董事長 **李安建**
Chairman **Li Anjian**

（一）報告期內公司經營情況

1、 公司主營業務情況

公司主營業務原來主要是消費類電子與通信、信息產品，經過資產與業務重組，從二零零零年十二月起，公司已將消費類電子業務與資產全部剝離至熊貓電子集團有限公司，實現了主營業務從消費類電子向通信與信息產業的戰略轉變。現有主營業務主要有移動通信、衛星通信、機電儀和信息產品，在全國同行業中居領先地位，具有較強的技術優勢和競爭能力，具有良好的發展前景。

A. Operations of the Company during the reporting period

1. Principal Operations of the Company

The principal activities of the Company used to be consumer electronics and communication and information products. After assets and business reorganization, the Company has disposed all consumer electronics business and assets to Panda Electronics Group Limited ("PEGL") from December 2000. The strategic change in principal activities from consumer electronics to communication and information industry and from traditional industry to new economy was realized. Existing principal activities include mobile telecommunications, satellite communication, electromechanical and information products. The Company has a leading position in the industry in the PRC and strong technological advantages and competitiveness as well as a bright development future.

（一） 報告期內公司經營情況（續）

1、 公司主營業務情況（續）

二零零一年是公司實施資產重組、轉變主營業務以後的第一年，在國內外市場激烈競爭的形勢下，公司發揚優勢，抓住機遇，深化改革，開拓創新，促進了新的主營業務加速發展。按中國會計準則，二零零一年公司主營業務收入8.62億元，比上年下降29.64%，按可比口徑計算（除去終止業務）持續經營業務收入比上年增長47.46%；實現淨利潤1.79億元，比上年增長29.71%。按香港普遍採納會計準則，二零零一年公司主營業務收入8.60億元，比上年下降29.70%，按可比口徑計算（除去終止業務），持續經營業務收入比上年增長59.56%；實現淨利潤2.47億元，比上年增長38.37%。

A. Operations of the Company during the reporting period *(continued)*

1. Principal Operations of the Company *(continued)*

2001 was the first year of operation after the Company had undergone asset reorganization and a major shift in core business. Under intense competition in the domestic market, the Company had explored its advantages in capturing business opportunities, and deepened internal control in order to speed up the development of new core business. According to the PRC accounting standards, the Company recorded income from principal activities of RMB862 million in 2001, representing a decrease of 29.64% from last year. Calculated on a comparable basis (excluding terminated business), the revenue of continuing business reported a growth of 47.46% from last year. Net profit reached RMB179 million, representing an increase of 29.71% from 2000. According to the accounting principles generally accepted in Hong Kong, the Company recorded income from principal activities of RMB860 million in 2001, representing a decrease of 29.70% from last year. Calculated on a comparable basis (excluding terminated business), the revenue of continuing business had a growth of 59.56% from last year. Net profit reached RMB247 million, up 38.37% from last year.

(一) 報告期內公司經營情況(續)

A. Operations of the Company during the reporting period *(continued)*

2、 主營業務收入及利潤按產品門類的構成情況如下(按中國會計準則):

2. Income and Profit from Principal Business by Product Classification (according to PRC accounting principles)

產品門類 Type of Product		銷售收入 Sales Revenue (千元) ('000)	佔主營業務收入比例 Percentage to Revenue of Principal Business %	銷售成本 Cost of Sales (千元) ('000)	毛利率 Gross Profit Ratio %
移動通信產品	Mobile telecommunications products	578,056	67.09	541,399	6.34
衛星通信產品	Satellite telecommunications products	48,630	5.64	38,118	21.62
機電儀產品	Electromechanical products	92,296	10.71	73,965	19.86
電子信息產品	Electronic information products	82,616	9.59	79,208	4.13
其他	Others	59,962	6.96	59,805	0.26
合計	Total	861,560	100	792,495	8.02

