宏覾經濟

二零零零年,中國宏觀經濟形勢明顯好轉,通貨緊縮 的趨勢得到了抑制,國民經濟發展出現重要轉機,繼 續朝著良性循環的方向發展。GDP增長率結束了連 續七年下降的趨勢,開始穩定回升,市場趨向活躍, 投資保持快速增長勢頭,工業經濟效益明顯提高,出 口轉旺,匯率穩定。

行業發展與競爭

二零零零年,全球發電設備銷售量約400億美元,發 電設備維修、備品配件銷售量約250億美元。從地域 上看,亞洲約佔發電設備總銷售量的30%,歐洲僅 佔9%,顯示亞洲地區仍為全球發電設備需求最為殷 切的地區之一。在中國,二零零零年全國電力需求增 長幅度已達10%,一些經濟發達地區電力需求增幅 達25%以上,局部地區甚至出現了拉閘限電現象。 年內,中國發電設備行業呈現出如下特點:一是受一 九九九年開始的「三年內不上常規火電項目」的影 響,發電設備產量下降,全年全行業發電設備產量約 800萬千瓦,明顯小於生產能力;二是由於國內經濟 形勢進一步向好,刺激了電力需求增加。進入下半年 以來,一批新項目開始啟動,新訂單增加;三是火電 項目主要以亞臨界300MW和600MW火電機組為 主,市場競爭激烈,產品價格有一定程度下降。總之, 二零零零年發電設備行業出現新變化,並朝著好的 方面發展。

MACRO-ECONOMIC SITUATION

In 2000, the macroeconomic environment of China obviously improved and the deflation was restrained. The development of domestic economy continued to turn to direction of good circulation. After declining for successive seven years, the increasing rate of gross domestic product began to steadily rise up. The market inclined to be more active and the investment kept rapid growth momentum. The industry economic benefits obviously increased. The exportation reported vigorous development. And the PRC currency, Renminbi, remained stable.

INDUSTRY DEVELOPMENT AND COMPETITION

In 2000, the global sales of power generation equipment recorded about USD40 billion and the maintenance and sales of spares and parts for power generation equipment totalled around USD25 billion. In terms of region, the sales in Asia accounted for 30% of the total global sales while Europe only accounted for 9%, which shows that the Asian region is still the area that is in most need of power generation equipement in the world. In China, the growth of the national electricity demand in the year of 2000 has reached 10% while the growth of certain developed regions was above 25%. In some areas, people had to control electricity by switching off the supply. During the year, the power equipment industry had following features. First, the output of power generation equipment declined due to the policy in early 1999 that there were no new conventional thermal power projects in the next three years. The total output of the industry in the year was about 8000MW, which was obviously less than the manufacturing capabilities. Second, the improvement of the domestic economy stimulated the growth of electricity demand. In the second half of the year, a batch of new projects started up and new orders increased. Third, sub-critical 300MW and 600MW thermal power units are the focus of thermal power projects. The market competition intensified and product price decreased to a certain extent. Generally speaking, there were new changes taking place to the power equipment industry in 2000 and the industry was heading to a positive direction.



中國發電設備市場的競爭主要來自國外大公司和國內三大集團之間的競爭。對本集團而言,在水電、 600MW及以下亞臨界火電機組、清潔煤燃燒技術、 電站工程總承包以及開拓國際市場等方面與國內同 行相比具有相對優勢。但從總體技術水平上看,本集 團與國外大公司相比尚有差距,尤其在聯合循環、超 臨界、核電以及新能源發電方面。本集團正在加快技 術開發,並結合引進技術、合作生產等方式努力縮小 這一差距。本集團與國外大公司競爭的優勢仍主要 體現在價格、運輸和服務等方面。

業務拓展

隨著市場形勢的好轉,本集團期內訂單顯著增加。截 至二零零零年十二月三十一日止之年度,本集團新 接市場訂單合共為人民幣35.4億元,較上年同期增 加人民幣24.3億元。新訂單主要包括:

- 內蒙古托克托電廠2x600MW鍋爐島工程項目;
- 伊朗塔瓦茲2x55MW火電站工程項目;
- 貴州納雍電廠2x300MW火電機組主機供貨 合同;
- 深圳西部電廠2x300MW火電機組供貨合
 同;
- 遼寧阜新電廠200MW火電機組主機供貨合
 同:
- 河南新鄉電廠2x135MW循環流化床鍋爐供 貨合同;
- 湖南洪江水電站3x45MW大型貫流式水輪
 發電機組供貨合同。

The competition in the power generation market in the PRC includes competition from foreign companies and the three domestic groups. The Group has relative advantages over domestic manufacturers regarding hydropower units, conventional thermal power units with capacity of and below 600MW, clean coal combustion units, general contracting of power plant engineering projects and international marketing. But in terms of general technology level, the gap between the Group and foreign companies still exits, especially in the field of combined-cycle, super-critical, nuclear power and new energy equipment. The Group is accelerating its technical development and trying to narrow the gap by technology transfer, joint production and other methods. Competing with foreign companies, the Group has favourable conditions in price, transportation and services, etc.

