

Potevio 中国普天

成都普天電纜股份有限公司

(於中華人民共和國註冊成立之中外合資股份有限公司)

CHENGDU PUTIAN TELECOMMUNICATIONS
CABLE COMPANY LIMITED

(a sino-foreign joint stock limited company incorporated
in the People's Republic of China with limited liability)

(股份代號 Stock code :1202)

二零零六年中期業績報告

Interim Report for the Six Months Ended 30th June 2006



摘要

- 於本期間內，本集團共實現營業額為人民幣**253,978,000**元，與去年同期比較約上升**17.61%**。
- 於本期間內，銅纜及相關產品的銷售額為人民幣**199,527,000**元，較去年同期約上升**17.83%**。本集團主要聯營公司成都康寧光纜有限公司（「成都康寧公司」）實現光纜銷售額人民幣**106,691,000**元，較去年同期約上升**68.20%**，本公司的主要附屬公司成都中住光纖有限公司（「中住光纖公司」）實現光纖銷售額人民幣**29,387,000**元，較去年同期約上升**102.95%**。
- 本期間股東應佔虧損為人民幣**14,623,000**元，比去年同期減少虧損為人民幣**13,218,000**元。
- 董事會建議截至二零零六年六月三十日止六個月不派發中期股息。

SUMMARY

- The Group recorded a turnover of RMB253,978,000 for the Period, representing an increase of approximately 17.61% as compared to the corresponding period last year.
- During the Period, sales of copper cables and related products amounted to RMB199,527,000, representing an increase of approximately 17.83% as compared to the corresponding period last year. Sales of optical fibre cables by the Group's principal associated company, Chengdu CCS Optical Fibre Cable Co., Ltd ("CCS"), amounted to RMB106,691,000, representing an increase of approximately 68.20% as compared to the corresponding period last year. Sales of optical fibres by Chengdu SEI Optical Fibre Co., Ltd ("SEI"), the principal subsidiary of the Company, amounted to RMB29,387,000, representing an increase of approximately 102.95% as compared to the corresponding period last year.
- During the Period, loss attributable to shareholders of the Company was RMB14,623,000, representing a decrease of RMB13,218,000 as compared to the corresponding period last year.
- The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2006.

成都普天電纜股份有限公司(「本公司」)董事會(「董事會」)宣佈本公司及其附屬公司(統稱「本集團」)於截至二零零六年六月三十日止六個月(「本期間」)根據中華人民共和國(「中國」)香港特別行政區(「香港」)公認會計準則編制未經審核之中期業績報告，該報告已經董事會審核委員會(「審核委員會」)審閱及確認。簡明綜合財務報告載於第20頁至40頁。

The board of directors (the “Board”) of Chengdu PUTIAN Telecommunications Cable Company Limited (the “Company”) announced the unaudited interim results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 June 2006 (the “Period”) in accordance with the accounting principles generally accepted in the Hong Kong Special Administrative Region (“Hong Kong”) of the People’s Republic of China (the “PRC”). Such unaudited interim results have been reviewed and confirmed by the audit committee of the Company (the “Audit Committee”). The condensed consolidated financial statements are set out on page 20 to page 40.

中期股息

董事會建議本期間不派發中期股息(二零零五年六月三十日止六個月未派發中期股息)。

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the Period (No interim dividends were paid for the six months ended 30 June 2005).

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

(一) 業績分析

(1) Analysis of the Results

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。

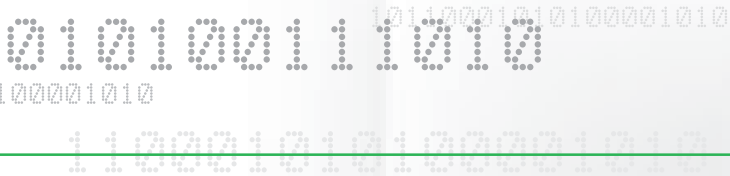
During the Period, the principal products of the Group were plastic urban telephone cables (“Plastic Cables”), program-controlled telephone exchange system cables (“Program-controlled Cables”), television cables, cable joining sleeves, optical fibres, optical fibre cables and mobile telecommunication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

於本期間，本集團共實現營業額為人民幣253,978,000元，較去年同期的人民幣215,950,000元約上升17.61%。

During the Period, the Group recorded a total turnover of RMB253,978,000, representing an increase of approximately 17.61% from RMB215,950,000 of the corresponding period last year.

於本期間的股東應佔虧損為人民幣14,623,000元，比去年同期虧損的人民幣27,841,000元減少虧損人民幣13,218,000元。

Loss attributable to shareholders amounted to RMB14,623,000 for the Period, representing a decrease in loss of RMB13,218,000 from RMB27,841,000 of the corresponding period last year.



造成本期間股東應佔虧損的主要原因
是：

於本期間，原材料銅、鋁、塑料和鋼材的價格大幅上漲，特別是銅纜的主要原材料銅杆，含稅採購單價從年初的44,000元/噸漲到二零零六年六月底的73,000元/噸，最高時為83,000元/噸，導致生產成本的上升。

於本期間內，本集團共銷售全塑電纜476,000對公里，較去年同期約下降43.33%；程控電纜銷售141,000對公里，較去年同期約增加7.63%；電纜套管實現銷售1,700,000套，較去年同期約增長24.53%。

於本期間，公司本部的全塑電纜的毛利率較去年同期約增加12.96%，主要是在原材料採購成本大幅上升時，公司與客戶積極溝通，使得全塑電纜的售價及時得到了上調，抵消了原材料價格上漲造成的部分成本上升的影響，從而改善本公司的盈利能力。

於本期間，程控電纜的毛利率仍然為-11.54%，其主要原因是由於原材料採購成本急劇上升，程控電纜的銷售價格雖略有上漲，但仍不足以抵銷成本上升的幅度。

The occurrence of the loss attributable to shareholders of the Company during the Period was mainly due to:

During the Period, the price of raw materials, namely copper, aluminium, plastic and steel, rose dramatically, in particular, the purchase cost (tax inclusive) of copper rods, which is the main raw material of steel cables rose from RMB44,000 per tonne at the beginning of the year to RMB73,000 per tonne at the end of June 2006, with highest price hitting RMB83,000 per tonne, which led to a rise of production cost.

During the Period, the Group sold 476,000 pair kilometers of Plastic Cables, 141,000 pair kilometers of Program-controlled Cables, 1,700,000 sets of plastic cables and cable joining sleeves, representing decreases of approximately 43.33% and an increase of approximately 7.63% and an increase of approximately 24.53%, respectively, as compared to the corresponding period last year.

During the Period, the Company's gross profit margin of Plastic Cables increased by approximately 12.96% over the same period last year. Such change occurred because the Company actively communicated with customers and timely increased the selling price of Plastic Cables when the cost of raw materials was substantially rising, which partially offset the effect on the rise of production cost as a result of increase in costs of raw materials and therefore improved the profitability of the Company.

During the Period, the gross profit margin of Program-controlled Cables remained at -11.54%. This is due to the fact that the slight increase in the selling price of Program-controlled Cables could not offset the increase in costs caused by the drastically surging cost of raw materials.

於本期間，本集團專業生產光纖光纜的附屬公司經營業績略有好轉，中住光纖公司採取多種方式進行減虧，壓縮開支，在完成技術改造後，提高了生產效率，儘管光纖的銷售價格在本期內仍然繼續創下新低，但減虧效果明顯，已達扭虧為盈。成都康寧公司由於可以使用非美國康寧公司生產的光纖，降低了製造成本，增加了銷售量，同時成都康寧公司引入新的硬件業務已初見成效，成為該公司減少虧損的重要契機。

(二) 主要業務回顧

董事會針對本集團內外部環境和市場的要求，積極調整生產經營策略，本集團於本期間主要業務活動摘錄如下：

1. 本公司之新廠區中國普天成成都工業基地項目已取得施工許可証並正式開工，全部六幢輕鋼結構之廠房約70,000平方米均已破土動工，整體工程進展順利，工程建設面積、完工情況以及工程造价均在批准或合同規定之內。
2. 以本集團搬遷為契機，透過企業的流程再造，推行精細化管理，務實管理基礎，不斷提升企業的管理水平。建立了原材料等物資採購招標管理制度，改變原材料等物資的採購方式，降低成本費用。加強物流管理，對現有物流管理系統進行調整，探索出一條開源節流的新機制。

During the Period, the Group's subsidiary which engaged in the production of optical fibres and cables recorded a slightly improving operating results. SEI took various measures to reduce the loss by reducing expenditures and improving production efficiency with technological improvement. Although the selling price of optical fibres continued to hit low record during the Period, the loss was significantly reduced and it was turned into profit thereafter. As CCS can use optical fibres other than that produced by Corning International Corporation, its production cost dropped and its sales increased, while the new hardware business introduced by CCS started to achieve a positive result, which contributed significantly to the reduction of loss of CCS.

(2) Review of Principal Operations

The Board has proactively adjusted the production and operation strategies in response to internal and external environment of the Group and market demand. The major business activities of the Group during the Period are summarized as follows:

1. China PUTIAN Industrial Base in Chengdu, a new factory zone of the Company, obtained a construction permit and construction has commenced. The construction of the six buildings in light steel structure, covering approximately 70,000 square meters, has commenced and progressed smoothly. The construction area, completion of work and the cost of the project are in compliance with the requirements of the approval and the contract.
2. Making use of the opportunity of the relocation of the Group, the Group restructured its working procedures by refined management and pragmatic foundation for continual enhancement of the management standard. The Company has established a policy of procurement and tender system for raw materials which altered the raw materials procurement policy and thus lowering the cost. Logistic management was enhanced with adjustments made to the existing logistic management system with mechanism of exploring new source and cost savings.