（一）報告期內公司經營情況（續）

3、主要中外合資企業經營情況

（1） 南京愛立信熊貓通信有限公司（ENC）

ENC是由本公司（佔股43%）、瑞典愛立信有限公司（佔股41%）、愛立信（中國）有限公司（佔股10%）、香港永興企業有限公司（佔股3%）和江蘇電信（佔股3%）合資經營的。二零零一年ENC在世界通信產業不景氣的困難形勢下，緊緊抓住國內移動通信市場迅速發展的機遇，進一步加強研發工作，加速推出領先的GPRS、CDMA等新技術，不僅鞏固了原有在GSM設備市場上的領先地位，而且成為全國GPRS設備最大供應商和CDMA設備主要供應商之一。同時，ENC狠抓國產化、本地化工作，不斷降低成本，主要產品國產化率已達50%至60%；加快技術轉讓、加強人才培訓，不斷增加技術研發的內容，重點抓好產品相關軟件的開發，努力掌握核心技術。目前，ENC已成為一個融合移動通信設備硬件、軟件、研發和服務於一體的綜合系統供應中心，成為愛立信集團在全球成本最低、效率最高、競爭力最強的企業之一，在國際競爭中處於優勢地位。二零零一年ENC取得了良好的經營業績。按中國會計準則，實現銷售收入達人民幣131.8億元，增長33.5%；淨利潤人民幣6.05億元，增長32.7%。按香港普遍採納之會計準則，實現銷售收入人民幣131.8億元，增長33.5%；淨利潤人民幣6.78億元，增長47.8%。

A. Operations of the Company during the reporting period *(continued)*

3. Operation of Principal Sino-foreign Joint Venture

(1) Nanjing Ericsson Panda Communication Co. Ltd. (ENC)

ENC is a joint stock company 43% owned by the Company, 41% owned by Telefonaktiebolaget L.M. Ericsson, 10% by Ericsson (China) Company Limited, 3% by Hong Kong Yung Shing Enterprise Company Limited and 3% by Jiangsu Posts and Telecommunications Administration Bureau. Amid a global weakness in the telecommunications market, ENC had captured the rapid development opportunity of the mobile telecommunication market in China to further develop its technology research and development. ENC was a pioneer in introducing GPRS, and CDMA technology. It became the largest supplier of GPRS facilities in China and one of the major suppliers of CDMA facilities. At the same time, ENC emphasized domestic production and localization of production work in order to reduce costs. ENC's major products had reached a localization rate of 50% to 60%. It had speeded up technology transfer and personnel training and would continue to improve the essence of technology development. It focused on developing related product software development and mastering core technology. At the current stage, ENC had successfully harmonized and combined mobile telecommunication facility hardware, software, research and development and service into a comprehensive system supply center. It became the most cost effective, most efficient and most competitive enterprise among all Ericsson supply centers in the world. It stood at a very competitive position in the global market. In 2001, ENC had achieved satisfactory operating result. In accordance with the PRC accounting standards, sales revenue for the year reached RMB13.18 billion, up 33.5% from last year. Net profit reached RMB605 million, up by 32.7% from last year. In accordance with the accounting principles generally accepted in Hong Kong, sales revenue reached RMB13.18 billion, up 33.5%, and net profit amounted to RMB678 million, representing an increase of 47.8%.

（一）報告期內公司經營情況（續）

A. Operations of the Company during the reporting period *(continued)*

3、主要中外合資企業經營情況（續）

3. Operation of Principal Sino-foreign Joint Venture *(continued)*

(2) 南京愛立信熊貓移動終端有限公司（EPC）

EPC是由本公司（佔股35%）、瑞典愛立信有限公司（佔股40%）、愛立信（中國）有限公司（佔股25%）合資經營的。二零零一年EPC在手機市場激烈競爭和大幅度降價的困難形勢下，抓住市場發展的機遇，不斷推出新產品，加快國產化、本地化工作，努力降低成本，增強競爭能力，狠抓出口市場，取得了良好的經營業績。二零零一年完成手機330萬部，比上年增長101.2%；其中出口220萬部。按中國會計準則，實現銷售收入人民幣25.7億元，比上年增長10.9%；淨利潤人民幣0.65億元，比上年增長11.4%。按香港普遍採納之會計準則，實現銷售收入人民幣25.6億元，增長11.2%；淨利潤人民幣0.66億元，增長6.3%。EPC已成為愛立信手機的重要全球供應中心之一。

(2) Nanjing Ericsson Panda Mobile Terminals Co. Ltd. (EPC)

EPC is a joint stock company owned 35% by the Company, 40% by Telefonaktiebolaget L.M. Ericsson and 25% by Ericsson (China) Company Ltd. In 2001, EPC, facing with the difficulties of intense market competition in mobiles and price fall, market development had captured opportunity in China to introduce new and innovative products, to lower production costs, to internationalize its products and to localize production in order to increase its overall competitiveness. EPC had been able to achieve satisfactory result thanks to a focus on the export market. In 2001, EPC completed production of 3.3 million units, representing an increase of 101.2% from last year. Export sales of mobile phone reached 2.2 million units. In accordance with the PRC accounting standards, sales revenue reached RMB2.57 billion which grew 10.9% from 2000. Net profit amounted to RMB65 million, up 11.4% from last year. In accordance with the accounting principles generally accepted in Hong Kong, sales revenue recorded RMB2.56 billion, up 11.2%, and net profit amounted to RMB66 million, up 6.3%. EPC had successfully become one of the most important suppliers of mobile phone handsets for Ericsson in the world.

