

管理層討論及分析

(一) 業績分析

於本期間內，本集團的主要產品仍然是全塑市話電纜（「全塑電纜」）、程控交換機電纜（「程控電纜」）、電視電纜、電纜套管、光纖、光纜和移動通訊電纜等。

於本期間，本集團共實現營業額為人民幣277,350,000元，較去年同期的人民幣204,456,000元增長35.65%。

本集團股東應佔虧損為人民幣36,395,000元，比去年同期虧損的人民幣60,634,000元減少虧損人民幣24,239,000元。

造成本期間出現股東應佔虧損的主要原因是：

1. 原材料價格的急劇上漲，導致生產成本的上升，其中今年上半年銅材的平均採購價與去年同期比較漲幅達41%。在毛利未能顯著提高的情況下，因銅杆採購量增加、價格上漲及銷售費用增加較大等因素，影響本集團的經營溢利；

MANAGEMENT DISCUSSION AND ANALYSIS

(1) Analysis of the Results

During the Period, the principal products of the Group were plastic urban telephone cables ("Plastic Cables"), program-controlled telephone exchange system cables ("Program-controlled Cables"), television cables, cable joining sleeves, optical fibres, optical fibre cables and mobile telecommunication cables, etc.

During the Period, the Group recorded a total turnover of RMB277,350,000, representing an increase of 35.65% from RMB204,456,000 of the corresponding period last year.

Loss attributable to shareholders of the Company amounted to RMB36,395,000, representing a decrease in loss of RMB24,239,000 from RMB60,634,000 of the corresponding period last year.

Loss attributable to shareholders of the Company during the Period was mainly due to:

1. The dramatic surge in the price of raw materials, in particular the 41% increase in the average purchasing price of copper materials over the same period last year, led to the swelling in production costs. Because of the insignificant growth in gross profit, the Group's operating profit was adversely affected by a number of factors including the rise in the purchasing volume and price of copper rods, as well as that in the cost of sales;

2. 國內銅纜生產能力嚴重過剩，除各製造商的壓價競爭之外，有實力的競爭對手依靠新機制帶來的較低管理成本和人工成本，敢於在產品的市場競爭中施以價格殺手鐮，迫使本集團以低價迎戰；
2. Due to the seriously excessive production capacity of copper cables in the PRC, manufacturers of such products faced intense price competition. Competitors with solid strengths responded to market competition of such products with price cuts, which were made possible by adopting new mechanisms for lowering operating and labour costs. The Group resorted to price-cutting to compete with other industry players;
3. 全球性光纖光纜供大於求的局面難以改變，國內光纖光纜價格的競爭使光纖光纜行業環境仍然十分嚴峻，本公司投資金額大、佔有較大權益的成都中住光纖有限公司（「中住光纖公司」）及聯營公司成都康寧光纜有限公司（「成都康寧光纜公司」）的連續虧損直接影響本公司的利潤水平。
3. As the oversupply of optical cables and fibres is an unchangeable global trend, the PRC's optical cables and fibres industry continued to encounter a difficult operating environment brought forth by price competition. Continued losses recorded by Chengdu SEI Optical Fibre Co., Ltd. ("SEI"), in which the Company has made substantial investment, and Chengdu CCS Optical Fibre Cable Co., Ltd. ("CCS"), an associate of the Company, had a direct impact on the Company's operating profit.

於本期間內，本集團共銷售全塑電纜1,607,700對公里，較去年同期增長80.95%；程控電纜銷售254,200對公里，較去年同期增長257.02%；電纜套管實現銷售675,300套，較去年同期增長8.43%。

During the Period, the Group sold 1,607,700 pair kilometers, 254,200 pair kilometers and 675,300 sets of Plastic Cables, Program-controlled Cables and cable joining sleeves respectively, representing an increase of 80.95%, 257.02% and 8.43% respectively as compared with the corresponding period last year.

於本期間，公司本部的全塑電纜的毛利率較去年同期增加了2.42%，主要是在原材料採購成本上升的同時，本公司管理層及銷售部門積極與客戶協商，兩次提高了全塑電纜的售價，從而抵消了原材料價格上漲造成的部分成本上升的影響，使毛利水平有所提高。

During the Period, the Company's gross profit margin of Plastic Cables increased by 2.42%. This could be mainly attributed to the efforts made by the Company's management and sales force in proactively negotiating with clients when the purchasing cost of raw materials was rising. Such efforts resulted in two consecutive rises in the selling price of Plastic Cables, which off-set part of the influence on production costs exerted by higher prices of raw materials and enabled the Company to achieve a growth in gross profit.