3. 於本期間繼續做好市場營銷工作，建立市場分析系統，盡最大努力與客戶溝通，適當調整產品價格，掌握主要競爭對手的經營情況，公司已經採取了措施來降低應收款項以及存貨的期末餘額，積極催收以前年度的應收款項、清理以前年度的過時存貨等。本期間貨款回收達**114.80%**，清收以前年度應收帳款達人民幣**35,200,000**元；同時，存貨較年初下降了**20.99%**。

4. 於本期間，在產品研發方面，主要對泰科系列電纜、**3G**同軸電纜、程控環保電纜和寬帶程控電纜等產品進行設計與試製，輻照交聯電纜項目已對改造好的生產線進行試車、完成包帶裝置設計、配合外方工程師完成大截面產品擠出試驗和生產線驗收試驗；綜合技改方面，進行了機車纜、室內光纖、光纜、環保產品的試製、測試等工作，並對公司改變產品外包裝編制了相關技術要求。

3. During the Period, the Company continued to focus on marketing and sale, and established a market analysis system. The Company strived to communicate with customers in order to raise the price of product appropriately, and understand the operating environment of its main competitors. The Company has also taken measures to reduce the account receivables and the period-end outstanding amount of inventory, speed up collection of account receivables of previous years, and settle overdue inventories over past years. Goods payment was recovered by 114.80% during the Period and the amount of receivables of previous years recovered amount to RMB35,200,000. In the meantime, the inventory reduced by 20.99% as compared to the beginning of this year.

4. Regarding the research and development of the Company, the Company has designed and started trial production of products, namely cables of Taike series, 3G coaxial cables, program-controlled environmental protection cables, broadband program-controlled cables, during the Period. The improved production lines has commenced trial production for the irradiation cable project; the design of packaging facility has been completed; trial production of large cable products and examination of production lines had been completed in support of external engineers. For comprehensive technological reform, trial production and testing of locomotive cables, in-house optical fibres, optical fibre cables and environmental protection products has been completed, and the Company has formulated a technical specification for changing the packaging of products.

5. 於本期間，在本集團的財務方面，加強財務管理、成本管理和財務預算，提高資金使用效率，強化現金流管理，搞好資金籌措，確保公司生產經營資金的需要；對下屬企業資金賬戶進行了清理，以便推行資金集中管理制度；已經擬定出財務負責人委派制度和原材料集中採購制度。及
6. 於本期間，本集團加強了投資管理，加強了對公司委派到各合資聯營企業負責人的監督管理力度。完成了美國康寧公司購買成都康寧公司1%股份的工商變更登記手續，完成公司職工醫院對外租賃合作經營協議的簽訂，實行自主經營、獨立核算。新項目方面，OLED項目已找到合作伙伴，完成了對合作伙伴的技術和設備考察，並獲得了地方政府的支持，目前已完成項目建議書。
5. Regarding the financial aspect, the Group has reinforced its financial control, costs control and financial budget during the Period to improve the efficiency of capital utilization; cash flow management was strengthened and capital raising was better organized to ensure the capital needs for production and operation of the Company were met. Reorganization of the money accounts of the Company's subsidiaries was carried out in order to implement a centralized management system. An appointment system of financial heads and a centralized system of procurement of raw materials were contemplated; and
6. During the Period, the Group has strengthened the investment management and the supervision of the corporate heads who were appointed by the Company to joint ventures. Business registration of the acquisition of 1% equity interests of CCS by Corning International Corporation has been completed; an agreement regarding leasing and cooperation of the staff hospital of the Company was signed to carry out independent operation and audit. For new project, a new cooperative partner of organic light-emitting diode project ("OLED") was sought and inspection of technical know-how and facilities of cooperative partners was completed. It has also obtained approval and support from local government. The project proposal was completed at present.



(三) 財務分析

截至二零零六年六月三十日止，本集團資產總值為人民幣945,304,000元，較去年年末的人民幣935,685,000元約增加1.03%。其中非流動資產總值為人民幣438,808,000元，約佔總值產值的46.42%，較去年年末的人民幣393,518,000元約增加11.51%。截至二零零六年六月三十日止，流動資產總值為人民幣506,496,000元，約佔總值產的53.58%，較去年年末的人民幣542,167,000元約下降6.58%。

本集團於本期間之經營業務淨現金流入為人民幣31,877,000元，去年同期淨現金流出為人民幣18,577,000元。

截至二零零六年六月三十日止，本集團銀行結餘及現金(包括抵押銀行存款)為人民幣148,147,000元，較去年年末的人民幣150,366,000元約下降1.48%。

截至二零零六年六月三十日止，本集團負債總額為人民幣247,436,000元(二零零五年十二月三十一日止：人民幣271,808,000元)，負債對資產比率約為26.18%，較去年年末的29.05%下降2.87%，其中一年內到期銀行貸款為人民幣62,965,000元，較去年年末的人民幣112,493,000元約下降了44.03%。

於本期間內，本集團未有安排其他集資活動。

(3) Financial Analysis

As at 30 June 2006, the Group's total assets amounted to RMB945,304,000, representing an increase of approximately 1.03% from RMB935,685,000 as at the end of last year. Non-current assets of the Group amounted to RMB438,808,000, accounting for approximately 46.42% of the total assets of the Group and representing an increase of approximately 11.51% from RMB393,518,000 as at the end of last year. Current assets of the Group amounted to RMB506,496,000 as at 30 June 2006, accounting for approximately 53.58% of its total assets and representing a decrease of approximately 6.58% from RMB542,167,000 as at the end of last year.

The net cash inflow from operating activities of the Group during the Period amounted to RMB31,877,000. The net cash outflow for the corresponding period last year was RMB18,577,000.

As at 30 June 2006, the Group's bank balances and cash (including pledged bank deposits) amounted to RMB148,147,000, representing a decrease of approximately 1.48% from RMB150,366,000 as at the end of last year.

As at 30 June 2006, the Group's total liabilities amounted to RMB247,436,000 (as at 31 December 2005: RMB271,808,000). The liability to asset ratio was approximately 26.18%, representing a decrease of approximately 2.87% as compared to approximately 29.05% as at the end of last year. Short term bank loans due within one year amounted to RMB62,965,000, representing a decrease of approximately 44.03% from RMB112,493,000 as at the end of last year.

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

於本期間內，本集團的分銷費用、行政及其它業務費用和財務費用分別為人民幣19,917,000元、人民幣27,132,000元及人民幣3,473,000元，較去年同期的人民幣18,859,000元、人民幣25,559,000元及人民幣4,881,000元，分別約增加5.61%、6.15%及下降28.85%。

於本期間內，本集團的平均毛利率約為14.04%，較去年同期的11.61%約增長了2.43%。

於本期間內，本集團的應收貿易帳款和存貨分別為人民幣171,642,000元、人民幣112,256,000元，較去年年末的人民幣148,822,000元、人民幣142,083,000元分別約增加15.33%和約下降20.99%。

1. 資金流動性分析

截至二零零六年六月三十日止，本集團資金流動比率約為247.66%，速動比率約為192.77%。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，將作為本公司今後工作重點加以研究解決。

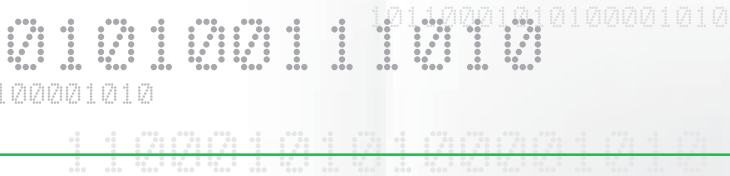
During the Period, distribution costs, administrative and other operating expenses and finance costs amounted to RMB19,917,000, RMB27,132,000 and RMB3,473,000, respectively, representing an increase of approximately 5.61%, 6.15% and a decrease 28.85%, respectively as compared to RMB18,859,000, RMB25,559,000 and RMB4,881,000, respectively, of the corresponding period last year.

During the Period, the average gross profit margin of the Group was 14.04%, representing an increase of approximately 2.43% from 11.61% of the corresponding period last year.

During the Period, the trade and bills receivables and inventories of the Group amounted to RMB171,642,000 and RMB112,256,000, respectively, representing an increase of approximately 15.33% and a decrease of approximately 20.99%, respectively from RMB148,822,000 and RMB142,083,000, respectively, as at the end of last year.

1. Analysis of liquidity

As at 30 June 2006, the Group's liquidity ratio and quick ratio were approximately 247.66% and approximately 192.77%, respectively. Taking into account of 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 will embark on key studies to achieve further improvement of such ratios.



2. 財政資源分析

截至二零零六年六月三十日止，本集團共獲銀行短期貸款為人民幣55,440,000元，該短期貸款為分期貸款，並已由本集團實時償還。而本集團銀行存款及現金也相對充足，達人民幣148,147,000元，因此，本集團短期償債風險較低。

截至二零零六年六月三十日止，本集團為購置法國加速器的長期借款餘額約為人民幣14,252,000元（折合歐元1,407,000元），其中銀行買方信貸約為人民幣3,310,000元（折合歐元327,000元），年利率為7.35%，法國政府擔保銀行貸款約人民幣10,942,000元（折合歐元1,080,000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並無任何重大影響。

3. 本集團資本結構情況

本集團的資金來源是銀行貸款和本公司發行股份募集資金。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不正當行為問題。

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 2006, the Group's short-term bank loan amounted to RMB55,440,000. This loan is repayable by instalments, which the Group has repaid duely. The Group has adequate bank and cash balances of RMB148,147,000 after repayment of the said instalment, thus, the Group's risk in short-term repayment is low.

