.76 million as capital injection. For the remaining idle assets valued at Rmb193.62 million, the Company is looking for effective methods to invigorate them. As these assets are unable to be put into use and play functions within a short period, Rmb43.18 million of impairment loss has been recognised on these assets.





(2) 公司財務情況：(續)

- (4) 對審計報告涉及事項，公司董事會說明如下：(續)

d. (續)

為了提高產品水平，提升產品質量，盤活資產，補充流動資金，公司董事會決定對存貨進行徹底清查，對滯銷和技術質量水平低產品的原材料、在產品、產成品提高計提減值準備的比例，由於時間緊、任務重，其中提取減值準備 57,088,499.19 元的存貨，由於技術鑒定審批手續不健全，審計師對此項發表保留意見。

- e. 關於應付帳款的核銷：由於受到市場經濟的影響，經常會發生貨到後發票不及時或發票不合格，造成預付帳款與應收帳款會計處理不及時，也反映出公司在內部管理方面存在的問題。公司董事會將責成管理層採取措施，加強財務、銷售管理，建立科學完善的內部控制體系，嚴格監管，確保核算的及時、準確。

(B) FINANCIAL STATUS (Continued)

- (4) With regard to the matters involved in the Auditor's Report, the Board of Directors of the Company makes the following statements: (Continued)

d. (Continued)

In order to upgrade products, raise product quality, invigorate assets and replenish working capital, the Board of Directors of the Company has decided to conduct a thorough check of the inventories, raise the rate for value depreciation reserve accrual on raw materials, products and finished products that are not marketable and of low level in technology and quality. For short time and heavy task, Rmb57,088,499.19 of provision were recognised on the inventories. Because of imperfect technical appraisal and examination procedures, the auditor expressed a qualified opinion.

- e. On recognition of accounts payable: Due to the influence of market economy, receipts often fail to be delivered in time or are found disqualified after goods are delivered, which affect timely accounting treatment of advances and receivables. This also reflects the problems of the Company in the aspect of internal management. The Board of Directors will order the management to take measures, strengthen financial and sales management, establish a scientific and perfect internal control system, and tighten supervision so as to ensure timely and accurate accounting.



(2) 公司財務情況：(續)

(4) 對審計報告涉及事項，公司董事會說明如下：(續)

- f. 關於擔保連帶責任：詳見會計報表附注七.2。中國光大銀行貸款訴訟案由北京第二中級人民法院開庭審理後，被告提出在法院調解下協商解決，目前“東北電”正積極與中國光大銀行協商債務解決方案，法院沒有確定再次開庭時間；中國銀行瀋陽分行貸款訴訟案，因瀋陽電纜有限責任公司已宣告進入破產程式，法院駁回中國銀行瀋陽分行的起訴。兩起貸款訴訟案在一定時間內不能有最終判決結果，故公司沒有計提預計損失準備。

(B) FINANCIAL STATUS (Continued)

(4) With regard to the matters involved in the Auditor's Report, the Board of Directors of the Company makes the following statements: (Continued)

- f. With regard to guarantee joint liability: See Note 7 (2) to the Accounts for details. After the Beijing No. 2 Intermediate People's Court began to handle the suit case on the loan of the China Everbright Bank, the defendant proposed a solution through consultation under the mediation of the court. At present, NET is negotiating with the China Everbright Bank on a debt solution program. The court has not set the time for the next hearing. With regard to the suit case on the loan of the Shenzhen Branch of the Bank of China, as the Shenyang Cable Co., Ltd. has announced entry into the bankruptcy procedure, the court has overruled the suit of the Shenyang Branch of the Bank of China. As there will be no final judgment on the two loan suit cases within some time, the Company did not accrue reserve against loss.



(2) 公司財務情況：(續)

(4) 對審計報告涉及事項，公司董事會說明如下：(續)