於本期間，程控電纜的毛利率與去年同期比較下降了18.32%，其主要原因是在原材料採購成本急劇上升的同時，各製造商之間的激烈競爭，使程控電纜的售價不僅未能提高，反而較去年同期有所下降，造成利潤空間大幅下滑，對本集團效益的實現產生了較大影響。

During the Period, gross profit margin of Program-controlled Cables decreased by 18.32%. This primarily stemmed from a decline rather than a rise in the selling price of Program-controlled Cables as compared to the same period last year, which was due to the intense competition among manufacturers in the face of sharp increases in the purchasing cost of raw materials. The less favourable profit-making outlook resulted therefrom had created a great impact on the realization of benefits for the Company.

於本期間，本集團專業生產光纖光纜的附屬公司經營業績仍然不理想。激烈的市場競爭，導致光纖和光纜的平均銷售價格比去年同期仍然分別下降了12.39%和13.68%，影響到中住光纖公司和成都康寧光纜公司的經營業績。

(二) 主要業務回顧

於本期間，在董事會的領導下，進一步規範管理，適時調整經營策略，使本公司在激烈的市場競爭環境中，仍然保持了一定的發展，實現了減少虧損。本公司於本期間主要業務活動摘錄如下：

1. 為了真正實現本公司體制轉換和機制創新，以及產品結構的調整，增強公司的市場競爭能力和盈利能力，董事會決定引入戰略投資者，通過引進資本市場、人才等資源，與戰略投資者建立共同利益，按照現代企業制度和公司治理的要求對公司進行二次改制，建立更加規範的公司治理結構。
2. 於本期間本集團繼續保持穩定增長的市場份額，產品銷售比去年同期有較大幅度的增長，同時採取各種措施加大貨款回收力度，改變了過去貨款回收率低的狀況，本期間的銷售收款率近70%。在市場營銷方面，通過調整銷售策略，整頓銷售隊伍，制定並實施了一系列新的銷售策略、激勵機制和商務管理等措施。積極跟蹤市場訊息，加強了市場預測分析工作，及時對庫存狀況進行分析，注重較大客戶的售後服務及聯絡，適時地跟進市場、調整售價，提高庫存資金周轉。

During the Period, subsidiaries of the Group engaging in the production of optical fibres and cables continued to record unsatisfactory operating results. Stiff market competition, which led to the 12.39% and 13.68% drops in the average purchasing costs of optical fibres and optical fibre cables respectively over the same period last year, brought a considerable effect on the performance of both SEI and CCS.

(2) Review of Principal Operations

During the Period, under the leadership of the Board of Directors, the Company further strengthened corporate governance and adjusted its operational strategies in a timely fashion. Consequently, the Company was able to maintain certain growth with a reduced amount of loss amidst the highly competitive business environment. The Company's principal business activities during the Period are summarized as follows:

1. To accomplish structural transformation and innovation, refine product mix, and sharpen competitiveness and profitability for the Company, the Board of Directors has determined to bring in strategic investors so as to build up mutual benefits by means of utilising capital market and expertise resources. The ultimate goal of such practice is to carry out the second reform of the Company on the basis of modern business approaches and corporate governance requirements, which will in turn drive the establishment of a more regulatory structure for the Company.
2. During the Period, the Group has maintained a steady increase in market share and a higher growth in sales volume over the corresponding period last year. The Company has implemented various measures to enhance the recovery of payments for goods. As a result of the improved payment recoverability, the sales-to-payments ratio rose by 70% during the Period. As to marketing and sales, a number of new sales strategies, incentive mechanisms and business management measures were worked out and adopted after fine-tuning previous sales strategies and consolidating the marketing and sales team. Meanwhile, the Group has been actively keeping abreast of market information, strengthening market forecast and analysis work, conducting inventory analyses and focusing on after-sales services for and connection with major clients, so as to keep track of market conditions, adjust selling prices and enhance the circulation of capital reserve.