As at 30 June 2006, the balance of a long-term loan for the purchase of accelerators from France amounted to RMB14,252,000 (equivalent to Euro1,407,000) of which the banking credit facility amounted to RMB3,310,000 (equivalent to Euro 327,000) at an interest rate of 7.35% per annum, and the French government secured bank loan amounted to RMB10,942,000 (equivalent to Euro1,080,000) 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 from 1997. As the balance of long-term loans was not substantial, it does not have any substantial 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 of the Company. To ensure proper utilisation of capital funds, the Group has established a stringent and sound financial management system. During the Period, no irregularity was noted for payment of due debts and performance of due obligations.

In 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 of the Group.

(四) 業務展望

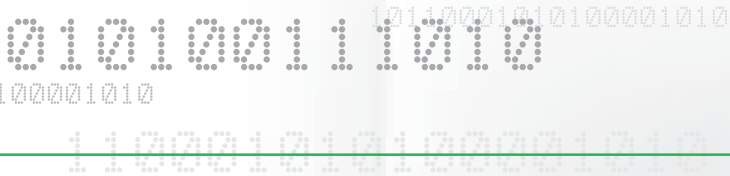
下半年本公司面臨最大的壓力是銅價的高位運行。本公司針對這一嚴峻的市場狀況，重點採取以下措施：

1. 抓緊工業基地建設，按要求完成規劃建設面積，控制工程造價總額，部分廠房按時完工，力爭在年底前對具備搬遷條件的部份分廠單位實施搬遷，同時穩步推進老廠區拆遷和土地款進一步地回收等工作。
2. 做好機構調整，依據流程調整機構，設置崗位。以提高工作效率和工作效果為切入點，優化工作流程，提高整個集團的工作效率。對每個崗位工作職責全面描述，定崗定責，定量考核。對於部分輔助性單位，結合859號文件的精神制定相應的改革方案，將其從主業中剝離出來，對主營業務毛利率仍為負的產品和項目將堅決清理或關閉。
3. 不斷挖掘市場潛力，拓展銷售空間，鞏固公司現有銷售網絡，加大新市場的投入和開發力度，以客戶為中心，快速響應客戶需求，通過多渠道反饋市場信息，使公司產品開發和市場營銷可以及時跟進。加強對發出產品、和貨款回收的考核工作，並與銷售人員的業績掛鉤，繼續推行銷售人員的末尾淘汰制，達到加強銷售隊伍建設之目的。

(4) Business Prospects

In the second half of the year, the greatest pressure of the Company will come from the high copper prices. The following key measures will be taken by the Company in response to the harsh market condition:

1. The Company will put more effort to complete the construction of the planned area of the industrial base on time while keeping the total construction cost under control, aiming at relocating some units of part of the factory that are suitable for relocation at the end of the year. Meanwhile, the Company will continue to make steady progress in demolishing old plants and collection of land fees.
2. The Company will adjust its business portfolio and establish job positions according to the procedure adjustment mechanism. By raising the work efficiency and effectiveness as a cutting point, the Group will streamline the working procedure to enhance its overall work efficiency. A comprehensive job description will be provided to each position to define its responsibility and appraise with fixed criteria. As to supplementary institutions, corresponding reforms will be formulated in response to the principle of Document No. 859. They will be separated from the core business of the Company and the Company will remove or close the production of the products and projects with negative profit margin from its core business.
3. Efforts will be made to develop market potentials and to expand sales capacity, as well as consolidating its existing marketing network with greater involvement in new markets. The Company will be customer-oriented by responding quickly to clients' needs. It will obtain market feedbacks from various channels, and adjust its product development and marketing timely according to market news. The Company will increase assessment of delivery of goods and recovery of receivables, which will be linked to the performance of sales staff. The Company will continue to implement a system of eliminating weak sales staff in order to establish a stronger sales team.



4. 繼續推進產業結構調整，發揮線纜業務的優勢，做好線纜產品的調整。加快中住光纖公司五號生產線的設計與建設，抓緊落實中菱公司的擴產，同時做好電子線纜的整合；經過考察OLED項目，得到了省市政府大力支持，有多家公司表示參股，該項目已到啟動時機。
 5. 搞好財務精細化管理，建立財務集中管理的業務流程和制度，強化現金流量管理，確保集團生產經營資金的需要；突出工序成本控制，進一步優化技術經濟指標，努力降低工序成本；降低存貨的資金佔壓，提高資金使用效率，從內部挖潛緩解資金壓力。及
 6. 做好合資聯營企業的相關制度的監督和檢查，監督預算執行情況，加大對合資聯營企業的監督力度，實行有效的激勵政策。繼續對合資聯營企業進行內部審計，保障本集團的合法權益。為合資聯營企業的良好運作提供必要指導，控制合資聯營企業的虧損。
4. The Company will continue to enhance its business portfolio to capitalize on the competitive edge of cable business for adjustment of cable products. In addition, the Company will speed up the design and construction of No. 5 production lines of SEI, finalize the expansion of production capacity of Chengdu MCIL Radio Communications Cable Co., Ltd (“Chengdu MCIL”) and complete the integration of electric cables business. After the inspection of the OLED project, the Company received support from the provincial and municipal government. A number of companies had showed interest for the investment, and thus making the right time for the commencement of the project.
 5. The Company will implement refined management and establish the procedure and process for a centralized and integrated financial management to instill good cash flow management to ensure that the Company’s capital needs will be met adequately. The Company will highlight the cost control on working procedures to further optimize technological and economic indications while making efforts to lower cost on working procedures. The Company will also reduce inventory in order to achieve higher utilization of capital and to alleviate internal pressure on capital; and
 6. The Company will supervise and review the relevant policies applicable to the joint ventures, strengthen the supervision of the management of the joint ventures, and implement effective incentive policies. The Company will regularly carry out internal audit of the joint ventures in order to protect the legal and legitimate interests of the Group. The Company provides necessary instructions for good operation of the joint ventures to keep the incurrance of loss of the joint ventures under control.

募集資金的運用

本集團於一九九四年十二月透過發售 160,000,000 股 H 股，募集資金約港幣 424,000,000 元，自上市至二零零六年六月三十日止，累計動用資金約為港幣 373,429,000 元，其中用於投資項目為港幣 84,360,000 元，用於減輕負債及作為營運資金使用約為港幣 289,069,000 元。

尚未使用的募集資金約為港幣 50,571,000 元，分別以港幣和人民幣存放於中國境內的銀行。

逾期定期存款

截至二零零六年六月三十日止，本集團沒有其他存放於非銀行金融機構的存款及屬於委託性質的存款，也不存在其他到期不能收回的定期存款。

本公司存放於中國租賃有限公司的人民幣 30,000,000 元本金，雖然已在二零零零年度經股東周年大會批准全額作壞賬撥備處理，但本公司並未放棄追討該筆資金的努力。於本期間，本公司仍在向中租公司追索該筆款項。

出售員工住房

1. 本集團於一九九八年之前員工住房遞延費用在二零零零年度財務報告中已作出相應處理。
2. 於本期間內，本公司無新的員工集資建房計劃。

USE OF PROCEEDS

The Group raised approximately HK\$424,000,000 through the issue of 160,000,000 H shares in December 1994. From the date of listing to 30 June 2006, the Company had used a total of approximately HK\$373,429,000, of which HK\$84,360,000 was used in investment projects and HK\$289,069,000 was used for debt repayment and working capital.

The balance of unutilised proceeds amounted to approximately HK\$50,571,000 which is deposited with banks in the PRC in Hong Kong Dollar and Renminbi.

OVERDUE TIME DEPOSITS

The Company has no other deposits or trust deposits with non-banking financial institutions, or time deposits which cannot be withdrawn on maturity as at 30 June 2006.

Although the principal of a deposit of RMB30,000,000 with China Leasing Company Limited ("China Leasing") has been written off as a provision for bad debt as approved in the 2000 annual general meeting of the Company, the Company has not given up to recover the amount. During the Period, the Company continued to demand China Leasing for repayment of such deposit.

SALE OF STAFF QUARTERS

1. Deferred expenses on staff quarters prior to 1998 have been dealt with in the Group's financial report for the year 2000.
2. The Group had no new fund-raising plan to construct staff quarters during the Period.

統一所得稅及取消地方政府退稅優惠

本公司註冊於中國四川省成都市高新技術產業開發區（「高新區」），屬高新技術企業，根據國家稅務總局的現行政策，享受15%的所得稅率優惠，本公司至今仍享有此優惠政策。本公司不享受所得稅的退稅優惠。

股東持股和股權結構變化

1. 股權結構

本公司截至二零零六年六月三十日止，沒有安排任何送股、配股和擴股，也未發售本公司任何新股。本期間內，本公司的股本總額和股權結構並無變動，即所有本公司已發行之股本總額為人民幣400,000,000元分為400,000,000股，每股面值為人民幣1.00元，其中境內國有法人股為240,000,000股，佔已發行股本的60%，境外已發行股份（「H股」）為160,000,000股，佔已發行股本的40%。

2. 主要股東持股情況

截至二零零六年六月三十日止，本公司之最大股東為中國普天信息產業股份有限公司（「普天股份公司」），持有國有法人股240,000,000股，佔已發行股本的60%，香港中央結算（代理人）有限公司於本期間初所持有的H股為157,198,998股，佔已發行股本的39.30%，至本期間末，其持有的H股為156,968,998股，佔已發行股本的39.24%。

於本期間內，董事會並無知悉任何人士持有任何按證券及期貨條例（香港法例第571章）（「證券及期貨條例」）須予以披露的本公司股份及相關股份中的權益或淡倉。

UNIFIED INCOME TAX AND CANCELLATION OF LOCAL GOVERNMENT'S TAX REBATE

The Company is incorporated as a Hi-Tech enterprise in the Hi-Tech Development Zone in Chengdu (the "Hi-Tech Zone"), Sichuan Province, the PRC. According to the current policy of the State Administration of Taxation, the Company enjoys and pays income tax at a preferential rate of 15%. The Company is still enjoying such concession as at the date hereof. The Company is not entitled to any income tax rebate.

