

董事長報告
Chairman's Statement



董事長 **李安建**
Chairman **Li Anjian**



董事長報告 Chairman's Statement

(一) 報告期整體經營情況討論與分析

1、公司主營業務情況

公司主營業務主要有移動通信、衛星通信、機電儀和信息產品等，其中移動通信為最主要業務。2003年公司致力於產品和產業結構調整，進一步加強國內外市場開拓，積極推進國際合作。特別是熊貓手機業務，取得了突破性的增長，樹立了良好的品牌形象，市場佔有率大幅上升，榮獲中國名牌產品稱號。

A Management discussion and analysis on the principal operating results of the Company during the reporting period

1. Principal Operations of the Company

The principal operations of the Company include mobile telecommunications, satellite communication, electromechanical and electronic information products with its major focus on mobile telecommunications. In 2003, the Company was committed in adjustment of its product and structure of industries. With further exploration in domestic and overseas markets, the Company took initiatives to promote international cooperation. In particular, Panda mobile phone business recorded a breakthrough in growth and established a good brand image with a significant increase in market share. The products were awarded the title of China's Famous Brand.



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按中國會計準則，全年實現主營業務收入人民幣38.74億元，同比增長199.48%；主營業務利潤人民幣4.45億元，同比增長149.59%；實現淨利潤人民幣9,834.70萬元，同比增長7.85%。按香港普遍採納會計準則，全年實現主營業務收入人民幣38.67億元，增長199%；來自經營的溢利為人民幣12,808.70萬元，同比增長128%；實現淨利潤人民幣10,145.10萬元，同比增長2.68%。

Under the PRC accounting standards, revenues from principal operations of the Company for the year amounted to RMB3.874 billion, representing an increase of 199.48% as compared with that of last year; profits from principal operations amounted to RMB445 million, representing an increase of 149.59% as compared with that of last year; net profit amounted to RMB98.347 million, representing an increase of 7.85% as compared with that of last year. Under the accounting principles generally accepted in Hong Kong, revenues from principal operations of the Company for the year amounted to RMB3.867 billion, representing increase of 199% as compared with that of last year; profits from operations amounted to RMB128.087 million, representing a rise of 128% as compared with that of last year; net profit amounted to RMB101.451 million, representing a decrease of 2.68% as compared with that of last year.

2、主營業務分行業或產品情況表（按中國會計準則）

2 Principal operating income and segmental information classified by business or product (Prepared under the PRC accounting standards)

單位：人民幣千元

Unit: RMB'000

分行業或分 產品	Business or product	Principal operating income	Principal operating costs	毛利率 %	主營業務收入 比上年增減%	主營業務成本 比上年增減%	毛利率比 上年增減%
移動通信產品	Mobile telecommunications	3,262,363	2,901,182	11.07	264.99	268.45	(8.86)
衛星通信產品	Satellite communications	132,715	90,610	31.73	30.91	34.47	(5.39)
機電儀產品	Electromechanical	168,640	143,647	14.82	49.60	53.43	(12.54)
電子信息產品	Electronic information	174,339	160,143	8.14	122.49	125.74	(13.99)
其他	Others	136,242	126,415	7.21	29.83	34.70	(31.83)
合計	Total	3,874,299	3,421,997	11.67	199.48	207.40	(16.35)



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3、主要控股及參股公司經營情況

- (1) 南京熊貓移動通信設備有限公司 (PMC)

PMC是由本公司(佔股51%)與馬志平先生(佔股49%)合資經營的，主要業務以銷售移動通信終端產品及相關服務為主，2003年業務迅猛增長，共銷售熊貓手機250.74萬部，銷售收入人民幣32.65億元，淨利潤人民幣8,800萬元，分別比上年同期增長304.58%和135.95%。

- (2) 北京愛立信普天移動通信有限公司 (BMC)

BMC是由本公司(20%)、愛立信(25%)、愛立信(中國)(16%)、索尼愛立信(10%)、普天(27%)和永興(2%)合資經營的，主要從事索尼愛立信移動終端(手機)的生產。2003年按中國會計準則，全年實現銷售收入人民幣66.29億元，同比增長33.43%；實現淨利潤人民幣1.76億元，同比增長17.19%。按香港普遍採納之會計準則，實現淨利潤人民幣1.76億元，同比增長17.19%。