3. 於本期間，強化了本公司內部的企業管理工作，抓實各合資聯營企業的財務、監督管理，完善公司內部承包合同，健全公司各項管理制度，制定了管理層及管理技術人員的職位說明書。
 4. 為了調整本公司的產品結構，改變公司產品單一，尋求新的利潤增長點，向線纜以外的行業發展，於本期間，董事會已批准本公司與四川綿陽高新技術開發區金和利科技有限公司（「金和利公司」）共同建立一間設計、開發、製造和銷售有機電致發光顯示器（「OLED」）的公司。OLED產品具有良好發展前景，是本公司近年來尋求非線纜專業產品發展的一次重要突破，是本公司調整產品格局的重大舉措。
 5. 本公司結合市場和技術發展方向的要求，制訂了「十一五」產業發展規劃，繼續抓緊新產品的開發、研製和綜合性的技術改造，加快新品開發進度，實現線纜產品向多樣化、高端化發展，同時實施產品格局的調整。於本期間完成了程控電纜和移動電纜的擴產工作，六類高頻數據電纜通過了信息產業部有線通信產品質量監督檢驗中心的檢測鑒定，完成了A11、B7、氟塑料同軸電纜等電纜的研發，已實現批量生產。
3. During the Period, the Company improved corporate governance, strengthened financial supervision and management for joint ventures and associates, made efforts to perfect internal sub-contracts and various management systems, in addition to compiling duties and responsibilities manuals for the management and supervisory technical staff.
 4. With a view to adjusting its product structure, changing the single-product situation, developing a new profit growth point and expanding into areas other than fibres and cables products, the Board of Directors approved the Company to form a new company jointly with JHL High Technology Ltd. (“JHL Ltd.”) in Sichuan Mianyang High and New Technology Development Zone to design, develop, manufacture and sell organic light emitting display (“OLED”) products, which offer great growth prospects. The establishment of the new company with JHL Ltd, marking a key breakthrough in the Company’s branching out exercise in recent years, is a major move of the Company to refine its product mix.
 5. In line with market demand and technological advancements, the Company has mapped out the “Eleventh Five-year” business plan to enhance the research, development and comprehensive technological renovation of new products, fasten the pace of new product development, achieve diversification and high technology of fibres and cables products while restructuring its product mix. During the Period, production volume boosting work for Program-controlled Cables and mobile cables was completed; six high frequency data cables passed the testing conducted by Supervision and Testing Center for Wire Communication Products of the Ministry of Information Industry; A11 cables, B7 cables and fluorine plastic co-axial cables were developed and in mass production.

6. 抓實本集團的附屬及聯營企業財務及監督管理，對費用和成本起到了一定的控制作用，在市場環境嚴峻的形勢下，與去年同期比較整體減少虧損39.98%。於本期間，雙流熱縮廠抓住市場需求及時開發研製了新產品，特別是開發了非通信類產品的市場，取得了顯著成效，並獲得可觀的經濟效益；成都康寧光纜公司，採取了嚴格的預算控制和壓縮費用開支，在平均銷售價格比去年下降13.68%的形勢下，利潤總額比去年減虧19.31%；中住光纖公司通過技術改造，提高生產效率和產品質量，壓縮費用開支，加強成本控制，在平均銷售價格比去年同期下降13.39%的情況下，使利潤總額比去年同期減虧了64.83%。

(三) 財務分析

截至二零零四年六月三十日止，本集團資產總值為人民幣1,116,378,000元，較去年年末的人民幣1,113,523,000元增長0.26%。其中非流動資產總值為人民幣499,298,000元，佔總資產值的44.72%，較去年年末的人民幣518,884,000元下降3.77%。流動資產總值為人民幣617,080,000元，佔總資產的55.28%，較去年年末的人民幣594,639,000元增長3.77%。

本集團於本期間之經營業務淨現金流出為人民幣42,082,000元，去年同期淨現金流出為人民幣29,139,000元。

截至二零零四年六月三十日止，本集團銀行結餘及現金(包括抵押銀行存款)為人民幣179,055,000元，較去年年末的人民幣210,925,000元下降15.11%。