BUSINESS DEVELOPMENT

With the improvement of the market situation, the orders secured by the Group during the period remarkably increased. For the year ended at 31st December 2000, the newly signed contracts secured by the Group totalled Rmb3.54 billion, an increase of Rmb2.43 billion over last year. New major contracts included:

- engineering project for the boiler island of the Inner Mongolia Tuoketuo Power Plant (2x600MW);
- engineering project for the Iran Tavazon Thermal Power Station (2x55MW);
 - equipment supply contract of 2 sets of 300MW thermal power main units for the Guizhou Nayong Power Plant;
 - equipment supply contract of 2 sets of 300MW thermal power units for the Shenzhen West Power Plant;
 - equipment supply contract of 200MW thermal power main units for the Liaoning Fuxin Power Plant;
- equipment supply contract of 2 sets of 135MW circulated fluidised bed boilers for the Henan Xinxiang Power Plant;
- equipment supply contract of 3 sets of 45MW tubular hydropower turbo-generators for the Hunan Hongjiang Hydropower Station.



本集團期內訂單增加的主要原因:一是國內經濟形 勢好轉,電力需求增加;二是「西部大開發」的實施 和國家「十五」計劃的落實,刺激了對發電設備的需 求;三是本集團近幾年加大了市場開發的前期工作 以及國內外市場的開發力度。

最值得一提的是,期內本集團在「西部開發」方面成 績顯著,取得訂單人民幣13.4億元的合同額;清潔煤 燃燒技術日趨成熟,市場份額不斷擴大,取得了1台 100MW和3台135MW高壓、超高壓循環流化床鍋爐 訂單,這對繼續保持本集團在清潔煤燃燒技術方面 的優勢產生重要作用。

生產與服務

二零零零年,本集團生產形勢有所好轉,發電設備產 量有所增加,但由於前期訂單較少,可供安排生產的 項目不足,致使生產能力部分放空,設備不能滿負荷 運行。全年生產發電設備3280.5MW(以汽輪發電機 和水輪發電機組計),較上年同期增加12.7%。其中, 電站鍋爐完成13台共計2650MW,較上年同期增加 23.14%;電站汽輪機完成12台共計1567MW,較上 年同期減少5.03%;汽輪發電機完成10台共計 2650MW,較上年同期增加32.5%;水輪發電機組完 成10台套共計630.5MW,較上年同期減少30.79%。 主要產品包括:單機容量為650MW的浙江秦山核電 站2號機組汽輪機和汽輪發電機;單機容量為 600MW的河北盤山電廠3號和4號機組電站鍋爐和 汽輪發電機;單機容量為220.5MW的貴州天生橋|| 級水電站6號機組;單機容量為300MW的黃河小浪 底水電站5號機組水輪發電機;單機容量為300MW 的湖南益陽電廠2號機組電站鍋爐和汽輪發電機;單 機容量為350MW的河南禹州電廠2號機組電站鍋 爐;單機容量為125MW的黑龍江雞西電廠1號機組 電站鍋爐;單機容量為30MW的湖南淩津灘水電站 7、8、9號貫流式水電機組等。期內,本集團生產的廣 The increase of new contracts during the period was mainly attributed to the following. First, the domestic economy improved and electricity demand increased. Second, the implementation of the strategy of "big west development" and the carrying out of the Tenth Five-year Plan stimulated the demand for power generation equipment. Third, the Group has enhanced preliminary work for marketing and strengthened its marketing efforts in and outside China since 1999.

During the period under review, the Group achieved remarkable results regarding "big west development", the orders secured totalled Rmb1.34 billion. The Group's clean coal combustion technology is getting more and more mature. The market share in this field gradually increased. The contracts of one 100MW and three 135MW high-voltage and extrahigh voltage circulated fluidised bed boilers played an important role in maintaining the advantages of the Group in the field.

