

重大訴訟

1. 本公司於二零零三年九月十五日向成都中院提起訴訟，訴成都電纜材料廠（「材料廠」，為本公司與成都石油化工廠（「石化廠」）共同投資組建的聯營企業）、石化廠保證合同糾紛，標的金額人民幣7,186,348元。本次訴訟請求：(1)材料廠支付本公司因為材料廠承擔在銀行借款的連帶責任款項人民幣7,186,348元；(2)石化廠補足註冊資金人民幣7,000,000元使材料廠能償還對外債務；(3)判兩被告承擔訴訟費。

MATERIAL LITIGATION

1. On 15 September 2003, the Company filed a lawsuit against Chengdu Cable Materials Plant (成都電纜材料廠) (the “Material Plant”), an associated company co-invested and formed by the Company and Chengdu Petroleum & Chemical Factory (成都石油化工廠) (the “Petrochemical Plant”) and the Petrochemical Plant at the Chengdu Intermediate People’s Court in relation to the disputes over a loan guarantee agreement in an amount of RMB7,186,348. The claims of the litigation include: (1) Material Plant to compensate the Company an amount of RMB7,186,348 which was borne by the Company for its joint liability under a bank loan made to Material Plant; (2) Petrochemical Plant to make up the deficiency in the registered capital amounting to RMB7,000,000 to enable Material Plant to repay its external debts; (3) to rule the two defendants to bear the litigation fee.

一九九六年十一月，材料廠向中國建設銀行成都市分行第二支行（「建行二支行」）借款共計人民幣5,000,000元，本公司作為保證人。借款到期後，由於材料廠未能歸還借款，導致建行二支行起訴。本公司為履行法院判決，先後共支付了人民幣7,186,348元。由於投資雙方註冊資金不到位，法院同時判決雙方補足註冊資金（該個案訴訟在一九九九年報中已作披露），本公司按判決補足了註冊資金人民幣3,000,000元，而石化廠卻未補足人民幣7,000,000元的註冊資金。

經成都中院二零零四年二月二十九日判決（〔2003〕成民初字第1060號）本公司勝訴，目前本公司已向中院提出對石化廠補足註冊資金進行強制執行的申請，本案正等待法院的執行。

2. 本公司自一九九七年至二零零二年向成都市錦江區川東機電公司（「川東公司」）出售電視電纜產品。截至二零零二年二月，川東公司尚欠我公司貨款人民幣2,747,798元。在本公司的多次催促下，川東公司承諾在二零零二年十二月二十五日前支付人民幣250,000元。在向川東公司多次催討未果的情況下，為維護本公司的正當權益不受侵害，於二零零四年一月十五日向成都市錦江區人民法院（「錦江法院」）提起訴訟，訴川東公司拖欠我公司貨款人民幣2,747,798元。

經成都中院二零零四年四月十五日判決（〔2004〕錦江民初字第301號）本公司勝訴。目前本公司已向錦江法院提出對川東公司的資產進行強制執行的申請，本案正等待法院的執行。

In November 1996, Material Plant borrowed a total amount of RMB5,000,000 from the second branch of China Construction Bank (the "Second Branch of Construction Bank") in Chengdu and such loan was guaranteed by the Company. On maturity of the loan, the inability of Material Plant to repay the amount led to the Second Branch of Construction Bank filing a lawsuit against it. To comply with the order of the court, the Company had paid a total amount of RMB7,186,348. As the registered capital contributed by both investing parties was not sufficient, the Court ruled that the two investing parties to make up the deficiency in the registered capital (the case had been disclosed in the 1999 Annual Report), and the Company paid RMB3,000,000 to make up the deficiency while the Petrochemical Plant has not yet paid the RMB7,000,000 to make up the deficiency.

The ruling (No. 1060 of (2003) Cheng Min Chu Zi) from the Chengdu Intermediate People's Court on 29 February 2004 was in favor of the Company. The Company has filed an application with the Chengdu Intermediate People's Court for specific performance of Petrochemical Plant with respect to the making up of the deficiency in registered capital. At present, the case has yet to be executed by the Court.