- g. 關於持續經營：詳見會計報表附注二(一)。如前面a、b所述，公司董事會確信4,000萬美元銀團貸款問題有望解決，"東北電"將以古河電纜股權抵償部分債務，使還款協定繼續執行並得到落實。另外，在2002年，公司經營狀況將有所好轉：國內市場需求仍將呈現增勢，國際市場也將隨著中國入世後貿易壁壘消除而擴大。目前公司訂貨基本完成當年計劃的70%左右，比上年同期增加2-3成，全年預計主營業務收入將會增長6-8%。公司從1999年虧損至今已三年，三年來，公司針對存在的問題已採取了一系列措施，裁減了3,000名員工、處置了部分非經營性資產，有效降低了經營負擔，並加大投入力度開發新產品，不斷深入企業內部改革，加強企業管理和成本控制，競爭能力得到增強。年初時新股東入主公司，公司董事會、經理層進行了極大力度調整，經營管理能力進一步得到提高。公司將盡最大努力，保持信貸規模，加大應收帳款回收，加速資金周轉速度，保持公司正常經營。綜合上述，董事會相信：公司經營、財務狀況將轉好，公司能夠保持持續經營。董事會認為，以上事項中對本公司經營影響程度較大的是銀團貸款和應收關聯方欠款，董事會相信通過採取上述措施將能夠解決相關問題。

(B) FINANCIAL STATUS (Continued)

(4) With regard to the matters involved in the Auditor's Report, the Board of Directors of the Company makes the following statements: (Continued)

- g. With regard to going concern: See Note 2 (1) to the Accounts for details. As mentioned in the above items of a and b, the Board of Directors of the Company firmly believes that the matter related to the 40 million USD syndicated loan will be solved, NET will use its equity in Guhe Cable to offset partial debts so that the repayment agreement will continue to be executed. Meanwhile, the operating conditions of the Company will turn for the better in 2002: the domestic market demand will grow, and the international market will expand with the elimination of trade barriers after China's WTO accession. At present, the orders received by the Company have largely completed about 70% of the annual plan, up 20-30% over the figure for the same period of the previous year, and for the whole year, the main operating turnover is expected to increase 6-8%. The Company has been in the red for three consecutive years since 1999. Over the three years, the Company has taken a series of measures to tackle the existing problems: reducing the staff by 3,000, disposing of some non-operating assets, effectively lowering the operating burdens, increasing input in new product development, deepening internal reform, strengthening enterprise management and cost control, and sharpening competitiveness. At the beginning of the year when new shareholders entered the Company, a magnificent adjustment was made to the Board of Directors and the management of the Company, further raising the operating and management capacity of the Company. The Company will do its utmost to maintain the credit scale, make greater efforts on recovery of receivables, speed up turnover of funds, and maintain its normal operation. In a summary of the above, the Board of Directors believes that the operating and financial status of the Company will turn for the better and the Company will be able to maintain sustainable operation. The Board considers that issues concerning the syndicated loan and receivables from the related party will have greater impacts on the Company's business. The Board believes that the related problems will be solved with the above-mentioned measures having been implemented.



(3) 公司投資情況

1. 募集資金的使用：本公司於1995年7月和11月分別在香港和深圳發行上市了H股和A股股票，共募集資金分別為人民幣(下同)45,829萬元和14,555萬元，共計60,384萬元。截至1999年12月31日止，本公司按照H股和A股招股說明書披露的投資項目投入募股資金八項，累計投資人民幣21,570萬元；追加投入四項，累計投入人民幣3,000萬元；根據招股說明書規定，歸還集資及貸款人民幣12,600萬元，用作公司運營資金人民幣3,000萬元。

本年度根據1999年4月9日簽訂的"還款協定"，及2000年6月13日臨時股東大會決議批准，東北輸變電設備集團公司用資產抵償債務，共計人民幣17,879萬元；尚有餘額人民幣2,335萬元。

2. 報告期內使用非募集資金進行投資共計9,225萬元(單位：人民幣萬元)：

序號	項目名稱	計劃總投資 Planned total investment	本年度投資 Investment in current year	累計投資 Accumulative investment	完成情況 備註 Progress Notes
1	500KVGIS項目 500KVGIS project	19,210	2,235	13,678	在建 國家開發銀行專貸 Under Special loan construction from China Development Bank
2	500KV變壓器 500KV transformer	13,000	3,600	8,800	在建 國家經貿委審批項目 Under Project approved construction by State Economic and Trade Commission
3	東北電-阿爾斯通 互感器合資項目 NEMM-Alstom voltage and current transformer joint venture project	4,713	324	324	在建 自籌  Under Self-raised funds construction
合計	Total	36,923	6,159	22,802	

(C) INVESTMENTS

1. Uses of raised funds: The Company issued and listed H-shares and A-shares respectively in Hong Kong and Shenzhen in July and November 1995, respectively raising Rmb458.29 million (the same below) and 145.55 million yuan, totaling Rmb603.84 million. By December 31, 1999, the Company had accumulatively invested Rmb215.70 million of the related proceeds in eight projects according to the investment projects as disclosed in the prospectuses for the H-share and A-share issues, made an accumulative investment of Rmb30 million in four additional projects, and according to the provisions of the prospectuses, repaid self-raised funds and loans totaling Rmb126 million and earmarked Rmb30 million for operating capital of the Company.