PRODUCTION AND SERVICES

In 2000, the production situation of the Group improved and the output of power generation equipemnt grew. However, manufacturing facilities could not be operated at full capacity yet because of few orders from ealier period. During the period under review, the Group's output of the power generation equipment was 3280.5MW, an increase of 12.7% over last year. Among which there are 13 units of utility boilers with total capacity of 2650MW, an increase of 23.14% over 1999; 12 units of power plant turbines with total capacity of 1567MW, a decrease of 5.03% over 1999; 10 units of turbine generators with total capacity of 2650MW, an increase of 32.5% over 1999 and 10 sets of hydropower turbogenerators with total capacity of 630.5MW, a decrease of 30.79% compared to last year. The main products included the No.2 turbine and turbine generator with single unit capacity up to 650MW for the Qinshan Nuclear Power Station, the No.3 and No.4 utility boilers and turbines with single unit capacity of 600MW for the Hebei Panshan Power Plant, the No. 6 units with single unit capacity of 220.5MW of the second phase of Guizhou Tianshenggiao Hydropower Station, the No. 5 units with single unit capacity of 300MW for the Huanghe Xiaolangdi Hydropower Station, the No. 2 utility boiler and turbine generator with single unit capacity up to



東嶺奧1000MW級核電第二台機組MSR已順利運往 工地,三峽機組的製造亦按計劃進行。

工程服務方面:期內,本集團電站工程服務項目進展 順利,巴基斯坦烏奇540MW聯合循環電站工程已獲 完工證書,進入一年工程保質期運行:伊朗蘇利曼、 卡爾河水電項目已完成發貨量的80%,預計蘇利曼 第一台機組將於二零零一年三季度發電,卡爾河第 一台機組將於二零零一年末發電:內蒙古托克托電 廠2x600MW鍋爐島工程項目,地下基礎部分及主要 設備的基礎材料採購工作已經完成;合肥電廠 2x350MW鍋爐島工程項目1號機已通過30天可靠性 試運行。

營業額

截至二零零零年十二月三十一日止之年度,本集團 實現營業額為人民幣302,891萬元,較上年同期增長 2.36%。營業額增長主要是一九九九年完工的部分 水電產品在二零零零年實現銷售以及加快電站工程 項目進展所致。

期間, 火電主機設備營業額為人民幣136,831萬元, 較上年同期增長2.06%; 水電主機設備營業額為人 民幣36,797萬元,較上年同期增長13.75%; 電站工 程服務營業額為人民幣78,718萬元,較上年同期增 長3.31%; 電站輔機及配套產品營業額為人民 幣9,301萬元,較上年同期下降31.92%; 交直流電機 及其它產品與服務營業額為人民幣41,245萬元,較 上年同期增長4.07%。 300MW for the Hunan Yiyang Power Plant, the utility boiler of the No. 2 units with single unit capacity of 350MW for the Henan Yuzhou Powre Plant, the utility boiler of the No. 1 units with single unit capacity of 125MW for the Heilongjiang Jixi Power Plant, the No.7, No.8 and No.9 tubular hydropower units with single unit capacity of 30MW for the Hunan Lingjintan Hydropower Station. During the period, the MSR of the second nuclear units for the 1000MW Guangdong Lingao Nuclear Power Station has been transported to the site. The manufacturing of the Three Gorges units proceeded as scheduled.

As for engineering services, the Group reported smooth progress. The 540MW UCH Combined-cycle Project in Pakistan has been awarded with completion certificate and began one-year engineering quality assurance operation period. The KRH and MES hydropower projects in Iran have finished above 80% of the equipement supply and shippment. The first units of MES hydropower station and KRH hydropower station are expected to generate electricity in the third quarter and end of 2001 respectively. As for the 2x600MW boiler island engineering project of the Inner Mongolia Tuoketuo Power Plant, the basic underground part and procurement of basic material for main equipment have already completed. The No. 1 unit of the boiler island engineering project for the Hefei Power Plant (2x350MW) has passed the thirty-day trial operation.

TURNOVER

For the year ended 31 st December 2000, the Group recorded turnover of Rmb3028.91 million, representing an increase of 2.36% over 1999, the main reason for which was that some hydropower products manufactured in 1999 were sold in 2000 and the processes of engineering projects were speeded up.