3. Operations of the principal companies and investee companies

- (1) Nanjing Panda Mobile Communication Equipment Co., Ltd. ("PMC")

PMC is a company owned by the Company, holding 51% of equity interest, and Mr. Ma Zhiping, holding 49% of equity interest. PMC is mainly engaged in sales of mobile communication terminal products and related services. With its surging business in 2003, it sold 2,507,400 units of mobile phones under the brand name of "Panda". Sales and net profit amounted to RMB3,265,000,000. RMB88,000,000, representing increase of 304.58% and 135.95% respectively as compared to that of last year.

- (2) Beijing Ericsson Putian Mobile Communication Limited ("BMC")

BMC is held as to 20% by the Company, 25% by Ericsson, 16% by Ericsson (China), 10% by Sony Ericsson Mobile Communication Limited ("Sony Ericsson"), 27% by China PTIC and 2% by Yung Shing. BMC is mainly engaged in producing mobile terminals (mobile phones) under the brand of "Sony Ericsson". Under the PRC accounting standards, it recorded sales for the year of RMB6,629,000,000, representing an increase of 33.43% as compared to that of last year and recorded net profits of RMB176,000,000 for the year, representing an increase of 17.19% as compared to that of last year. Under accounting principles generally accepted in Hong Kong, it recorded net profits of RMB176,000,000 for the year, for the year representing an increase of 17.19% as compared to that of last year.

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(3) 南京愛立信熊貓通信有限公司
(ENC)

ENC是由本公司(27%)、瑞典愛立信(25%)、愛立信(中國)(26%)、中國普天信息產業集團公司(20%)和香港永興(2%)合資經營的，主要生產GSM、GPRS、CDMA移動通信系統設備、公網通信系統設備等產品，是愛立信亞太區物流供應中樞、國內GSM、GPRS設備的最大供應商和CDMA設備的主要供應商。2003年ENC受益於國內電信市場設備投資回升和出口量的增加，全年銷售額較2002年大幅增長。按中國會計準則，全年實現銷售收入人民幣88.22億元，同比增長64.90%，實現淨利潤人民幣3.51億元，同比增長56.68%。按香港普遍採納之會計準則，實現淨利潤人民幣4.04億元，同比增長93.30%。

(3) Nanjing Ericsson Panda Communication Co. Ltd. ("ENC")

ENC is held as to 27% by the Company, 25% by Telefonaktiebolaget L.M. Ericsson ("Ericsson"), 26% by Ericsson (China) Company Limited ("Ericsson (China)"), 20% by China PTIC Information Corporation ("China PTIC"), and 2% by Hong Kong Yung Shing Enterprise Company ("Yung Shing"). ENC is mainly engaged in producing products, such as GSM, GPRS and CDMA mobile telecommunication system products and network communication systems. As a logistic centre in Asia-pacific region for Ericsson, it is also the largest supplier of GSM and GPRS equipment and one of the major CDMA equipment suppliers in the PRC. Benefiting from the recovery of equipment investment in domestic telecommunication market and the increased export volume in 2003, ENC's sales for the year recorded a significant increase over 2002. Under the PRC accounting standards, it recorded sales revenues for the year of RMB8,822,000,000, representing an increase of 64.90% as compared to that of last year and recorded net profit of RMB351,000,000 for the year, representing an increase of 56.68% as compared to the corresponding period of last year. Under the accounting principles generally accepted in Hong Kong, it recorded net profits of RMB404,000,000 for the year, representing an increase of 93.30% as compared to that of last year.