4、主要供應商、客戶情況

截至二零零一年十二月三十一日止年度，本公司前五大客戶之營業額的總和佔本年度營業額的61.9%，其中最大客戶之營業額佔本年度營業額的32.3%。

本公司前五大供應商之採購額的總和佔全年之物資採購額的61.8%，其中最大供應商之採購佔全年物資採購的34.2%。

本年度內，本公司董事、監事及其它有關人士等或股東並無擁有上述供應商及客戶的任何權益。

4. Major suppliers and customers

As at 31 December 2001, the aggregate turnover of the five major customers of the Company represented 61.9% of the total turnover of the Company for the year, of which turnover from the largest customer accounted for 32.3% of turnover for the year.

The aggregate amount of purchase from the five major suppliers of the Company accounted for 61.8% of the total amount of purchase made by the Company for the year, of which the purchasing amount of the largest supplier accounted for 34.2% of total purchase of the year.

During the year, none of the directors, supervisors and their connected persons or shareholders had interests in the share capital of the Company's suppliers or customers mentioned above.

（一）報告期內公司經營情況（續）

5、經營中出現的問題與困難及解決方案

二零零一年是公司面臨嚴峻考驗的一年。佔原有主營業務大部分的消費類電子業務終止以後，對持續經營業務發展提出了更高的要求；世界通信高科技產業發展趨緩，對公司的經營業績提出了嚴峻考驗；經濟全球化和國際競爭加劇，對公司的產品、技術、管理、人才等都提出了新的挑戰。對此，公司積極採取以下措施：

(1) 狠抓新的主營業務發展。積極調整產品結構，全力開拓新業務市場，確保主營業務順利轉換並且迅速發展。在移動通信方面，全年生產熊貓牌手機近50萬部，比上年增長20%，發展程控交換機等新產品生產，形成新的增長點。在衛星通信方面，新產品、新技術研發取得重大突破以後，狠抓生產發展，形成新的銷售收入。在機電儀和信息產品業務方面也取得長足發展。新的主營業務正以較強的競爭優勢實現大幅度增長。

A. Operations of the Company during the reporting period *(continued)*

5. Problems and Difficulties Encountered in Operation and Proposed Solutions

The year 2001 was a challenging year for the Company. Since the closing of consumer electronics business that used to account for the majority of the Company's sale revenue, the Company demanded an even better performance from existing business. The global weakness of the telecommunications and high technology markets had presented tough challenges for the Company. The globalization of the world economy, together with intensifying competition, had placed tougher requirement on our products, technology, management and staff. With this in mind, the Company had put forward the following measures:

(1) Solidifying new core business development. The Company will take a proactive role in adjusting product mix and developing new business market in order to ensure that a major shift in core business is conducted in a smooth and speedy way. In mobile telecommunications, the Company produced 500,000 Panda mobile phones, a growth of 20% from last year. The Company will expand development and production of distance control interchangeable machines and related products in order to form a new growth center. In satellite telecommunications, the Company achieved new sale revenue following a breakthrough in new product and technology development. Electromechanical and information products also performed well during the year. The Company's new core business is developing and growing at a relatively fast pace and enjoying a competitive edge.