During the period, the turnover of thermal power main units was Rmb1368.31 million, an increase of 2.06% as compared to 1999. The turnover of hydropower main units was Rmb367.97 million, an increase of 13.75% over last year. The turnover of engineering service projects was Rmb787.18 million, an increase of 3.31% over last year. The turnover of power plant accessories and parts was Rmb93.01 million, a decrease of 31.92% over last year. The turnover of AC/DC motors and other products and services was Rmb412.45 million, an increase of 4.07% compared to 1999.



税後溢利

截至二零零零年十二月三十一日止之年度,本集團 除税及少數股東權益後溢利為人民幣3,908.9萬元, 較上年同期增長12.86%。期間,本集團仍執行15% 的所得税税率。税後溢利增加的主要原因是本集團 加強費用控制及資金管理令管理費用及財務費用下 降所致。

二零零零年,本集團營業毛利為人民幣52,362.50萬 元,較上年同期下降9.39%。主要業務的毛利率分別 為:火電主機設備21.43%,較上年同期下降0.09個 百分點:水電主機設備18.95%,較上年同期下 降10.81個百分點:電站工程服務10.03%,較上年同 期上升1.39個百分點:電站輔機及配套產品 19.54%,較上年同期下降2.93個百分點:交直流電 機及其它產品與服務15.41%,較上年同期下降8.96 個百分點。整體毛利率17.29%,較上年同期下降 2.24個百分點。主要是市場競爭加劇,產品價格有一 定幅度下降,加上原材料及燃料動力價格上升,使整 體毛利率比一九九九年略有下降。

期內,本集團營運成本,為人民幣250,528.9萬元,較 上年同期上升5.21%,主要是產量增加及原材料和 燃料動力價格上漲所致。

本集團二零零零年期間費用為人民幣576,536萬元, 較上年同期下降7.58%。其中管理費用減少人民幣 2,185萬元,較上年同期下降5.15%。財務費用減少 人民幣3,143萬元,較上年同期下降19.71%。

CONSOLIDATED PROFIT AFTER TAXATION

For the year ended 31st December 2000, the Group recorded consolidated profit after minority interests and taxation of Rmb39.089 million, an increase of 12.86 % over last year. The income tax rate applicable to the Group was 15% in 2000. The gross profit margin slightly decreased as compared to last year. The increase of consolidated profit after minority interests and taxation was mainly because the Group strengthened expense control and capital management, which led to the decrease of administration expenses and finance expenses.

In 2000, the operating profits of the Group was Rmb523.625 million, a decrease of 9.39% over last year. The profit margins for the main businesses of the Group were: 21.43% for thermal power main units, a decrease of 0.09% over last year; 18.95 % for hydropower main units, a decrease of 10.81%; 10.03 % for power engineering projects, an increase of 1.39% over last year; 19.54 % for power plant accessories and parts, a decrease of 2.93 % over last year; 15.41 % for AC/DC motors and other products and services, a decrease of 8.96 % over last year. The gross profit margin was 17.29%, a decrease of 2.24% as compared to last year, the main reason for which was that the market competition intensified and product price declined by a certain margin while the price for raw materials and fuel and energy increased.

In 2000, the Group's operating costs were Rmb2505.289 million, an increase of 5.21% over the previous year, which was higher than the increase of turnover in the period. The main reasons are because the output and the price of raw materials and fuel and energy increased.

The Group's expenses during the year amounted to Rmb5765.36 million, a decrease of 7.58 % over last year. Among which administration expenses decreased Rmb21.85 million, a decrease of 5.15% over last year. Finance expenses decreased Rmb31.43 million, a decrease of 19.71 % as compared to last year.



管理層論述與分析

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資本開支

期內,本集團資本開支人民幣23,107萬元,主要用於 增加大型水電設備製造能力項目、船用動力裝置項 目等。其中增加大型水電製造能力項目期內完成投 資額人民幣14,800萬元;船用動力裝置完成投資人 民幣3,320萬元。截至二零零零年底,增加大型水電 製造能力項目已累計完成投資人民幣39,500萬元。 機加裝配廠房、焊接廠房、高水頭水力試驗台的建設 已經竣工;部分設備已開始投入生產;中250數控落 地鏜床已安裝調試完畢;數控20m大型臥車、16m大 型立車等設備將於二零零一年內到貨並開始安裝。

為開發超臨界火電機組和抽水蓄能水電機組,本集 團已開始實施總投資額為人民幣45,500萬元的技術 改造計劃,期內已完成投資額人民幣1,683萬元。該 項目被列為國家重點項目。