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(4) 南京麥克賽爾熊貓移動終端有限公司 (MPC)

MPC是由本公司(35%)與麥克賽爾盧森堡公司(75%)合資經營的，主要從事移動終端(手機)的生產。作為ODM加工企業，由於MPC的生產規模遠未能達到盈虧平衡點，2003年度出現淨虧損人民幣2.12億元。公司正在與合資方共同努力，採取各種措施，力爭儘快扭轉MPC虧損的局面。

4、主要供應商、客戶情況

截至2003年12月31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79.55%，其中最大客戶之營業額佔本年度營業額的58.60%。

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75.17%，其中最大供應商之採購額佔全年物資採購額的48.93%。

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。

5、經營中出現的困難及解決方案

熊貓手機業務為公司2003年重點發展的主營業務，針對國內手機市場競爭日益激烈的困難，公司積極採取以下應對措施：

- (1) 充分發揮技術優勢，加大研發投入，提高研發水平，加快新產品的開發，今年共推出20個手機新品種，特別是自主研發手機取得重大突破，較大幅度地降低了手機成本，取得了良好的效果。

(4) Nanjing Microcell Panda Mobile Terminals Co., Ltd. (MPC)

MPC is held as to 35% by the Company and 75% by Microcell (Luxemburg). It mainly engages in manufacture of mobile terminals (mobile phones). As an ODM company, the production scale of MPC is far below the break-even point. Accordingly, it recorded a net loss for 2003 of RMB212,000,000. The Company is making efforts together with the partner to carry out various initiatives, aiming at a turnabout of MPC from its loss as soon as possible.

4. Major suppliers and customers

For the year ended 31 December 2003, the aggregate turnover of the five major customers of the Company accounted for 79.55% of the total turnover of the Company for the year, of which turnover from the largest customer accounted for 58.60% of turnover of the Company for the year.

The aggregate amount of purchase from the five major suppliers of the Company accounted for 75.17% of the total amount of purchase made by the Company for the year, of which the purchasing amount of the largest supplier accounted for 48.93% of the total amount of purchase made by the Company for the year.

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

5. Operating Difficulties and Solutions

Focusing on "Panda" mobile phone business, the principal business in 2003, the Company actively implemented the following measures in response to difficulties of intensified competition in domestic mobile phone market:

- (1) The Company capitalised on its technological strengths and increased investment on R&D to achieve a better outcome. By accelerating development of new products, the Company launched 20 new brands of mobile phones during the year, with significant breakthrough in self-developing handsets which substantially cut down costs, resulting in good results recorded.

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- (2) 通過廣告投放、店面宣傳等途徑，提高品牌知名度，樹立品牌形象，提升品牌價值，2003年熊貓手機獲中國名牌產品稱號。
- (3) 大力進行市場開拓，運用多種營銷手段打開銷路，提高市場佔有率。
- (4) 狠抓產品質量，加強售後服務，使熊貓手機的返修率遠低於國產手機平均水平，創造了良好的市場信譽。
- (5) 不斷強化內部管理尤其是財務管理，推進ERP等先進管理方法，採取科學方法控制應收帳款和存貨，降低管理費用。
- (2) By advertisement publishing and shop promotion, the Company built a brand image and enhanced recognition and value of the brand. In 2003, Panda mobile phone was awarded the title of China's Famous Brand.
- (3) With efforts in market exploration, the Company adopted a number of marketing initiatives to promote its products and increase market share.
- (4) The Company spared no efforts in quality control and after-sale service enhancement, bringing Panda mobile phones a good reputation in market by virtue of its repair rate far below the average level of domestic counterparts.
- (5) The Company continued to strengthen its inner management, especially its financial management. By inducing advanced management techniques such as ERP, the Company adopted scientific tools to control accounts receivables and inventories to cut down management costs.





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(二) 公司投資情況

本報告期內公司未募集資金。無募集資金的使用或報告期之前延續使用的情況，亦無其他非募集資金的投資情況。

(三) 公司財務狀況分析

1、財務狀況

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：

B. Conditions of Investment of the Company

No funds were raised by the Company during the reporting period. For the year, the Company did not utilise any raised funds or continue any use thereof commencing from the previous periods. Neither alteration to projects nor investment financed by other non-raised funds was made.