SHAREHOLDING AND CHANGE OF SHARE CAPITAL STRUCTURE

1. Share capital structure

As at 30 June 2006, the Company has not made any arrangements for bonus issue, placing of shares or issue of new shares of the Company. During the Period, there was no change in the Company's total number of shares and share capital structure. The issued share capital of the Company remained as RMB400,000,000 divided into 400,000,000 shares with a par value of RMB1.00 each, comprising 240,000,000 state-owned legal person shares and 160,000,000 overseas listed foreign shares ("H Shares"), representing 60% and 40% of the issued share capital of the Company respectively.

2. Shareholdings of substantial shareholders

As at 30 June 2006, the largest shareholder of the Company was China Potevio Company Limited ("China Potevio"), holding 240,000,000 issued state-owned legal person shares, representing 60% of the issued share capital of the Company. At the beginning of the Period, HKSCC Nominees Limited ("HKSCC") held 157,198,998 H Shares of the Company, representing 39.30% of the issued share capital of the Company. At the end of the Period, HKSCC held 156,968,998 H Shares, representing 39.24% of the issued share capital of the Company.

During the Period, the Board was not aware of any person holding any interests or short positions in shares or underlying shares of the Company which are required to be disclosed pursuant to the Securities and Futures Ordinance (Chapter 571 of the Law of Hong Kong) ("SFO").

按照證券及期貨條例第336條保存之本公司主要股東名冊顯示，本公司曾接獲有關擁有本公司已發行H股5%或以上權益的股東之知會，該等權益為已披露之本公司董事（「董事」）、監事（「監事」）及行政總裁權益以外之權益。

據中央結算公司申明，於二零零六年六月三十日，持有本公司H股超過5%或以上的包括以下中央結算系統參與者：

中央結算系統參與者	CCASS participant	該期間末持股數 Number of H Shares held at the end of the Period	持H股百分比 Percentage of H Shares
香港上海滙豐銀行有限公司	The Hong Kong & Shanghai Banking Corporation Ltd.	21,840,000	13.65%
中國銀行(香港)有限公司	Bank of China (Hong Kong) Ltd.	20,246,000	12.65%
國泰君安(香港)有限公司	Guotai Junan (Hong Kong) Co., Ltd	8,625,000	5.39%

除上述披露者外，於二零零六年六月三十日，本公司並未獲悉有任何其他按證券及期貨條例需予以披露的股權權益及本公司董事會亦無知悉任何人士直接或間接持有本公司5%或以上的H股之權益。

3. 董事、監事持股情況

於二零零六年六月三十日，本公司的董事、監事及行政總裁概無於本公司或其相關法團（定義見證券及期貨條例）的股份、相關股份及債券中擁有任何根據證券及期貨條例第352條規定須於登記冊內記錄的權益及淡倉，或根據聯交所證券上市規則（「上市規則」）附錄十所載的上市發行人董事進行證券交易的標準守則（「標準守則」）而須知會本公司及香港聯合交易所有限公司（「聯交所」）的權益及淡倉。

As shown in the register of substantial shareholders of the Company maintained under Section 336 of the SFO, the Company has been notified by shareholders of the Company holding 5% or more of the H Shares. These are interests other than those held by directors (the “Directors”), supervisors (the “Supervisors”) and chief executive officers of the Company which have already been disclosed.

As indicated by HKSCC, as at 30 June 2006, the following Central Clearing and Settlement System (“CCASS”) participants held 5% or more of the total issued H Shares of the Company:

Save as disclosed above, as at 30 June 2006, the Company was not aware of any shareholding interests which are required to be disclosed pursuant to the SFO. The Board was not aware of any person holding, directly or indirectly, 5% or more of the interests in the issued H Shares.

3. Shareholdings of directors and supervisors

As at 30 June 2006, none of the Directors, Supervisors and chief executives of the Company have any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

4. 購買、出售或回購上市證券

於本期間內，本公司及其任何附屬公司概無購買、出售、回購或注銷本公司之任何上市證券。

5. 可兌換證券、購股權、認股權證或相類權利

本公司於本期間內並無發行任何可兌換證券、購股權、認股權證或相類權利。

辭任及擬聘任董事

陳葆心女士因個人理由已於二零零五年七月二十六日提出呈辭本公司獨立非執行董事職務。彼之辭任已於新任獨立非執行董事獲選後生效。陳葆心女士已向董事會確認彼與董事會並無意見分歧，且並無特別事項須提呈股東或聯交所留意。陳女士亦向董事會確認，彼並無及將不會就彼失去職位（不論因合約、法定或其他原因）、被不公平解雇或裁員對本公司提出任何索償。

董事會提名蔡思聰先生接替陳女士之職位，彼亦已於二零零六年二月十六日舉行之臨時股東大會上獲選為獨立非執行董事，任期至第四屆董事會屆滿為止。

4. Purchase, sale and redemption of listed securities

During the Period, none of the Company's listed securities was purchased, sold, redeemed or cancelled by the Company or any of its subsidiaries.

5. Convertible securities, share options, warrants and similar instruments

During the Period, the Company did not issue any convertible securities, share options, warrants or similar instruments.

RESIGNATION AND PROPOSED APPOINTMENT OF DIRECTOR

Ms. Chen Po Sum has tendered her resignation as independent non-executive Director on 26 July 2005 due to personal reasons. Her resignation took effect from the date when a new independent non-executive Director was elected. Ms. Chen had confirmed to the Board that she had no disagreement with the Board and that there were no matters that need to be brought to the attention of the Shareholders or the Stock Exchange. Ms. Chen also confirmed to the Board that she did not, and would not, make any claim against the Company for compensation for loss of office (whether contractual, statutory or otherwise), unfair dismissal or redundancy.

The Board proposed Mr. Choy Sze Chung, Jojo to succeed Ms. Chen's office, and Mr. Choy was elected as the independent non-executive Director of the Company at the extraordinary general meeting held on 16 February 2006, for a term until the end of the term of the fourth Board.

重大事項

1. 臨時股東大會

本公司於二零零六年二月十六日召開第一次臨時股東大會，審議通過了：(1)本公司掛牌方式出售本公司老廠區土地；(2)出售土地所得款的用途；(3)選舉蔡思聰先生為本公司獨立非執行董事；(4)委任信永中和(香港)會計師事務所有限公司為本公司的香港核數師；(5)辭退四川華信(集團)會計師事務所；(6)委任信永中和會計師事務所為本公司的境內核數師；(7)修改公司章程第十條。

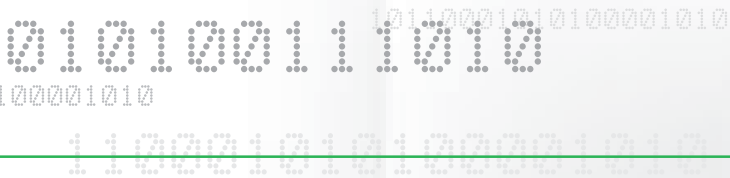
本公司於二零零六年八月十七日召開第二次臨時股東大會，審議通過了：(1)選舉張曉成先生、郭愛清先生、鄭建華先生、李彤先生、蔣昆先生、熊嗣雲先生、蔡思聰先生、吳正德先生及李元鵬先生為本公司第五屆董事會成員，為期三年，自臨時股東大會批准後於二零零六年八月十七日起生效；(2)選舉王志琪先生及熊挺先生為本公司第五屆監事會成員，為其三年，自臨時股東大會批准後於二零零六年八月十七日起生效；及(3)授權董事會釐定新任董事和監事之報酬。

SIGNIFICANT EVENTS

1. Extraordinary General Meeting

The Company convened the first extraordinary general meeting on 16 February 2006, at which the following resolutions were approved: (1) the Company disposed the land in old factory zone by way of public auction; (2) application of proceeds from the land sale; (3) election of Mr. Choy Sze Chung, Jojo as independent non-executive Director of the Company; (4) appointment of ShineWing (HK) CPA Limited as auditors of the Company in Hong Kong; (5) removal of Sichuan Huaxin (Group) CPA Firm as the domestic auditors of the Company; (6) appointment of ShineWing Certified Public Accountants as the domestic auditors of the Company; (7) amendment to Article 10 of the Articles of Association of the Company.

The Company convened the second extraordinary general meeting on 17 August 2006, at which the following resolutions were approved: (1) election of Mr. Zhang Xiaocheng, Mr. Kuo Aiching, Mr. Zheng Jianhua, Mr. Li Tong, Mr. Jiang Kun, Mr. Xiong Siyun, Mr. Choy Sze Chung, Jojo, Mr. Wu Zhengde and Mr. Li Yuanpeng as Directors of the fifth Board, with a term of 3 years with effect from 17 August 2006 upon approval at the extraordinary general meeting; (2) election of Mr. Wang Zhiqi and Mr. Xiong Ting as supervisors of the fifth supervisory committee, with a term of 3 years with effect from 17 August 2006 upon approval at the extraordinary general meeting; and (3) authorization by the Board to fix the remuneration of the new Directors and Supervisors.