6. As a result of improved financial supervision and management for its subsidiaries and associates, the Group was able to strengthen its control over fees and costs. Despite the difficult market conditions, losses from operations dropped by 39.98% as a whole when compared with the same period last year. During the Period, Shuangliu Heat Shrinkable Products Sub-Plant developed some new products in line with market demand timely. In particular, expansion into the non-communication products market achieved substantial results and economic benefits. After carrying out strict budget control and reducing expenses, CCS recorded a 19.31% decline in loss over the same period last year despite that the average selling price dropped by 13.68% as compared on the same basis. SEI recorded a 13.39% drop in the average selling price and a 64.83% decline in loss. mainly attributable to technological improvements, improved productivity and product quality, reduced expenditure and better cost control.

(3) Financial Analysis

As at 30 June 2004, the Group's total assets amounted to RMB1,116,378,000, representing an increase of 0.26% from RMB1,113,523,000 as at the end of last year. Non-current assets amounted to RMB499,298,000, accounting for 44.72% of the total assets and representing a decrease of 3.77% from RMB518,884,000 as at the end of last year. Current assets amounted to RMB617,080,000, accounting for 55.28% of the total assets and representing an increase of 3.77% from RMB594,639,000 as at the end of last year.

The net cash outflow from operating activities of the Group during the Period amounted to RMB42,082,000. The net cash outflow for the corresponding period last year was RMB29,139,000.

As at 30 June 2004, the Group's bank balances and cash (including pledged bank deposits) amounted to RMB179,055,000, representing a decrease of 15.11% from RMB210,925,000 as at the end of last year.

截至二零零四年六月三十日止，本集團負債總額（不包括少數股東權益）為人民幣427,712,000元（二零零三年十二月三十一日止：人民幣386,023,000元），負債對資產比率為38.31%，較去年年末的34.67%增加3.64%，其中一年內到期銀行貸款為人民幣211,304,000元，較去年年末的人民幣184,229,000元增長了14.7%。

於本期間內，本集團未有安排其他集資活動。

於本期間內，本集團的分銷費用、行政及其它費用和財務費用分別為人民幣19,121,000元、人民幣38,265,000元及人民幣5,790,000元，較去年同期的人民幣17,178,000元、人民幣47,323,000元及人民幣5,481,000元，分別增長11.31%、下降19.14%及增長5.64%。

於本期間內，本集團的平均毛利率為8.76%，較去年同期的12.15%下降了3.39%。

於本期間內，本集團的應收貿易帳款和存貨分別為人民幣217,426,000元、人民幣207,536,000元，較去年年末的人民幣208,915,000元、人民幣163,974,000元分別增長4.07%和26.57%。

1. 資金流動性分析

截至二零零四年六月三十日止，本集團資金流動比率為149.73%，速動比率為99.37%。綜合考慮本行業的特點及當前市場情況，上述資料表明，本集團資金流動性表現尚屬中等水平，具有較好的變現和償債能力，但還有較大的改善空間，應作為本公司今後工作重點加以研究解決。

As at 30 June 2004, the Group's total liabilities (excluding minority interests) amounted to RMB427,712,000 (as at 31 December 2003: RMB386,023,000). The liability to asset ratio was 38.31%, representing an increase of 3.64% as compared with 34.67% as at the end of last year. Short term bank loans due within one year amounted to RMB211,304,000, representing an increase of 14.7% from RMB184,229,000 as at the end of last year.

During the Period, the Group did not arrange for other fund-raising activities.

During the Period, distribution costs, administrative and other expenses and finance costs amounted to RMB19,121,000, RMB38,265,000 and RMB5,790,000 respectively, representing an increase of 11.31%, a decrease of 19.14% and an increase of 5.64% respectively as compared with RMB17,178,000, RMB47,323,000 and RMB5,481,000 of the corresponding period last year.

During the Period, the average gross profit margin of the Group was 8.76%, representing a decrease of 3.39% from 12.15% of the corresponding period last year.

During the Period, the trade receivables and inventories of the Group amounted to RMB217,426,000 and RMB207,536,000 respectively, representing an increase of 4.07% and 26.57% respectively from RMB208,915,000 and RMB163,974,000 as at the end of last year.