(一) 報告期內公司經營情況(續)

5、 經營中出現的問題與困難及解決方案(續)

(2) 加快技術創新和新品開發。積極開展產學研聯合開發和國際合作開發，建立開放型的技術創新體系。中外合資企業建立研發中心，強化研發工作。努力發展自主技術，形成核心競爭力，在新一代移動通信、衛星通信、機電儀和信息產品方面取得了許多重大技術突破和技術創新成果，居國內領先地位，達到國際水平。

(3) 全力推進中外合資企業持續強勁發展。抓住經濟全球化和國際產業重組的機遇，全面融入世界經濟，找准國際分工定位，充分發揮自身優勢，積極主動地在世界經濟結構調整和跨國公司全球佈局中爭取有利地位，加強與愛立信等國外大公司的戰略合作，把合資企業建成跨國公司的全球供應中心。同時，充分發揮中方的重要作用，全力以赴推進中外合資企業持續高速發展，取得了良好投資回報。二零零一年還新成立恩貝爾電池(南京)有限公司、南京熊貓田村通信電源設備有限公司、南京熊貓日立科技有限公司等中外合資企業。

A. Operations of the Company during the reporting period *(continued)*

5. Problems and Difficulties Encountered in Operation and Proposed Solutions *(continued)*

(2) Enhancing technology development and new product development. The Company will engage actively in technology research and development domestically and at international level. It strives to establish an open technology research and development system. Its Sino-foreign joint ventures will also set up research and development centers in order to strengthen product development and research. At the same time, the Company will focus on developing self-owned technology to be its core competitiveness. In the new generation of mobile telecommunication and satellite communication, electromechanical and information products will obtain multiple success and technology breakthrough. It will have a leading position in the domestic market and ability to achieve international standard.

(3) Strengthening international co-operation and enhancing development of Sino-foreign joint ventures. The Company will capture the opportunities of globalization of economy and restructuring of international property to integrate into the world economy. It will actively work for a competitive position amid a consolidation of world economy and multi-national corporations. It will increase co-operation with multinational corporations such as Ericsson in order to strengthen strategic cooperation. It aims to develop Sino-foreign joint venture into global supplying centers of multinational corporations. At the same time, the Company aims to achieve a satisfactory investment return by developing Sino-foreign joint venture at full speed. In 2001, the Company had set up new Sino-foreign joint ventures such as MPower Batteries (Nanjing) Limited, Nanjing Panda Tamura Communication Equipment Co., Ltd., and Nanjing Panda Hitachi Technology Co. Ltd.

（一） 報告期內公司經營情況（續）

5、 經營中出現的問題與困難及解決方案（續）

(4) 進一步深化內部改革。按照現代企業制度的要求，加強公司治理結構建設，嚴格規範運作；積極推進產權制度改革，充分調動員工積極性；加強財務管理，努力改善經營，不斷提高現代化管理水平。

（二） 公司投資情況

1、 本報告期內公司未募集資金。公司對一九九六年發行H股及A股募集的資金，除下述兩項目變更外均按照招股書承諾的投資項目投入使用。

2、 募集資金變更、使用情況：

本公司於一九九六年四月、十一月分別發行H股及A股，其中計劃投入混合纖維電纜（HFC）電信項目（「HFC」）人民幣3,000萬元，投入數字影音光碟機（DVD）項目（「DVD」）人民幣2,980萬元。截止二零零一年十二月三十一日止，「HFC」共投入人民幣995萬元，尚有人民幣2,005萬元未投，「DVD」共投入人民幣1,066萬元，尚有人民幣1,914萬元未投。以上二項目未投的募集資金合計人民幣3,919萬元。

鑒於南京愛德奇寬帶通信有限公司（「HFC」項目）已經清盤，「DVD」項目在二零零零年本公司實施資產重組中已經剝離至熊貓電子集團有限公司，所以上述二個項目不需要本公司再繼續進行投資，需變更使用用途。

A. Operations of the Company during the reporting period *(continued)*

5. Problems and Difficulties Encountered in Operation and Proposed Solutions *(continued)*

(4) Intensifying internal reform. The Company will strengthen its corporate goverance and take its operation to the highest standard according to the requirement of a modern enterprise system. It will also accelerate reform on the system of property right, make efforts to reduce costs, and encourage staff to take a proactive role. It will strengthen financial management, improve management and modernize management standard.

B. Corporate Investment

1. The Company did not raise funds during the period. Apart from the following changes, all net proceeds from its H shares and A shares offer in 1996 were invested as set out in the prospectus.

2. Changes in the use of net proceeds

The Company issued H shares and A shares in April and November 1996 respectively and had planned to deploy RMB 30 million in a hybrid fiber optics (HFC) telecommunication project (HFC), and RMB29.8 million in a DVD project. As of 31 December 2001, the Company had invested RMB 9.95 million in HFC and have RMB 20.05 million not yet invested. It had invested RMB 10.66 million into the DVD project and RMB 19.14 million are still to be invested. Uninvested balance of proceeds allocated to the above two projects totalling RMB 39.19 million.