2. 第五屆董事會

二零零六年八月十八日，本公司召開了第五屆董事會第一次會議，會議選舉了張曉成董事為董事長，郭愛清董事為副董事長。

董事會聘任郭愛清董事為本公司總經理。

經郭愛清總經理提名，董事會聘任范先達先生、代康先生及王德洪先生為副總經理，聘任安民民先生為財務負責人。

經張曉成董事長提名，委任郭愛清先生及符兵先生為本公司授權代表，委任蔡思聰董事為審核委員會主席、吳正德董事及李元鵬董事為審核委員會委員，委任郭愛清董事、鄭建華董事、蔡思聰董事、吳正德董事及李元鵬董事為董事會提名委員會委員，委任熊嗣雲董事、李彤董事、蔡思聰董事、吳正德董事及李元鵬董事為本公司薪酬與考核委員會成員，委任張曉成董事、郭愛清董事、蔣昆董事、吳正德董事及李元鵬董事為戰略發展委員會成員，委任莫仲堃先生為董事會秘書。

在同日召開的監事會第一次會議上，王志琪監事被選為監事會主席。

2. The Fifth Board

The first meeting of the fifth Board was convened on 18 August 2006. At the meeting, Mr. Zhang Xiaocheng was elected as the chairman and Mr. Kuo Aiching as vice-chairman.

The Board appointed Mr. Kuo Aiching as the general manager of the Company.

Upon nomination by Mr. Kuo Aiching, the Board appointed Mr. Fan Xianda, Mr. Dai Kang and Mr. Wang Dehong as deputy general manager, and Mr. An Minmin as the financial manager.

Upon nomination by chairman Mr. Zhang Xiaocheng, Mr. Kuo Aiching and Mr. Fu Bing were appointed as authorized representatives of the Company; Mr. Choy Sze Chung, Jojo was appointed as the chairman of the Audit Committee; Mr. Wu Zhengde and Mr. Li Yuanpeng were appointed as members of the Audit Committee; Director Kuo Aiching, Director Zheng Jianhua, Director Choy Sze Chung, Jojo, Director Wu Zhengde and Director Li Yuanpeng were appointed as members of nomination committee of the Board; Director Xiong Siyun, Director Li Tong, Director Choy Sze Chung, Jojo, Director Wu Zhengde and Director Li Yuanpeng were appointed as members of remuneration and appraisal committee of the Company. Director Zhang Xiaocheng, Director Kuo Aiching, Director Jiang Kun, Director Wu Zhengde and Director Li Yuanpeng were appointed as members of strategic development committee of the Company. Mr. Stephen Mok was appointed as secretary to the Board.

The first meeting of the supervisory committee was convened on the same day, at which Supervisor Mr. Wang Zhiqi was elected as the chairman of supervisory committee.

3. 採用新企業標識

本公司之控股股東普天股份公司已採用 **Potevio** 為新企業標識，為了提升公司視覺識別系統(Visual Identity System)之形象，本公司按普天股份公司之要求及授權，決定於二零零六年五月二十九日起採用普天股份公司之企業標識 **Potevio**。

本公司之經營範圍將維持不變。

審核委員會

本公司之審核委員會委員為蔡思聰先生、吳正德先生及李元鵬先生。

審核委員會負責有關本公司內部監控及財務匯報及報告事宜。審核委員會並已審閱本公司截至二零零六年六月三十日止六個月的未經審計之中期報告。

審核委員會認為二零零六年之中期財務報表符合適用的會計準則及法律規定，並已作出適當的披露。

重大訴訟

於本期間，就董事會所知，本公司或本集團其他成員並無牽涉於重大訴訟或仲裁事項之內。

臨時股東大會

於本期間內，本公司召開了一次臨時股東大會。詳情請見重大事項之臨時股東大會部份。

3. Adoption of a new company logo

China Protevio, the controlling shareholder of the Company, has adopted **Potevio** as new company logo. With the aim to raise the image of Visual Identity System, the Company, as requested and authorised by China Protevio, has adopted China Protevio company logo **Potevio** as of 29 May 2006.

The business scope of the Company remains unchanged.

AUDIT COMMITTEE

Mr. Choy Sze Chung, Jojo, Mr. Wu Zhengde and Mr. Li Yuanpeng, the independent non-executive Directors of the Company, are members of the Audit Committee.

The Audit Committee is responsible for conducting the review of the Company's internal controls and financial reports and it has reviewed the unaudited interim report of the Company for the six months ended 30 June 2006.

The Audit Committee considered that the 2006 interim report of the Group has complied with the requirement of appropriate accounting standards and laws and the Company has made appropriate disclosure accordingly.

MATERIAL LITIGATION

During the Period, to the best knowledge of the Board, none of the Company or other members of the Group was involved in any material litigation or arbitration.

EXTRAORDINARY GENERAL MEETING

An extraordinary general meeting of the Company was held during the Period. Please refer to the section of Extraordinary General Meeting in the Significant Events section for details.

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遵守《企業管治常規守則》

董事會認為，本公司於本期間內已遵守了上市規則附錄十四所載的企業管治常規守則內的所有條文（「守則」）。本公司之董事並無知悉任何資料可合理地顯示本公司於本期間內任何時間內未能遵守守則內的規定。

遵守《上市發行人董事進行證券交易的標準守則》

本公司已採納標準守則作董事進行證券交易的守則。

在對董事會作出特定查詢後，董事會欣然確認所有董事已於本期間內完全遵守標準守則。

於聯交所網站披露資料

載有本集團二零零六年詳細中期業績之光盤，於呈交聯交所後，將於適當之時候在聯交所網址 (<http://www.hkex.com.hk>) 發表及在本公司網站 (<http://www.cdc.com.cn>) 刊載。

於本報告刊發之日期，董事會成員包括：

執行董事：張曉成、郭愛清、鄭建華、李彤、蔣昆及熊嗣雲

非執行董事：蔡思聰、吳正德及李元鵬

承董事會命

張曉成
董事長

中國 • 成都，二零零六年八月十八日

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Board considered that the Company has complied with all the code provisions in the Code on Corporate Governance Practices (the "Code") set out in Appendix 14 of the Listing Rules during the Period. None of the Directors is aware of any information that would reasonably indicate that the Company is not or was not for any time of the Period in compliance with the Code.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code as code of conduct for securities transactions by all Directors.

After making specific enquiries to the Directors, the Board is pleased to confirm that all Directors have fully complied with the Model Code during the Period.

DISCLOSURE OF INFORMATION ON THE WEBSITE OF THE STOCK EXCHANGE

The 2006 interim results of the Group, upon the submission of a CD-rom with all detailed information to the Stock Exchange, will be available on the website of the Stock Exchange (<http://www.hkex.com.hk>) and the Company's website (<http://www.cdc.com.cn>) in due course.

As at the date of this report, the Board comprises:

Executive Directors: Zhang Xiaocheng, Kuo Aiching, Zheng Jianhua, Li Tong, Jiang Kun and Xiong Siyun

Non-executive Directors: Choy Sze Chung, Jojo, Wu Zhengde and Li Yuanpeng

By Order of the Board

Zhang Xiaocheng
Chairman

Chengdu, the PRC, 18 August 2006

簡明綜合損益表

CONDENSED CONSOLIDATED INCOME STATEMENT

截至二零零六年六月三十日止六個月

FOR THE SIX MONTHS ENDED 30 JUNE 2006

		截至六月三十日止六個月		
		Six months ended 30 June		
		二零零六年	二零零五年	
		2006	2005	
		人民幣千元	人民幣千元	
		RMB'000	RMB'000	
		(未經審核)	(未經審核)	
		(Unaudited)	(Unaudited)	
	附註			
	NOTES			
營業額	Turnover	3	253,978	215,950
銷售成本	Cost of sales		<u>(218,311)</u>	<u>(190,882)</u>
毛利	Gross profit		35,667	25,068
其他業務收入	Other operating income	4	3,681	5,988
分銷費用	Distribution costs		(19,917)	(18,859)
行政及其他業務費用	Administrative and other operating expenses		(27,132)	(25,559)
財務費用	Finance costs		(3,473)	(4,881)
應佔聯營公司業績	Share of results of associates		(5,275)	(9,125)
除稅前虧損	Loss before taxation	5	(16,449)	(27,368)
所得稅	Taxation	6	1,573	(4,998)
本期間虧損淨額	Net loss for the period		<u>(14,876)</u>	<u>(32,366)</u>
其中：	Attributable to:			
本公司股東應佔虧損	Equity holders of the Company		(14,623)	(27,841)
少數股東應佔虧損	Minority interests		(253)	(4,525)
			<u>(14,876)</u>	<u>(32,366)</u>
中期股息	Interim dividend	7	—	—
每股基本虧損	Basic loss per share	8	<u>(RMB0.0366)</u>	<u>(RMB0.0696)</u>