1. Analysis of liquidity

As at 30 June 2004, the Group's liquidity ratio and quick ratio were 149.73% and 99.37% respectively. Taking into account the overall characteristics of the industry and the existing market conditions, the above financial information indicated that the liquidity of the Group was at the average level and the Group had a relatively good liquidity and debt repayment ability. However, the Group should embark on key study for the achievement of further improvement of such ratio.

2. 財政資源分析

截至二零零四年六月三十日止，本集團共獲銀行短期貸款為人民幣211,304,000元，該短期貸款為分期貸款，陸續分期償還。而本集團銀行存款及現金也相對充足，達人民幣179,055,000元，因此，本集團並無短期償債風險。

截至二零零四年六月三十日止，本集團為購置法國加速器的長期借款餘額約為人民幣16,800,000元(折合歐元1,668,000元)，其中銀行買方信貸約為人民幣5,930,000元(折合歐元589,000元)，年利率為7.35%，法國政府擔保銀行貸款約人民幣10,870,000元(折合歐元1,079,000元)，年利率為0.5%。該項歐元借款由於受美元在國際外匯市場匯率波動的影響，存在一定的匯兌風險。該兩項長期借款均為分期付款，其期限是從一九九七年開始最長達三十六年。由於本集團長期借款餘額較小，因此對本集團的營運無影響。

3. 本集團資本結構情況

本集團的資金來源是銀行貸款和募集資金。為保證資金的合理使用，本集團有嚴格及較完善的財務管理制度。在本期間內，未發生債務到期償還及責任到期履行方面的問題。

本集團今後還要加強對資金的調度和管理，在確保生產經營正常運作的情況下，最大限度的發揮資金的作用。

2. Analysis of financial resources

As at 30 June 2004, the Group's short-term bank loan amounted to RMB211,304,000. This loan is repayable by instalments and the Group has repaid those instalments due for repayment. The Group has adequate bank and cash balances of RMB179,055,000 after repayment of the said instalment, thus, the Group is not exposed to risks in short-term repayment.

As at 30 June 2004, the balance of a long-term loan for the purchase of accelerators from France amounted to RMB16,800,000 (equivalent to Euro 1,668,000) of which the banking credit facility amounted to RMB5,930,000 (equivalent to Euro 589,000) at an interest rate of 7.35% per annum, and the French government secured bank loan amounted to RMB10,870,000 (equivalent to Euro 1,079,000) at an interest rate of 0.5% per annum. Given the fluctuations in the exchange rate of US Dollar on the international foreign exchange market, there are certain exchange risks involved in the Euro loans. The two long-term loans are payable by instalments with a maximum repayment term of 36 years as of 1997. As the balance of long-term loans was not substantial, it does not have any impact on the operation of the Group.

3. Capital structure of the Group

The Group's capital resources are derived from bank loans and proceeds from share issue. To ensure proper utilisation of capital funds, the Group has established a stringent and sound financial management system. During the Period, no problem was noted for payment of due debts and performance of due obligations.

In the future, the Group will strengthen the control and management of funds so that the funds can be fully utilised whilst ensuring normal production and operation.

(四) 業務展望

二零零四年下半年，本公司將順應技術和市場發展方向，抓住戰略性的發展機遇，既要鞏固傳統市場，又要圍繞中國普天成都工業基地的建設，尋找和開發新的項目和產品，儘快實現產品格局的重大調整，提高本公司的綜合實力，本公司將著重抓好以下幾個方面的工作，力爭使經營業績得到改善。

1. 抓住公司搬遷機遇，繼續深化企業內部改革，強化內部管理，建立規範、協調、高效的管理體制，不斷提升企業管理水平；加快中國普天成都工業基地的建設，積極探討研究加強對外合作，適時引入戰略合作夥伴，實現股權多元化；對國有員工身份置換進行前期論證，制定出適合本公司國有員工身份置換方案。
2. 完善科研創新機制，調動科研人員主動性、能動性，在自主開發的基礎上，大力加強與外部研究院所、企業、國外的合作以獲取最新技術，在高起點上實現技術創新；按照公司未來三年的技術發展規劃，結合市場、技術和產業發展的需求，實施產品格局的調整。新產品開發方面，將著重開發室內光纜、數據通信用電纜及電子線纜、汽車線纜、電氣裝備電線及電力電纜等項目。

(4) Business Prospects

In the second half of 2004, the Company will take advantage of strategic opportunities arising from technological and market trends to consolidate traditional markets, identify and develop new items and products based on the construction of China PUTIAN Chengdu Industrial Base, modify timely the existing product mix and sharpen the Company's consolidated strengths. The Company attaches great importance to the following areas of work with the objective of achieving improvements in operating results.