二零零一年,本集團計劃投資人民幣27,429萬元,繼 續實施上述未完工項目。

同時為適應發電設備市場變化趨勢,做好製造燃機、 核電等產品的準備,本集團擬建設出海口基地及實 施燃機製造技術改造計劃,該計劃已報國家有關部 門,待批准後實施。

研究與發展

期內,本集團用於產品研究與開發費用為人民 幣3,868萬元,繼續圍繞700MW三峽機組、600MW 超臨界機組、聯合循環機組、循環流化床鍋爐、 300MW及以上空冷機組、200MW以上抽水蓄能機 組以及風電、垃圾發電等前期課題研究和對 300MW、600 MW亞臨界火電機組進行優化設計。 期內共完成科研課題152項,完成新產品試製計劃

CAPITAL EXPENDITURE

During the period under review, the capital expenditure of the Group reached Rmb231.07 million. The major projects included enhancing capability of manufacturing large hydropower equipment, dynamic devices for ships and etc. A total of Rmb148 million was invested in enhancing capability of manufacturing large hydropower equipment. Rmb33.2 million was invested in dynamic devices for ships. As at 31st December 2000, accumulated investment in enhancing capability of manufacturing large hydropower equipment amounted to Rmb395 million. The construction of fabricating and installation workshop, welding workshop and high water head hydraulic testing station has been completed. The installation and testing of f250 NC boring machine has been finished. 20m NC large horizontal lathe and 16m large vertical lathe are expected to arrive and begin installation in 2001.

In order to develop super-critical thermal power units and pumped storage hydropower units, the Group has begun to carry out the technical innovation plan with the total investment of Rmb455 million, of which Rmb16.83 million has been invested. This project has been ranked as the State Key Project.

It is expected that the Group will invest Rmb274.29 million to complete the unfinished projects mentioned above in 2001.

Meanwhile, in order to adapt to the changing trend of power equipment market and be well repared to produce gas turbine, nuclear power equipment and other products, the Group plans to construct the coastal production base and carry out technical upgrading scheme for manufacturing gas turbine, which has been applied for the approval of relevant authorities.

RESEARCH AND DEVELOPMENT

Within the period, Rmb38.68 million was invested in research and development. The main R&D projects included preliminary research on 700MW Three Gorges units, 600MW super-critical units, combined-cycle units, circulated fluidised bed boilers, air cooling units with capacity of and above 300MW, pumped storage units with capacity above 200MW, wind generation and waste incineration equipment and design optimization of 300MW and



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23項。其中三峽機組科研項目9個專項42個課題已 通過國家全面驗收,達到世界先進水平:300MW優 化型汽輪機被列為國家重點新產品:電站鍋爐脱硫 成套技術工程化項目,達到了世界先進水平。

期內,本公司籌建的哈電發電設備國家工程研究中 心有限公司正式創立,建設工作全面啟動。二零零一 年本集團將以此為突破口,進一步理順、整合科研開 發體系,充實科研開發力量,促進本集團的技術創新 和產品升級換代。

募集資金使用情況

期內,本集團共運用募集資金人民幣7,000萬元,主 要用於技術引進、技術開發以及船用動力裝置和大 型水電技術改造等項目。

截止二零零零年十二月三十一日,本集團已累計運 用募集資金人民幣5.6億元,剩餘款項約人民幣6.8 億元。其中人民幣5.9億元存於銀行,餘額部分借給 附屬公司作為流動資金。

剩餘款項仍將按本公司一九九四年十二月五日所發 出之H股《售股章程》所承諾之用途使用。

財務狀況分析

於二零零零年十二月三十一日,本集團資產總值為 人民幣869,361萬元,較一九九九年末減少人民 幣6,246萬元。其中,流動資產總值人民幣641,239 萬元,佔資產總值的73.76%;固定資產總值人民幣 218,550萬元,佔資產總值的25.14%,較一九九九 600MW sub-critical thermal power units. A total of 152 research items were finished and 23 new product trial manufacturing programmes were completed during the period under review. Among which 42 subjects of 9 specialized research items for the Three Gorges units have passed the State's acceptance test and 300MW optimized turbine has been identified as the State Key New Product. The project of the engineerization for the utility boiler desulphurization technology reached the advanced level in the world.

During the year of 2000, the Hadian Power Equipment National Engineering Research Center Company Limited undertaken by the Company was formally established and the construction has comprehensively begun. In 2001, the Company will take this as a breakthrough point to further rectify research and development structure, strengthen R&D team and accelerate the technical innovation and product upgrading and replacement.