簡明綜合資產負債表

CONDENSED CONSOLIDATED BALANCE SHEET

於二零零六年六月三十日

AT 30 JUNE 2006

			二零零六年 六月三十日 30.6.2006	二零零五年 十二月三十一日 31.12.2005
		附註 NOTES	人民幣千元 RMB'000 (未經審核) (Unaudited)	人民幣千元 RMB'000 (經審核) (Audited)
非流動資產	Non-current assets			
物業、廠房及設備	Property, plant and equipment	9	173,474	181,847
土地使用權之預付租賃款項	Prepaid lease payments on land use rights	9	20,821	20,283
在建工程	Construction in progress	9	22,302	14,021
聯營公司之權益	Interests in associates		185,468	140,624
可供出售之投資	Available-for-sale investments		2,728	2,728
長期預付款項	Long-term prepayments	10	34,015	34,015
長期應收款項	Long-term receivable	11	—	—
			438,808	393,518
流動資產	Current assets			
存貨	Inventories		112,256	142,083
應收貿易帳款及票據	Trade and bills receivables	12	171,642	148,822
土地使用權之預付租賃款項	Prepaid lease payments on land use rights	9	618	1,465
預付款項、按金及 其他應收款項	Prepayments, deposits and other receivables		31,282	58,879
應收聯營公司帳款	Amounts due from associates	19	5,671	3,548
應收關連公司帳款	Amounts due from related companies	19	960	1,084
銀行存款、結餘及現金	Bank deposits, balances and cash	13	148,147	150,366
			470,576	506,247
分類為待出售之資產	Assets classified at held for sale	14	35,920	35,920
			506,496	542,167

簡明綜合資產負債表

CONDENSED CONSOLIDATED BALANCE SHEET

於二零零六年六月三十日

AT 30 JUNE 2006

			二零零六年 六月三十日 30.6.2006	二零零五年 十二月三十一日 31.12.2005
	附註 NOTES		人民幣千元 RMB'000 (未經審核) (Unaudited)	人民幣千元 RMB'000 (經審核) (Audited)
流動負債		Current liabilities		
應付貿易帳款及票據	15	Trade and bills payables	55,264	59,128
其他應付款及應計提費用		Other payables and accrued charges	58,533	59,454
暫收款項		Temporary receipts	989	1,510
職工住房定金		Deposits for staff quarters	10,300	8,729
應付聯營公司帳款	19	Amounts due to associates	16,249	15,504
應付關連公司帳款	19	Amounts due to related companies	14	—
稅項		Tax liabilities	195	2,140
一年內到期的銀行及其他貸款		Bank and other borrowings – due within one year	62,965	112,493
			204,509	258,958
流動資產淨額		Net current assets	301,987	283,209
總資產減流動負債		Total assets less current liabilities	740,795	676,727
資本及儲備		Capital and reserves		
股本	16	Share capital	400,000	400,000
儲備		Reserves	217,483	180,939
			617,483	580,939
少數股東權益		Minority interests	80,385	82,938
			697,868	663,877
非流動負債		Non-current liabilities		
超過一年內到期的銀行及其他貸款		Bank and other borrowings – due after one year	42,927	12,850
			740,795	676,727

簡明綜合權益變動表

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

截至二零零六年六月三十日止六個月

FOR THE SIX MONTHS ENDED 30 JUNE 2006

本公司股東持有人應佔
Attributable to equity holders of the Company

	本公司股東持有人應佔							總計	少數股東權益	總計
	股本	股本溢價	資本儲備	其他儲備	法定盈餘公積金	法定公益金	累計虧損			
	Share capital	Share premium	Capital reserve	Other reserve	Statutory reserve fund	Statutory welfare fund	Accumulated losses	Total	Minority interest	Total
(經審核)	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
(Audited)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
於二零零五年一月一日										
At 1 January 2005	400,000	303,272	287,391	10,828	31,773	19,111	(501,161)	551,214	112,638	663,852
本期間虧損淨額										
Net loss for the period	—	—	—	—	—	—	(27,841)	(27,841)	(4,525)	(32,366)
應佔聯營公司儲備										
Share of reserves of associates	—	—	606	—	—	—	—	606	—	606
已付少數股東股息										
Dividend paid to minority shareholders	—	—	—	—	—	—	—	—	(2,800)	(2,800)
於二零零五年六月三十日										
At 30 June 2005	400,000	303,272	287,997	10,828	31,773	19,111	(529,002)	523,979	105,313	629,292
本期間溢利(虧損)淨額										
Net profit (loss) for the period	—	—	—	—	—	—	56,096	56,096	(8,564)	47,532
收購少數股東權益										
Acquisition from minority shareholders	—	—	—	—	—	—	—	—	(13,811)	(13,811)
應佔聯營公司儲備										
Share of reserves of associates	—	—	858	—	12	—	—	870	—	870
出售應佔聯營公司儲備										
Realised on disposal of an associate	—	—	—	—	(6)	—	—	(6)	—	(6)
於二零零五年十二月三十一日										
At 31 December 2005	400,000	303,272	288,855	10,828	31,779	19,111	(472,906)	580,939	82,938	663,877
(未經審核)										
(Unaudited)										
本期間虧損淨額										
Net loss for the period	—	—	—	—	—	—	(14,623)	(14,623)	(253)	(14,876)
應佔聯營公司儲備										
Share of reserves of associates	—	—	51,418	—	(6)	—	—	51,412	—	51,412
已付少數股東股息										
Dividend paid to minority shareholders	—	—	—	—	—	—	—	—	(2,300)	(2,300)
出售應佔聯營公司儲備										
Realised on disposal of an associate	—	—	(245)	—	—	—	—	(245)	—	(245)
於二零零六年六月三十日										
At 30 June 2006	400,000	303,272	340,028	10,828	31,773	19,111	(487,529)	617,483	80,385	697,868

簡明綜合現金流量表

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

截至二零零六年六月三十日止六個月

FOR THE SIX MONTHS ENDED 30 JUNE 2006

		截至六月三十日止六個月	
		Six months ended 30 June	
		二零零六年	二零零五年
		2006	2005
		人民幣千元	人民幣千元
		RMB'000	RMB'000
		(未經審核)	(未經審核)
		(Unaudited)	(Unaudited)
經營業務所得(所耗) 之現金淨額	Net cash from (used in) operating activities	31,877	(18,577)
投資活動(所耗) 所得之現金淨額	Net cash (used in) from investing activities	(20,807)	10,337
融資活動所耗之現金淨額	Net cash used in financing activities	(26,046)	(23,419)
現金及現金等值項目 減少淨額	Net decrease in cash and cash equivalents	(14,976)	(31,659)
期初現金及現金等值項目	Cash and cash equivalents at beginning of the period	89,403	101,202
期末現金及現金等值 項目，包括銀行結餘及 現金(附註13)	Cash and cash equivalents at end of the period, representing bank balance and cash (Note 13)	74,427	69,543

簡明綜合財務報告附註

截至二零零六年六月三十日止六個月

1. 簡介

本公司在中華人民共和國（「中國」）註冊成立之中外合資股份有限公司。本公司之最終控股公司為中國普天信息產業集團公司（「中國普天公司」），該公司乃在中國成立的國有機構。

本公司之股本在香港聯合交易所有限公司掛牌上市。

本財務報表以人民幣（「人民幣」）呈列，人民幣亦為本公司及其附屬公司（「本集團」）之功能性貨幣。

本集團主要業務為生產及銷售各類通訊電纜（包括不同類型的銅纜及光纜）、光纖、電纜套管、製造電纜使用的設備、生產配件及材料等。

2. 會計政策及編制基準

本集團之未經審計簡明綜合中期財務報表乃按照香港聯合交易所有限公司證券上市規則附錄16所載適用披露規定及香港會計師公會（「香港會計師公會」）頒佈之香港財務報告準則（「香港財務報告準則」）當中香港會計準則（「香港會計準則」）及註釋（以下統稱「新香港財務報告準則」）第34號《中期財務業績之申報》而編制。

簡明綜合中期財務報表乃根據歷史成本原則編制。

簡明綜合中期財務報表所採用之會計政策與本集團編制截至二零零五年十二月三十一日止年度之年度財務報表所遵從者一致。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2006

1. GENERAL

The Company is a sino-foreign joint stock limited company established in The People's Republic of China (the "PRC"). Its ultimate holding company is China PUTIAN Corporation ("China PUTIAN"), a state-owned enterprise established in the PRC.

The Company's shares are listed on The Stock Exchange of Hong Kong Limited.

The financial statements are presented in Renminbi ("RMB"), which is the same as the functional currency of the Company and its subsidiaries ("the Group").

The Group are principally engaged in the manufacture and sale of various types of telecommunication cables (including different types of copper cables and optical fibre cables), optical fibres, cable joining sleeves, as well as equipment, manufacturing parts and materials for the production of cables.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements set out in Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with the Hong Kong Accounting Standard ("HKAS") No.34 "Interim Financial Reporting" of Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The condensed consolidated interim financial statements have been prepared under the historical costs basis.

The accounting policies used in the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2005.

2. 會計政策及編制基準 (續)

於本期間，本集團首次採用多項香港會計師公會發出之新香港財務報告準則，此等準則由二零零六年一月一日或之後開始之會計期間生效。接納新香港財務報告準則對現行或之前之會計期間之業績之編制及呈報方式並無重大影響。

本集團並無提早採納以下已頒佈但尚未生效之新準則、修訂或詮釋。本公司董事預期應用此等準則、修訂或詮釋將不會對本集團之財務報表構成重大影響：

香港會計準則第1號 (修訂)

HKAS 1 (Amendment)

香港財務報告準則第7號

HKFRS 7

香港 (IFRIC) — 詮釋第7號

HK(IFRIC)-Int-7

香港 (IFRIC) — 詮釋第8號

HK(IFRIC)-Int-8

香港 (IFRIC) — 詮釋第9號

HK(IFRIC)-Int-9

¹ 於二零零七年一月一日或之後開始之年度期間生效。

² 於二零零六年三月一日或之後開始之年度期間生效。

³ 於二零零六年五月一日或之後開始之年度期間生效。

⁴ 於二零零六年六月一日或之後開始之年度期間生效。

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

In the current period, the Group had applied for the first time, a number of new HKFRSs issued by the HKICPA that are effective for accounting periods beginning on or after 1 January 2006. The adoption of the new HKFRSs has had no material effect on how the results and financial position for the current or prior accounting period as prepared and presented.