According to the Repayment Agreement signed on April 9, 1999 and the approval by the resolution of the interim meeting of the General Meeting of Shareholders on June 13, 2000, the Northeast Electrical Transmission & Transformation Equipment Group Company used assets to offset debts, totaling Rmb178.79 million, and there was still a balance of Rmb23.35 million.

2. During the reporting period, a total of Rmb92.25 million of non-raised funds were invested as follows: (unit: Rmb'0,000)



(3) 公司投資情況

3. 2001公司計劃主要對以下兩個項目進行投資(單位：人民幣萬元)：

序號 Serial No.	項目名稱 Project Name	計劃總投資 Planned total investment	本年度投資 Investment in current year	完成情況 Progress
1	500KVGIS項目 500KVGIS project	19,210	6,000	在建 Under construction
2	500KV變壓器 500KV transformer	13,000	4,200	在建 Under construction
3	東北電-阿爾斯通互感器合資項目 NEMM-Alstom voltage and current transformer joint venture project	4,713	4,389	在建 Under construction
合計	Total	36,923	14,589	

(C) INVESTMENTS

3. In 2001 the Company planned to invest mainly in the following two projects (unit: Rmb'0,000)

(四) 近期經濟展望及經營環境變化的影響

中國加入WTO對本企業的影響是多方面的，既為企業發展提供了新的機遇，又使企業面臨著儘快適應新的經營環境的嚴峻挑戰。

- (1) 機遇：一是有利於轉換經營機制，以國外競爭壓力為契機，推進企業運行機制適應國際規範要求，按國際市場的標準、需求、價格水準和營銷慣例組織營銷活動，最終建立起適應國內外兩個市場的新機制，加速實現與國際接軌的進程。二是隨著關稅的進一步減讓和非關稅措施的規範，促進企業參與國際分工與交換，擴大與國際知名公司的合資合作，引進先進的產品、技術設備和管理經驗，提高企業技術裝備水平和管理水平，增強出口創匯能力。三是適應國內外市場的需要，加快企業產業結構、產品結構調整的力度。

(D) PROSPECTS FOR NEAR STAGE & INFLUENCES OF CHANGE IN OPERATING ENVIRONMENT

The influences of China's entry into the WTO on the Company will be multiple, not only to provide new opportunities for the development of the Company but also to pose severe challenges on the Company forcing it to cope with the new operating environment as quickly as possible.

- (1) Opportunities: First, being favorable to change of operating mechanism. Foreign competition pressures will urge the Company to adjust its operating mechanism according to the requirements of international norms, organize marketing activities according to the standards, demand, price level and marketing practice on the international market, finally establish a new mechanism coping with the domestic and foreign markets, and speed up the course of international integration. Second, further reduction of tariffs and standardization of non-tariff measures will prompt the Company to take part in international division of labor and exchange, expand joint venture and cooperation with internationally famous companies, import advanced products, technologies, equipment and management experiences, enhance its technological and equipment level and management level, and expand export capacity. Third, in order to match the needs of domestic and foreign markets, the Company will accelerate its adjustment of industrial structure and product mix.



**(四) 近期經濟展望及經營環境變化的影響 (續)**

- (2) 挑戰：通過多年的引進技術和合資合作，公司引進、消化了美國、日本、瑞典、德國等先進國家技術、設備和管理方式方法，同時加快了新產品開發的步伐，使競爭實力有所增強。但加入WTO後，隨著國外產品的大量擠佔國內市場，競爭會更為加劇。從產品看，本公司現有高技術含量、高附加值的產品將會受到較大衝擊。目前超高壓變壓器、GIS、SF6開關等產品雖已達到或接近國際先進水平，但其生產規模、產品價格、產品質量和性能及知名度等尚不具備與國際同行業競爭的實力。

**(五) 2002年業務發展計劃**

預計2002年電力工業基本建設和技術改造的投資幅度加大，西部開發、“西電東送”等項目使市場需求呈現增長趨勢。本公司將針對良好的發展機遇和市場激烈競爭的挑戰，以超常的思維、超凡的舉措、超越的意識制定戰略和目標，竭盡全力扭轉虧損。對策和措施主要是：