Nanjing ADC Broadband Communication Co. Ltd (the HFC project) had wound up and the DVD project had been disposed to PEGL following an asset restructuring in 2000. As such, the Company would no longer need to make further investments into the above two projects. The use of proceeds need to be changed as a result.

（二）公司投資情況（續）

經公司第三屆十六次董事會決定將上述未投資金用於以下二個項目：

（1） 投資恩貝爾電池（南京）有限公司人民幣420萬元。

（2） 補充營運資金人民幣3,499萬元。

公司第三屆十次監事會同意董事會上述變更募集資金使用用途的決定。

此次變更募集資金使用用途的議案已經二零零一年六月二十九日召開的股東週年大會審議通過。

以上有關董事會決議、監事會決議、股東週年大會決議分別於二零零一年五月十一日、二零零一年七月三日刊登於《上海證券報》、《中國證券報》、香港《文匯報》和《Hong Kong iMail》。

報告期內，上述變更已實施。

B. Corporate Investment *(continued)*

The third Board of Director held its sixteenth meeting and decided to invest the balance of proceeds into the following two items:

(1) RMB 4.2 million to be invested in MPower Batteries Nanjing Ltd.

(2) RMB 34.99 million as operating capital.

The third Supervisory Committee tenth meeting agreed with the decision of the Board of Directors to change the use of proceeds.

The above change in the use of proceeds were approved at the Annual General Meeting held on 29 June 2001.

The above Board of Directors resolutions, Supervisory Committee resolutions, and Annual General Meeting resolutions were published respectively on 11 May 2001 and 3 July 2001 in the Shanghai Securities Journal, China Securities Journal, Hong Kong Wen Wei Po and Hong Kong iMail.

During the reporting period, the above changes had been carried out and realized.

（二）公司投資情況（續）

恩貝爾電池（南京）有限公司（「合資公司」）由本公司和英國M· Power電池有限公司（「M· Power」）、香港永興企業公司（「香港永興」）合資興辦，註冊資本為人民幣1,050萬元，其中本公司出資人民幣420萬元，佔註冊資本40%，以人民幣現金投入；M· Power出資人民幣535.5萬元，佔註冊資本51%，以美元現匯投入；香港永興出資人民幣94.5萬元，佔註冊資本9%，以美元現匯投入。其經營範圍為：生產銷售用於手機、電腦及其它通信消費電子產品的無汞堿錳二次電池、鋰離子電池及其它相關配套產品。生產規模為年產890萬隻。合資公司是技術領先、高效率和靈活的、高品質的電池供應商。隨著國內外通信和信息市場的發展，產品的國內外銷售市場前景廣闊。該項目經南京江寧經濟技術開發區管理委員會（寧經管委外字[2001]第006號）文批准。該公司已於報告期內建成並投產，二零零一年度，實現銷售1,963萬元，由於該公司處於生產初期，業務量較少，費用支出較大，尚未形成規模效益，暫時處於虧損階段。

B. Corporate Investment *(continued)*

MPower Batteries (Nanjing) Limited (a joint-venture company) is jointly formed by the Company, M. Power Batteries Co. Ltd. of England (M. Power) and Hong Kong Yung Shing Enterprise Co. Ltd. (Hong Kong Yung Shing). The registered capital of the joint venture is RMB 10.50 million of which the Company invested RMB 4.2 million, representing a 40% of the registered capital. The investment was made in Renminbi cash. M. Power invests RMB 5.355 million, representing a 51% of the registered capital. The investment was made in US dollar cash. Hong Kong Yung Shing invested RMB 0.945 million into the joint venture, representing a 9% of the registered capital. The investment was made in US dollar cash. The scopes of business of the joint venture are: manufacturing and sale of mobile telecommunications battery for mobile phones, computers and other consumer telecommunication electronics and related products. The annual production capacity is 8.9 million unit. The joint venture partner is a pioneer in technology. It is a highly efficient, flexible and high quality battery supplier. With rapid development of the domestic and international communication and telecommunication markets, the sale market and prospects for the products in both the domestic and overseas markets are broad. The project has obtained approval from the Nanjing Jiangsu Economic and Technology Development Zone Management Committee. (Approval document 2001 No. 006). The joint venture company had been formed and started production during the reporting period. In 2001, it achieved a sales revenue of RMB 19.63 million. Since the joint venture company was at its early stage of operation and production, business volume was relatively small, costs and expenses were higher and an economy of scale had not yet been achieved. It was making a loss.