The Group has not early applied the following new standards, amendments or interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these standards, amendments or interpretations will have no material impact on the financial statements of the Group:

資本披露¹

Capital disclosures¹

金融工具：披露¹

Financial instruments: Disclosures¹

採用根據香港會計準則第29號惡性通脹經濟體系財務報告之重列方式²

Applying the restatement approach under HKAS 29 Financial Reporting in Hyperinflationary Economies²

香港財務報告準則第2號之範疇³

Scope of HKFRS 2³

嵌入式衍生工具之重新評估⁴

Reassessment of embedded derivatives⁴

¹ Effective for annual periods beginning on or after 1 January 2007.

² Effective for annual periods beginning on or after 1 March 2006.

³ Effective for annual periods beginning on or after 1 May 2006.

⁴ Effective for annual periods beginning on or after 1 June 2006.

3. 業務及地區分析資料

由於管理上理由，本集團現時主要由三項業務分析組成，生產及銷售銅纜及相關產品，光纖及相關產品及電纜套管及相關產品。

該等分項是本集團報告其主要分析資料之基礎。

截至二零零六年及二零零五年六月三十日止六個月的業務分析如下：

3. BUSINESS AND GEOGRAPHICAL SEGMENT INFORMATION

For management purposes, the Group is currently organised into three main operating segments, manufacture and sale of copper cable and related products, optical fibre and related products and cable joining sleeves and related products.

These divisions are the basis on which the Group reports its primary segment information.

Segment information for the six months ended 30 June 2006 and 2005 about these businesses is presented below:

截至二零零六年六月三十日止六個月
(未經審核)
Six months ended 30 June 2006
(Unaudited)

	生產及銷售 銅纜及 相關產品	生產及銷售 光纖及 相關產品	生產及銷售 電纜套管及 相關產品	其他業務	抵銷數*	合併數
	Manufacture and sale of copper cable and related products	Manufacture and sale of optical fibre and related products	Manufacture and sale of cable joining sleeves and related products	Other Operations	Elimination*	Consolidated
	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
業務收入	SEGMENT TURNOVER					
對外收入	199,527	29,387	25,064	—	—	253,978
內部收入	8,021	—	—	—	(8,021)	—
總收入	<u>207,548</u>	<u>29,387</u>	<u>25,064</u>	<u>—</u>	<u>(8,021)</u>	<u>253,978</u>
業務結果	SEGMENT RESULT					
	<u>(7,522)</u>	<u>555</u>	<u>(2,159)</u>	<u>—</u>	<u>—</u>	<u>(9,126)</u>
未攤分其他業務收入	Unallocated other operating income					
財務費用	(3,283)	(190)	—	—	—	1,425
應佔聯營公司業績	(472)	(4,626)	—	(177)	—	(3,473)
除稅前虧損	Loss before taxation					
	(16,449)					
所得稅	Taxation					
	1,573					
本期間虧損淨額	Net loss for the period					
	<u>(14,876)</u>					

3. 業務及地區分析資料 (續)

3. BUSINESS AND GEOGRAPHICAL SEGMENT INFORMATION (CONTINUED)

截至二零零五年六月三十日止六個月
(未經審核)
Six months ended 30 June 2005
(Unaudited)

	生產及銷售 銅纜及 相關產品	生產及銷售 光纖及 相關產品	生產及銷售 電纜套管及 相關產品	其他業務	抵銷數*	合併數
	Manufacture and sale of copper cable and related products	Manufacture and sale of optical fibre and related products	Manufacture and sale of cable joining sleeves and related products	Other Operations	Elimination*	Consolidated
	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
業務收入	SEGMENT TURNOVER					
對外收入	169,340	14,480	32,130	—	—	215,950
內部收入	11,770	—	187	—	(11,957)	—
總收入	<u>181,110</u>	<u>14,480</u>	<u>32,317</u>	<u>—</u>	<u>(11,957)</u>	<u>215,950</u>
業務結果	SEGMENT RESULT					
	<u>(16,633)</u>	<u>(3,856)</u>	<u>3,727</u>	<u>—</u>	<u>—</u>	<u>(16,762)</u>
未攤分其他業務收入	Unallocated other operating income					3,400
財務費用	Finance costs					(4,881)
應佔聯營公司業績	Share of results of associates					(9,125)
除稅前虧損	Loss before taxation					(27,368)
所得稅	Taxation					(4,998)
本期間虧損淨額	Net loss for the period					<u>(32,366)</u>

* 內部交易價格乃按市場估計價格釐定。若沒有市場估計價格，按成本加以一定百分比率利潤釐定。

* The inter-segment transactions were carried at estimated fair market price or, where no market price was available, at cost plus a percentage profit mark-up.

因本集團之所有業務均在中國進行，本集團之所有營業額及經營業績均於中國所獲得。

All of the activities of the Group are based in the PRC and all of the Group's turnover and results are derived from the PRC.



4. 其他業務收入

4. OTHER OPERATING INCOME

截至六月三十日止六個月
Six months ended 30 June
二零零六年 二零零五年
2006 2005
人民幣千元 人民幣千元
RMB'000 RMB'000
(未經審核) (未經審核)
(Unaudited) (Unaudited)

其他業務收入包括：	Included in other operating income is:		
利息收入	Interest income	<u>912</u>	<u>899</u>

5. 除稅前虧損

5. LOSS BEFORE TAXATION

截至六月三十日止六個月
Six months ended 30 June
二零零六年 二零零五年
2006 2005
人民幣千元 人民幣千元
RMB'000 RMB'000
(未經審核) (未經審核)
(Unaudited) (Unaudited)

除稅前虧損已扣除：	Loss before taxation has been arrived at after charging:		
物業、廠房及設備之折舊	Depreciation of property, plant and equipment	10,103	13,774
土地使用權之預付租賃款項攤銷	Amortisation of prepaid lease payments on land use rights	<u>309</u>	<u>923</u>

6. 所得稅

6. TAXATION

截至六月三十日止六個月
Six months ended 30 June
二零零六年 二零零五年
2006 2005
人民幣千元 人民幣千元
RMB'000 RMB'000
(未經審核) (未經審核)
(Unaudited) (Unaudited)

所得稅(抵免)支出包括：The taxation (credit) charge comprises:

中國所得稅	PRC income tax		
本期撥備	Provided for the period	98	1,740
以前期間(過多)	(Over) under-provision		
少提撥備	in prior periods	(1,671)	3,258
		<u>(1,573)</u>	<u>4,998</u>

由於本集團的收益均不在香港獲得或產生，故並無於簡明綜合財務報表對香港所得稅計提任何稅項準備。

No provision for Hong Kong Profits Tax has been made in the condensed consolidated financial statements as the Group's income neither arises in, nor is derived from, Hong Kong.

自一九九四年起，本公司已被有關當局確認為高新技術企業。根據成都高新技術企業的所得稅法，成都國家稅務局批准本公司享受調減所得稅率15%。

The Company had been recognised as a technologically advanced enterprise by relevant authorities since 1994. Pursuant to the Income Tax Laws concerning technologically advanced enterprise in Chengdu, the State Tax Authority in Chengdu approved the Company to entitle the reduced state enterprise income tax rate of 15%.

中國所得稅按稅率15%至33% (二零零五年六月三十日止六個月：15%至33%) 計算本期間之估計應課稅溢利。

PRC income tax is calculated at 15% to 33% (six months ended 30 June 2005: 15% to 33%) of the estimated assessable profit for the period.



7. 中期股息

本公司董事建議不派發截至二零零六年六月三十日止六個月的中期股息(二零零五年六月三十日止六個月：無)。

8. 每股基本虧損

每股基本虧損乃根據本公司股權持有人之應佔集團虧損人民幣14,623,000元(二零零五年六月三十日止六個月：人民幣27,841,000元)及本期間內已發行股份之加權平均數400,000,000股(二零零五年六月三十日止六個月：400,000,000股)計算。

9. 土地使用權之預付租賃款項、物業、廠房及設備及在建工程

於本期間，本集團分別支付約人民幣825,000元及人民幣9,893,000元(二零零五年六月三十日止六個月：人民幣709,000元及人民幣2,832,000元)於添置物業、廠房及設備及在建工程。而於本期間，本集團並無支付任何開支(二零零五年六月三十日止六個月：無)於添置土地使用權之預付租賃款項。

10. 長期預付款項

本集團所支付的預付款項是關於附註14的出售土地使用權之預付土地租賃款項。

7. INTERIM DIVIDEND

The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 June 2006 (six months ended 30 June 2005: Nil).

8. BASIC LOSS PER SHARE

The calculation of basic loss per share is based on the Group's net loss attributable to equity holders of the Company of RMB14,623,000 (six months ended 30 June 2005: RMB27,841,000) and on 400,000,000 shares (six months ended 30 June 2005: 400,000,000 shares) in issue during the period.