1. While implementing its movement plan and deepening corporate reform, strengthen internal management, drive the establishment of a regulatory, consistent and effective management system and continue to enhance the standard of corporate governance; accelerate the construction of China PUTIAN Chengdu Industrial Base, make positive efforts to identify external cooperation possibilities and introduce strategic investors at the right time to realize shareholding diversification; conduct preliminary discussion and research on identity change for staff to formulate a suitable solution for state-owned staff members of the Company in this exercise.
2. Perfect the technological innovation mechanism, raise technical staff's work initiative and mobility, as well as on a self-regulatory development basis, strengthen cooperation with outside research institutes, enterprises and foreign companies in a bid to obtain the most advanced technologies and accomplish technological innovation from a high starting point; restructure the Company's product mix to meet market demand and technological and industrial developments according to its three-year planning for technological advancement; on the development of new products, concentrate on developing indoor fibre cables, data communication and electronic cables, together with cables for automobiles, electric devices and power transmission.

3. 全面推進營銷體系的信息化，拓寬市場營銷思路，掌握市場需求及變化趨勢、發展動向，主動把握市場脈搏，積極應對市場競爭的挑戰，鞏固全塑市話電纜、程控電纜、移動電纜的市場地位，爭取擴大市場份額。加強商務管理，強化工作程序，合理有效地降低庫存。同時，完善營銷激勵機制，加強營銷人員工作責任心，實行銷售人員和管理人員的末位淘汰制。
4. 健全和完善預算管理機構和預算管理制度，實行預算執行通報制度，定期總結預算執行情況，對預算執行過程中的異常情況及時分析，制定改進措施，確保全面預算的有效施行。加強財務專項、資金計劃、資金定額的管理和控制，減少資金佔有率，加速資金周轉，控制財務費用和管理費用的支出。
5. 挖掘聯營合資企業的潛力，制定和落實相關合資聯營企業的內部政策和管理措施，利用搬遷的機遇和「十一五」產業發展規劃的契機，設計和規劃好未來的發展思路，調整聯營合資企業的產品結構，培育新的經濟和效益增長點。繼續探尋具有廣闊市場空間與發展前景的新的經濟合作項目，為盈利企業和盈利產品的發展創造有利條件，促使其上規模、上檔次，多盈利，對經營不善的合資聯營企業及時進行扶持、調整或清理、關閉。
3. Further improve distribution of sales and marketing information. Expand sales and marketing perspectives to keep a close watch on market demand, changing trends and development directions. Take initiative to keep abreast of the market situation and progressively respond to market competition in order to consolidate the market positions and increase the market share of Plastic Cables, Program-controlled Cables and mobile cables. Step up business management, streamline work procedures, raise the quality of work and cut down inventory volume in a reasonable and effective way. Concurrently, improve sales incentive mechanism, increase sales personnel's sense of responsibility and implement a system of eliminating sales personnel with substandard performance.
4. Improve and perfect the budget management institution and budget management system. Implement the budget execution reporting system; make regular summaries on budget execution; conduct timely analyses of any abnormal situations in the course of budget execution to identify any problems and formulate measures for improvement and ensure the effective implementation of the overall budget. Improve financial projects, financing plans, management and control of funds while reducing retained funds, speeding up fund flows and controlling expenditure including financial costs and management fees.
5. Tap the potential of associates and joint ventures, set out and put into practice internal policies and management initiatives for related joint ventures and associates, make use of the relocation opportunity and the opportunity brought by the "Eleventh Five-year" industrial development planning so as to design and plan for the future, adjust the product mix of associates and joint ventures and nurture new growth points for economic benefits. Continue to look at new economic cooperation projects with tremendous market potential and a prosperous outlook, create conducive profit-generating conditions for the Company and its products to enhance the scale of operation and the quality of products and to achieve a higher growth in profit. Support, restructure, get rid of or terminate joint ventures and associates with poor performance.