USE OF LISTING PROCEEDS

During the year, the Group used a total of Rmb70 million from its listing proceeds to fund a number of projects. Major projects included technology transfer, technological development, dynamic devices for ships and technical upgrading for large hydropower equipment.

As at 31st December 2000, the Company has used a total of Rmb560 million from its listing proceeds and the remaining balance of listing proceeds was Rmb680 million, of which Rmb590 million was deposited in the bank and the balance was lent to associated companies as working capital.

The remaining proceeds will be used according to the propectus of the Company for the issue of H shares dated 5 December 1994.

FINANCIAL ANALYSIS

As at 31st December 2000, the total assets of the Group decreased by Rmb62.46 million to Rmb8693.61 million as compared to the end of 1999. The total current assets were Rmb6412.39 million, representing 73.76% of the total assets. The total fixed assets was Rmb2185.5 million, representing 25.14% of the total assets, an



年末增加人民幣5,755萬元,固定資產增加的主要是 大型水電技術改造項目新增固定資產;聯營投資及 證券性投資人民幣9,571萬元,佔資產總值的1.1%。

於二零零零年十二月三十一日止,本集團負債總值 為人民幣577,971萬元,資產負債率66.48%,較年初 略有下降。所有負債全部為人民幣負債。其中短期借 款和一年內到期的長期負債合計為人民幣206,416 萬元,比年初減少人民幣190萬元。本集團的資本槓 杆比率為0.44:1。

截止二零零零年十二月三十一日,本集團應收帳款 餘額為人民幣192,085萬元,比年初增加人民 幣10,091萬元,主要是部分用戶資金不到位,未能按 時支付貨款所致。

於二零零零年十二月三十一日,本集團銀行存款折 合人民幣102,902萬元,其中港幣折合人民 幣47,048萬元,其他外幣折合人民幣10,113萬元。

展望

至二零零零年底,中國發電設備裝機總量達到 316000MW,居世界第二位,但人均裝機僅0.24KW, 較中等發達國家的人均1KW尚有較大差距。根據中 國「十五」計劃確定的電力建設方針和「西部大開 發」計劃,預計「十五」期間電力需求平均增長5~ 6%。發電設備需求將主要集中在大型水電以及大型 亞臨界火電機組上、大型超臨界機組、大型聯合循環 機組、大型空冷機組以及新能源和清潔煤燃燒技術 亦蘊藏著巨大的市場潛力。本集團正在調整內部結 構,加快技術開發、技術引進和技術改造步伐,以適 應市場形勢的變化,改善經營業績。

二零零一年四月二十日,於中國哈爾濱

increase of Rmb57.55 million as compared to the end of 1999 which was mainly attributed to newly-increased fixed assets for technical upgrading of large hydropower equipment. The interests in associated companies and investments in securities was Rmb95.71 million, representing 1.1% of the total assets.

As at 31st December 2000, the total liabilities of the Group amounted to Rmb5779.71 million. The debt/equity ratio of the Group was 66.48%, a slight decrease over the beginning of the year. All liabilities were denominated in Renminbi. The short-term loans and long-term borrowings due within one year was Rmb2064.16 million, a decrease of Rmb1.9 million over last year. The gearing ratio to the Group was 0.44:1.

As at 31st December 2000, the balance of trade debtors of the Group was Rmb1920.85 million, an increase of Rmb100.91 million, mainly attributed to late customer payments.

As at 31st December 2000, the bank deposits of the Group amounted to Rmb1029.02 million after currency converting, of which there was Rmb470.48 million converted from Hong Kong dollar and other foreign currencies amounting to Rmb101.13 million.

PROSPECT

By the end of 2000, the national installed capacity of power generation equipment in China amounted to 316000MW, the second place in the world. However, the average installed capacity per capita was only 0.24KW, which is far behind 1KW, the level of the moderately developed countries. According to the power construction policy determined by the Tenth Five-year Plan of China and the program of "big west development", it is estimated that the average growth of electricity demand during the period of the Tenth Five-year Plan will be 5~6%. The demand for power generation equipment will focus on hydropower equipment and large-size sub-critical thermal power units. There is also great market potential for the development of large-scale super-critical units, large combined-cycle units, large-size air cooling units and new energy and clean coal combustion technology. The Group is now adjusting internal structure, accelerating technology development, technology transfer and technical innovation in order to adapt to the changing market and improve its performance.

Harbin, the People's Republic of China, 20th April, 2001