1. 調整產品結構，提高產品競爭力。進一步提高產品質量。以增產增收增創盈利。加大市場開發力度，在國內、國際兩個市場的開拓方面取得有效突破。提高訂貨質量，改善訂貨結構。

**(D) PROSPECTS FOR NEAR STAGE & INFLUENCES OF CHANGE IN OPERATING ENVIRONMENT (Continued)**

- (2) Challenges: Thanks to many years of technology import and joint venture and cooperation, the Company has imported and digested advanced technologies, equipment and management modes of such countries as the United States, Japan, Sweden and Germany. In the meantime, it has accelerated the pace to develop new products. Accordingly, its competitiveness has enhanced. After China's WTO entry, however, with the massive inflow of foreign products to vie for the domestic market, the competition will become fiercer. In terms of products, the Company's existing products with high technological contents and high added value will incur substantial negative impact. Though such existing products as super-high voltage transformer, GIS and SF6 switch have reached or approached internationally advanced level, they are still unable to rival similar foreign products in such aspects as production capacity, product price, product quality and function and popularity.

**(E) BUSINESS DEVELOPMENT PLAN FOR 2002**

It is predicted that in 2002, the market demand will maintain its growth trend thanks to more investment for capital construction and technological transformation in the power industry, the development of western China and the implementation of the project to transmit electricity from the west to the east. In response to the good development opportunity and the challenge of fierce market competition, the Company will set its strategies and targets with super-conventional thinking, super-conventional measures and super-conventional consciousness. It will make every effort to turn loss into profit. The countermeasures and measures will mainly include:

1. Adjusting product mix to sharpen the competitiveness of products; further raising the quality of products; striving to increase profit through increasing output and revenue; making greater efforts on market development so as to achieve an effective breakthrough in the exploration of domestic and international markets; raising the quality of orders and improving the mix of orders.





(五) 2002年業務發展計劃 (續)

2. 加速新產品研發和出產進度，以新產品創市場增收益，利用先進技術對現有產品進行創新和改良，提高其技術含量。今年要進行GIS的小型化、ZF6系列智慧化工作及光纖母線等產品的研製、試產，由此促進產品質量水平和售價的提升。
3. 嚴格成本核算和控制，大力壓縮各項費用支出。將子公司的製造、經營單位劃為獨立核算的經濟實體，通過內部結算，明確核算其費用、成本、效益及收入分配等，強化管理職能，相應減少費用，提高效率。通過招標限價採購和比質比價採購，加強對外採購價格控制，降低各種材料、組部件的採購成本，
4. 盤活資產存量，提高資金有效利用率。強化財務預算及分析管理和核算監督職能。認真採取措施盤活存貨及應收款，加速資金周轉，降低財務費用支出。
5. 加快推進社會養老保險制度，裁減冗員，有效降低企業經營負擔。
6. 加快合資合作步伐，上年度已簽定及本年度正在進行的合資合作項目取得突破性進展。

董事長  
中國瀋陽  
二零零二年三月二十五日

(E) BUSINESS DEVELOPMENT PLAN FOR 2002  
(Continued)

2. Speeding up the development and production of new products, tapping markets and increasing revenue through new products, and exploiting advanced technologies to innovate and modify the existing products and raise their technological contents. This year, such work as small capacity of GIS, intelligence of ZF6 series and development and pilot production of such products as optical fiber bus bar will be done so as to upgrade product quality level and raise selling price.
3. Strict cost accounting and control to substantially compress various expenses. The manufacturing and operating units of subsidiaries will be turned into economic entities practicing independent accounting. Their expenses, costs, efficiency and income distribution will be clearly accounted through internal settlement so as to intensify management functions, relatively reduce expenses and enhance efficiency. Limited price procurement through bidding and procurement through comparison of quality and price will be adopted to strengthen control of external procurement price and lower the cost for procurement of various materials and parts and compounds.
4. Invigorating existing assets to raise capital efficiency. Financial budget and analysis management and accounting supervision functions will be intensified. Measures will be taken to invigorate inventories and accounts receivable, so as to speed up capital turnover and reduce financial expenses.
5. Speeding up implementation of the social pension insurance system and cut redundant staff members to effectively reduce the operating burdens of the enterprises.
6. Speeding up joint venture cooperation. Substantial progress will be made in the joint venture and cooperation projects signed in the previous year and under negotiation in the current year.

Chairman  
Shenyang, PRC  
March 25, 2002