（二）公司投資情況（續）

3、 其他非募集資金的主要投資情況：

(1) 繼續投資英特納（南京）通信天線系統有限公司。該公司註冊資本人民幣1,000萬元，本公司佔股35%，根據協定，本公司需出資人民幣350萬元，二零零零年已出資人民幣70萬元，本報告期內繼續出資人民幣105萬元，累計已出資人民幣175萬元。該公司主要研製、生產和銷售先進的通信天線系統。該公司二零零一年度實現銷售收入709萬元，利潤基本持平，預計二零零二年可以盈利。

(2) 投資南京熊貓網通技術有限公司。該公司註冊資本為人民幣500萬元，本公司佔股70%，報告期內已投入人民幣350萬元。該公司主要經營開發、生產、銷售移動通信、網通、電腦通信等以資料通信為主體的系統、產品、軟體、電子電器和相關高科技產品；提供網路工程設計、系統集成及相關技術服務、運營和信息服務。該公司於報告期內建成並投產，但由於初創期的產品研究、開發費用較高，導致成本與價格偏高，二零零一年實現銷售人民幣167萬元，處於虧損狀態。預計二零零二年會扭虧為盈。

B. Corporate Investment *(continued)*

3. Other principal investments

(1) Investment in Intenna (Nanjing) Co. Ltd. ("Intenna (Nanjing)"). The Company will continue to invest in Intenna (Nanjing) which has a registered capital of RMB 10 million. The Company holds a 35% stake in Intenna (Nanjing). According to the agreement, the Company have to invest RMB 3.5 million into the joint venture and it had already invested RMB 700,000 in 2000. During the reporting period, it invested RMB 1.05 million and had made an accumulated investment of RMB 1.75 million. Intenna (Nanjing) mainly engages in the research and development, manufacturing and sale of advanced antenna communication systems. It achieved sales revenue of RMB 7.09 million during the 2001 financial year. Net profit was basically flat and it expects to have a profit in 2002.

(2) Investment in Nanjing Panda Netcom Technology Co., Ltd. The registered capital of the company is RMB 5 million. The Company holds a 70% stake in this joint venture and had injected RMB 3.5 million into it during the reporting period. The joint venture mainly engages in the research and development, production and sale of products, software and electronic devices and high technology systems for database and mobile telecommunications products, network and computers. It also design network infrastructure, system integration and related technology and service, operation and information service. The Company was formed and had started production during the reporting period. Since product research and development costs during the initial period was high, costs of production and the prices of the products were also high. In 2001, it made a sales revenue of RMB 1.67 million and was making a loss. However, it is expected that the Company will turn profitable in 2002.

（二）公司投資情況（續）

(3) 投資南京熊貓田村通信電源設備有限公司。該公司由本公司與日本株式會社田村製作所合資建立，註冊資本為80萬美元，雙方各佔50%股份。經營範圍為開發、製造、銷售通信產品、電腦、家用電器等配套電源產品及售後服務。報告期內，本公司已出資40萬美元。該公司已建立並正在做生產準備。

(4) 投資南京熊貓日立科技有限公司。該公司由本公司與日本日立產業有限公司合資建立。註冊資本為2億日元，本公司佔股份49%，日立產業有限公司佔股份51%，合資公司主要從事SMT絲網印刷及相關部件的生產、銷售和服務。報告期內，本公司已出資0.98億日元。該公司正處於籌建階段。

B. Corporate Investment *(continued)*

(3) Investment in Nanjing Panda Tamura Communication Equipment Co. Ltd.. This is a joint venture company formed by the Company and Japan Terminal Production Co. Ltd. of Japan. It has a registered capital of US$ 800,000 and each party holds an equal share of 50%. Its scope of business includes: research and development, manufacturing, sale and servicing of complementary power source products for communication products, computers and home appliances. During the reporting period, the Company had invested US$ 400,000 into this joint venture which had been formed and was preparing for commencement of production.

(4) Investment in Nanjing Panda Hitachi Technology Co. Ltd. This is a joint venture company formed jointly by the Company and Hitachi Co. Ltd. of Japan. Nanjing Panda Hitachi Technology has a registered capital of 200 million Japanese Yen. The Company holds a 49% stake while Hitachi holds 51%. The joint venture company mainly engages in SMT screen printing and production, sales and servicing of SMT screen printing and relevant products. During the reporting period, the Company had made an investment of 98 million Japanese Yen into the joint venture company which was still under formation.