2. The Company sold television cables products to Chengdu Jinjiang Chuandong Machinery Company ("Chuandong Co.") from 1997 to 2002. As at February 2002, Chuandong Co. still owed an amount of RMB2,747,798 to the Company. Chuandong Co., upon the Company's repeated requests, had promised to repay RMB250,000 before 25 December 2002. However, Chuandong Co. still failed to repay the debts. To safeguard its proper interests, the Company took legal proceedings against Chuandong Co. at the Chengdu Jinjiang District People's Court ("Jinjiang Court") stating that Chuandong Co. defaulted on the repayment of debts amounting to RMB2,747,798 to the Company.

The ruling (No. 301 of (2004) Jin Jiang Min Chu Zi) from the Chengdu Intermediate People's Court on 15 April 2004 was in favor of the Company. The Company has filed an application with Jinjiang Court for fieri facias order on Chuandong Co.'s assets. At present, the order has yet to be executed by the Court.

3. 本公司於二零零四年一月八日接到成都中院的傳票（〔2004〕成民初字第129號），中國華融資產管理公司成都辦事處（「華融資產」）訴郵電部成都電纜廠（本公司的前身）及石化廠借款合同糾紛。華融資產要求判令兩被告賠償原告債權損失本息合計人民幣3,351,000元。

二零零零年五月二十日，華融資產與中國工商銀行四川省分行（「工行」）、成都市勝利化工廠（「化工廠」）、材料廠達成《債權轉讓協議》（「該協議」）。該協議約定，華融資產繼受取得工行對化工廠的債權，材料廠對該債權承擔連帶保證擔保責任。該協議生效後，債務人化工廠無力償還欠款，而擔保人材料廠也於二零零一年十一月十六日被工商行政管理局門吊銷營業執照，至今仍未對材料廠進行清算。

經成都中院二零零四年六月十八日判決〔(2004)成民初字第129號〕本公司與石化廠應於判決生效之日起三十日內對材料廠的財產進行清算，並以清算的材料廠的財產為限對材料廠應對化工廠在華融資產的借款人民幣1,900,000元及利息承擔連帶保證責任。

據董事會所知，除以上所述，於本期間，本公司或本集團其他成員並無牽涉重大訴訟或仲裁事項。

3. The Company received a writ (No. 129 of (2004) Cheng Min Chu Zi) from the Chengdu Intermediate People's Court on 8 January 2004 stating that the Chengdu office of Huarong Assets Management Company ("Huarong Assets") had disputes over loan contracts with and claims against the Chengdu Cables Factory of the Ministry of Posts and Telecommunications (the predecessor of the Company) and the Petrochemical Plant (together the "Defendants"). Huarong Assets requested the Court to bring in a verdict ordering the Defendants to pay damages of RMB3,351,000 (including principal and interest accrued) to Huarong Assets.

On 20 May 2000, Huarong Assets entered into an agreement on the assignment of creditor right (the "Agreement") with the Sichuan branch of the Industrial and Commercial Bank of China (ICBC), Chengdu Shengli Chemical Factory (the "Chemical Factory") and Material Plant. The Agreement stipulated that Huarong Assets acquired ICBC's creditor right over Chemical Factory and that Material Plant should assume joint liability for providing a guarantee in respect of the creditor right. After the Agreement came into effect, the debtor Chemical Factory failed to repay the arrears. Meanwhile, the operating licence of the guarantor Material Plant was revoked by authorities for the administration of industry and commerce on 16 November 2001. Material Plant has not been liquidated yet.

Following the ruling (No. 129 of (2004) Cheng Min Chu Zi) of the Chengdu Intermediate People's Court on 18 June 2004, it was held that the Company and Petrochemical Plant should liquidate the assets of Material Plant within 30 days as of the effective date of the ruling, and that the assets of Material Plant to be liquidated should be limited to its joint liability for the guarantee in respect of Chemical Factory's loan from Huarong Assets in an amount of RMB1,900,000 and the interest accrued.

To the knowledge of the Board of Directors, save as disclosed above, none of the other members of the Company or the Group were involved in any material litigation or arbitration during the Period.