C. Analysis on Financial Status of the Company

1. Financial Status:

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

(單位：人民幣千元)
Unit : RMB'000

項目 Item	2003年 2003	2002年 2002	增減 (%) Change (%)	主要原因 Reasons
總資產 Total assets	3,592,430	2,727,635	31.70	主導產品銷售規模擴大，貨幣資金、應收帳款、存貨相應增加。 Monetary capital, accounts receivable and inventories recorded an increase respectively due to the increased sales scale of principal products.
總負債 Total liabilities	2,330,581	1,616,669	44.16	主導產品手機生產規模擴大 Production scale of the principal products (mobile phones) expanded during the period
長期負債 Long-term liabilities	38,000	38,978	(2.51)	
股東權益 Shareholders' funds	1,128,974	1,030,356	9.57	
主營業務利潤 Profit from principal operation	444,801	178,216	149.59	主導產品手機生產規模擴大 Production scale of the principal products (mobile phones) expanded during the period
淨利潤 Net profit	98,347	91,185	7.85	

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2、資金流動性

於2003年12月31日，按香港普遍採納會計準則，公司合併報表資產負債率為63.64%（負債總額與資產總額之比），流動淨資產值296,388千元。

現金：於2003年12月31日，公司合併報表銀行存款及現金 788,498 千元。

借款：於2003年12月31日，公司合併報表短期銀行借款1,627,704千元，月利率約 3.91%。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。

(四) 2004年發展計劃

2004年宏觀經濟環境依然看好，通信及相關設備製造業將會進一步增長。公司將緊緊抓住機遇，與時俱進，加快發展，力爭經營業績實現更大的增長。2004年公司將重點做好以下工作：

- 1、主營業務突出重點，加快優勢產業發展，集中精力抓好移動通信手機、衛星通信等新增長點，增加技術含量，擴大生產規模，提高利潤水平。特別是熊貓牌手機，要進一步增強研發實力、降低成本、不斷推出新產品，打造核心競爭力，保持持續快速增長。

2. Liquidity of Capital

In accordance with accounting principles generally accepted in Hong Kong, the gearing ratio of the Company (the ratio between total liabilities and total assets) and the net current assets were 63.64% and RMB296,388,000 respectively as at 31 December 2003 as shown in the consolidated financial statements of the Company.

Cash: bank balances and cash amounted to RMB788,498,000 as at 31 December 2003 as shown in the consolidated financial statements of the Company.

Loans: short-term bank loans amounted to RMB1,627,704,000 and monthly interest rate was approximately 3.91% as at 31 December 2003 as shown in the consolidated financial statements of the Company. The Board believed that the Company can maintain or enlarge its existing bank facilities to meet various financial obligations.

D. Business Development Plan for 2004

In 2004, prospect to the macroeconomic environment remains optimistic, while communication and relevant equipment manufacture industry will have a further growth. The Company will seize opportunities, improve on a regular basis and accelerate the pace for development in order to achieve a higher growth in operating results. In 2004, the Company will focus on the following work:

1. To emphasise principal operations and expedite the development of the industries with competitive edges by placing emphasis on mobile phones and satellite communication in a bid to explore new bases for profit growth. The Company will enhance the technological level and expand its production scale in order to increase the profitability. In particular, the Company will further enhance its R&D strength on "Panda" mobile phones, lower costs and keep on launching new products, aiming to promote its core competitive edge and maintain a fast growth.



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| <p>2、 合資企業將緊緊抓住通信設備及終端市場增長的機遇，大力拓展市場，擴大生產經營規模，提高經營業績。</p> <p>3、 進一步推進技術創新和制度創新，加大科研投入，加快技術改造，大力發展自主技術，不斷推進關鍵技術新的重大突破。</p> <p>4、 繼續深化改革，加強管理，降低成本，提高效益。</p> | <p>2. To leverage the opportunities from growth in communication equipment and terminal market. The associated companies take efforts in market development to improve production and operation scale and operating results.</p> <p>3. To enhance the pace of technological and systematic innovation. The Company will increase investments in technological research and development, accelerate the pace for technological innovation, put more efforts to develop its own technologies and continue to make breakthrough in key technologies.</p> <p>4. To continuously deepen internal reform, strengthen management and keep costs down as well as increase economic efficiency.</p> |
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李安建

董事長

中國•南京
2004年3月24日

Li Anjian

Chairman

Nanjing, China
24 March 2004