(三) 公司財務狀況分析

C. Analysis on Financial Status of the Company

1、 財務狀況

1. Financial Status:

本公司財務狀況良好，按中國會計準則，各項主要財務指標變動情況如下：

The Company had a satisfactory financial status. Changes in major financial indices according to PRC accounting standard are as follows:

單位：人民幣 千元

Unit: RMB'000

項目 Item		二零零一年 2001	二零零零年 2000	增減 (%) Change (%)	主要原因 Reasons
總資產	Total assets	**2,069,729**	2,419,628	(14.46)	承兑匯票保證金、應收款項及存貨減少 Decrease in guarantee fund of bill of acceptance, account receivables and inventories
總負債	Total liabilities	**1,107,239**	1,637,863	(32.40)	融資及應付款項減少 Decrease in financing and payables
長期負債	Long-term liabilities	**18,000**	14,177	26.97	長期應付款增加 Increase in long-term payables
股東權益	Shareholders' funds	**939,077**	759,580	23.63	本報告期淨利潤增加 Increase in net profit during the reporting period
主營業務利潤	Profit from principal operation	**68,385**	81,865	(16.47)	產品結構調整 Adjustment of product mix
淨利潤	Net profit	**179,419**	115,349	55.54	聯營企業業績大幅上升 Significant improved results of associated companies

2、 資金流動性

於二零零一年十二月三十一日，按香港普遍採納會計準則，公司合併報表資產負債率為53.0%（負債總額與資產總額之比），流動淨負債值人民幣320,651千元。

現金：於二零零一年十二月三十一日，公司合併報表銀行存款及現金人民幣165,070千元。

借款：於二零零一年十二月三十一日，公司合併報表短期銀行借款人民幣793,883千元，月利率約4.65‰。董事會確信可以確保維持或擴大現有銀行信貸履行公司各項財務責任。

2. Liquidity of Capital

In accordance with the accounting principles generally accepted in Hong Kong, the gearing ratio of the Company and the net current liabilities were 53.0% (the ratio between total liabilities and total assets) and RMB320,651,000 respectively as at 31 December 2001 as shown in the consolidated statements of the Company.

Cash: bank balances and cash amounted to RMB165,070,000 as at 31 December 2001 as shown in the consolidated statements of the Company.

Loans: short-term bank loans amounted to RMB793,883,000 and monthly interest rate was approximately 4.65‰ as at 31 December 2001 as shown in the consolidated statements of the Company. The Board believed that the Company can maintain or enlarge its existing bank facilities to meet various financial obligations.

（四）二零零二年業務發展計劃

二零零二年將是充滿更多機遇與挑戰的一年。公司將立足當前，著眼長遠，搶抓機遇，應對挑戰，積極調整，乘勢而上，力爭經營業績實現新的更大幅度的增長。重點抓好以下工作：

1、 積極增加投資，推進主營業務加快發展。在新的主營業務高速發展的同時，要迅速增強盈利能力，努力提高毛利率。要採取新的重大舉措，加強熊貓手機業務，加速推出技術領先、競爭力強的手機新品種，發展銷售網路，改進營銷方式，擴展產銷規模，大幅度提升手機業績。要加快衛星通信產品的發展，增加研發投入，擴大品種產量，作出更大盈利貢獻。要加強對機電儀業務的技術改造，增加新的投資，發揮特色優勢，形成新的增長點。要突出信息產業發展重點，強化系統集成業務，不斷改善經營業績。

D. Business Development Plan for 2002

2002 will be a year full of opportunities and challenges. The Company will solidify its current position on one hand and hold a vision for the future on the other. It will grasp every opportunity as it appears and tackle challenges as they surface. It will actively readjust its position to ride with the wave and strive to achieve even bigger growth in operating results. Its major plan for the year includes the followings:-

1. Accelerating investment and speeding up core business development. While achieving a speedy development of its new core business, the Company is devoted to strengthening its profitability and increasing its gross profit margin as soon as possible. The Company will implement new and significant measures to strengthen mobile phone handset business. It will speed up launching pioneer technology, and step up to introduce new and competitive brands of mobile phone handset. It will expand sales network and improve sales model in order to expand the production volume and sales revenue. At the same time, the Company will speed up the development of satellite communication products. It will focus on research and development in order to raise production volume and product types and to achieve higher sales revenue. In the area of electromechanical communication business, the Company will focus on technology development and improvement. It will make new investment to reflect new advantages and to form new growth points. The Company aims to highlight the development of information property as its major development focal point. It will strengthen system integration business and continue to improve operating results.

（四）二零零二年業務發展計劃（續）

2、 加強國際合作，確保中外合資企業強勁發展勢頭。要充分抓住中國加入WTO和國外大公司產業調整重組的機遇，加強與跨國公司的戰略合作，在前幾年合資合作取得巨大成功的基礎上，進一步發揮優勢，做強做大各中外合資企業，確保中外合資企業強勁增長勢頭和良好經營業績。要加強與愛立信公司的戰略合作，抓好業務重組，進一步發展ENC的GSM、GPRS、CDMA和3G業務，不斷提高市場佔有率，擴大出口，把ENC發展成為愛立信最主要的移動通信設備全球供應中心。要抓好手機的合資合作，不斷推出新品種，大力發展出口，積極開展國產化、本地化工作，力爭手機生產實現新的更大發展。要加強與夏普公司的戰略合作，南京夏普發展二十一世紀視聽產品，成為夏普視聽產品的重要生產基地之一，不斷改善經營業績。其他新的合資企業要加快建設發展，積極爭創盈利。同時要尋求發展新的合資合作。

D. Business Development Plan for 2002 *(continued)*

2. Strengthening international cooperation and enhancing development of Sino-foreign joint ventures. The Company will take advantage of China's accession to WTO and global organization and asset restructuring to strengthen strategic cooperation with multinational corporations. Building on the enormous success of joint venture co-operations for the past few years, the Company will strengthen and expand the operations of its Sino-foreign joint ventures to ensure Sino-foreign joint ventures grow and stand at good positions. At the same time, the Company would increase strategic cooperation with Ericsson. It will further develop ENC's GSM, GPRS, CDMA and 3G business following a business restructuring. The Company aims to lift its market share, expand export business, and develop ENC into Ericsson's major global mobile communication facility supplying center. The Company will continue to launch new products, tap the export market, deepen nationalization and localization of production and further expand production of mobile phones. It will strengthen strategic cooperation with Sharp. Nanjing Sharp Electronics Co. Ltd. will develop 21 Century audio and visual products and become an important production base for Sharp. The Company will speed up development and cooperation of its other joint ventures and make them profitable. At the same time, it will look for new cooperation partners.

（四）二零零二年業務發展計劃（續）

3、 狠抓技術創新，不斷增強核心競爭力。要不斷提高公司和各合資企業的自主開發和技術創新能力，加大研發投資力度，重點加強第三代移動通信產品研發、新一代衛星通信技術研發和新一代機電儀產品研發工作，不斷增加自主知識產權，增強核心競爭能力。

4、 努力降低成本，千方百計壓縮費用。要實行預算管理，加強成本費用控制，嚴格責任制和考核，加速資金周轉，千方百計壓縮營業費用、管理費用和財務費用，通過科學管理提高經濟效益。

5、 繼續推進改革，不斷加強經營管理。要積極推進以經營者和骨幹持股為主要內容的內部產權制度改革，加快推進實施ERP管理，不斷完善公司治理結構，進一步建立完善現代企業制度。

李安建
董事長
中國 • 南京
二零零二年三月十九日

D. Business Development Plan for 2002 *(continued)*

3. Strengthening research and development and speeding up technology innovation. The Company will enhance its independent development and technology innovation capacity. Its focus is to strengthen research and development of third generation 3G mobile telecommunication products, new generation satellite communication technology and new generation electromechanical products. In addition, it will further increase its own intellectual property right and enhance its core competitiveness.

4. Keeping costs down and improving cost control. The Company will bring in budget management to control costs. It will implement a stringent responsibility and examination system in order to speed up cash flow. It will improve operation economic efficiency by keeping operation costs, management costs and financing costs down.

5. Further deepening internal reform and strengthening corporate administration and management. The Company will establish and promote a comprehensive administrative structure and to increase it management standard. It will also accelerate the reform of internal property rights system. It will speed up the introduction of ERP management to the Company in order to refine the management structure and to form a complete modern enterprise.

Li Anjian
Chairman
Nanjing, China
19 March 2002