9. PREPAID LEASE PAYMENTS ON LAND USE RIGHTS, PROPERTY, PLANT AND EQUIPMENT AND CONSTRUCTION IN PROGRESS

During the period, the Group spent approximately RMB825,000 and RMB9,893,000 (six months ended 30 June 2005: RMB709,000 and RMB2,832,000) on additions to property, plant and equipment and construction in progress respectively. During the period, no payment (six months ended 30 June 2005: Nil) was spent by the Group on additions to prepaid lease payments on land use rights.

10. LONG TERM PREPAYMENT

The prepayments were paid by the Group in connection with the disposal of prepaid lease payments on land use rights as set out in note 14.

11. 長期應收款項

11. LONG TERM RECEIVABLE

		二零零六年 六月三十日 30.6.2006	二零零五年 十二月三十一日 31.12.2005
		人民幣千元 RMB'000 (未經審核) (Unaudited)	人民幣千元 RMB'000 (經審核) (Audited)
金額包括：	The amount represents:		
應收東莞CDC電纜廠 (「東莞CDC」)前度 少數股東款項(附註)	Amounts due from a former minority shareholder of Dongguan CDC Cable Factory ("Dongguan CDC") (Note)	23,770	23,770
減：備抵	Less: Allowance	<u>(23,770)</u>	<u>(23,770)</u>
		<u>—</u>	<u>—</u>

附註：此項應收款乃指貸款予本公司的附屬公司東莞CDC的前度少數股東的借款，為無抵押及免利息。於二零零二年十二月三十一日，此筆應收借款獲得本公司最終控股公司中國普天公司作出擔保。於二零零三年十二月三十一日，中國普天公司已撤銷該項擔保。本公司董事認為該應收前度少數股東借款無法收回，故此已於以前年度綜合損益表中確認準備為人民幣23,770,000元。

Note: The amount represents receivable due from a former minority shareholder of Dongguan CDC, a subsidiary of the Company, which is interest-free and unsecured. As at 31 December 2002, the repayment of the amount was guaranteed by China PUTIAN. On 31 December 2003, the guarantee was withdrawn by China PUTIAN. In the opinion of directors of the Company, the amount due from the former minority shareholder of Dongguan CDC is irrecoverable and accordingly, an allowance of RMB23,770,000 was recognised in the consolidated income statement in previous years.



12. 應收貿易帳款及票據

12. TRADE AND BILLS RECEIVABLES

		二零零六年 六月三十日 30.6.2006	二零零五年 十二月三十一日 31.12.2005
		人民幣千元 RMB'000 (未經審核) (Unaudited)	人民幣千元 RMB'000 (經審核) (Audited)
應收貿易帳款及票據	Trade and bills receivables	261,429	240,045
減：呆壞帳備抵	Less: Allowance for bad and doubtful debts	(89,787)	(91,223)
		171,642	148,822

本集團給予貿易客戶平均信用期限為一百二十日。於資產負債表日，應收貿易帳款及票據減備抵的帳齡分析如下：

The Group allows an average credit period of 120 days to its trade customers. The following is an aged analysis of trade and bills receivables net of allowances at the balance sheet date.

		二零零六年 六月三十日 30.6.2006	二零零五年 十二月三十一日 31.12.2005
		人民幣千元 RMB'000 (未經審核) (Unaudited)	人民幣千元 RMB'000 (經審核) (Audited)
九十日內	Within 90 days	107,839	105,776
九十一日至一百八十日	91 - 180 days	32,182	24,284
一百八十一日至 三百六十五日	181 - 365 days	24,591	18,762
三百六十五日以上	Over 365 days	7,030	—
		171,642	148,822

於資產負債表日，本集團之應收貿易帳款及票據之公允值與同期之帳面值相若。

The fair value of the Group's trade and bills receivables at the balance sheet date was approximated to the corresponding carrying amount.

13. 銀行存款、結餘及現金

13. BANK DEPOSITS, BALANCES AND CASH

		二零零六年 六月三十日 30.6.2006	二零零五年 十二月三十一日 31.12.2005
		人民幣千元 RMB'000 (未經審核) (Unaudited)	人民幣千元 RMB'000 (經審核) (Audited)
銀行存款：	Bank deposits:		
抵押存款(附註a)	Pledged deposits (note a)	4,993	54,917
非抵押存款	Unpledged deposits		
– 專項存款(附註b)	– Designated deposits (note b)	8,027	6,046
– 其他(附註c)	– Others (note c)	60,700	—
		73,720	60,963
銀行結餘及現金	Bank balances and cash	74,427	89,403
		148,147	150,366

附註：

- a. 該款項抵押予銀行，作為本集團已取得的短期銀行貸款及未使用的信貸額之保證，因此被列作流動資產。
- b. 該款項為收到員工按集團職工住房計劃提供的集資款，以集團名義存入銀行。
- c. 其他為銀行定期存款，到期日為3個月或以上。定期存款按固定年利率2.07%至2.25%計息。
- d. 於資產負債表日，本集團之銀行存款及現金之公平值與同期之帳面值相若。

Notes:

- a. The amounts represent deposits pledged to banks to secure short-term bank borrowings and undrawn banking facilities granted to the Group, and are therefore classified as current assets.
- b. The amounts represent contributions received from employees in respect of the staff quarters development plans of the Group which have been deposited with the banks under the name of the Group.
- c. The amount represent time deposits with the maturity period over 3 months. The deposits carry fixed interest rate ranging from 2.07% to 2.25% per annum.
- d. The fair value of the Group's bank deposit, balance and cash at the balance sheet date was approximated to the corresponding carrying amount.



14. 分類為待出售之資產

分類為待出售之資產意指將予作出售的土地使用權之預付土地租賃款項。

根據本集團與獨立第三方簽訂的土地轉讓合同、補充合同及第二補充合同，本集團已同意出售，而該獨立第三方亦已成功通過公開拍賣，競投得本集團位於中國成都的總部土地(約244.77畝)，代價約為人民幣793,060,000元。

根據第二補充合同，出售的總代價及土地的交付將分為三個階段，並必須於二零零七年十二月三十一日前完成。於二零零五年十二月三十一日，本集團已交付約50畝土地並已確認約人民幣122,723,000元的出售土地使用權之預付租賃款項收益(二零零六年六月三十日止六個月：無)。詳細的交易資料已於本公司在二零零五年十二月二十三日發出的通函內列明。

有關資產出售的淨所得款項預期將超過該資產的帳面淨額，因此，不用確認減值虧損。

14. ASSETS CLASSIFIED AS HELD FOR SALE

Assets classified as held for sales represent the land use right to be disposed.

Pursuant to the land transfer agreement, the supplemental agreement and the second supplemental agreement entered into between the Group and an independent third party. The Group has agreed to sell, and an independent third party, has successfully bid during the year, a piece of land (approximately 244.77 mu) on which the headquarters of the Group was situated in Chengdu, the PRC (the "Land") for a consideration of approximately RMB793,060,000.

In accordance with the second supplemental agreement, the considerations shall be settled and the Land shall be delivered by three stages and the transaction shall be completed before 31 December 2007. As at 31 December 2005, the Group has delivered approximately 50 mu of the Land and recognised approximately RMB122,723,000 as gain on disposal of prepaid lease payments on land use right accordingly (six months ended 30 June 2006: Nil). Details of this transaction had set out in the Company's circular dated 23 December 2005.

The net proceeds of disposal are expected to exceed the net carrying amount of the relevant assets and accordingly, no impairment loss has been recognised.

15. 應付貿易帳款及票據

15. TRADE AND BILLS PAYABLES

		二零零六年 六月三十日 30.6.2006	二零零五年 十二月三十一日 31.12.2005
		人民幣千元 RMB'000 (未經審核) (Unaudited)	人民幣千元 RMB'000 (經審核) (Audited)
於資產負債表日， 應付貿易帳款及票據 之帳齡分析如下：	At the balance sheet date, an aged analysis of trade and bills payables is as follows:		
九十日內	Within 90 days	36,798	31,814
九十一日至一百八十日	91 - 180 days	8,360	21,918
一百八十一日至 三百六十五日	181 - 365 days	5,287	2,656
三百六十五日以上	Over 365 days	4,819	2,740
		55,264	59,128

於資產負債表日，本集團之應付貿易帳款及票據之公允值與同期之帳面值相若。

The fair value of the Group's trade and bills payable at the balance sheet date was approximated to the corresponding carrying amount.

16. 股本

16. SHARE CAPITAL

		二零零六年六月三十日 (未經審核) 及 二零零五年十二月三十一日 (經審核) 30.6.2006 (Unaudited) & 31.12.2005 (Audited)	
		股份數目 No. of shares	金額 Amount 人民幣千元 RMB'000
每股人民幣1元之 已註冊，發行及 繳足股本：	Registered, issued and fully paid-up capital of RMB1 each:		
國家擁有法人股	Stated-owned legal person shares	240,000,000	240,000
海外上市外資股	Overseas listed foreign invested shares	160,000,000	160,000
		400,000,000	400,000



17. 資本承擔

於資產負債表日，本集團有以下資本承擔：

17. CAPITAL COMMITMENTS

At the balance sheet date, the Group had the following capital commitments:

	二零零六年 六月三十日 30.6.2006	二零零五年 十二月三十一日 31.12.2005
	人民幣千元 RMB'000 (未經審核) (Unaudited)	人民幣千元 RMB'000 (經審核) (Audited)
已訂約但尚未撥備：		
本集團新廠房 建築圖之設計費	240	1,011
機器及設備添置	1,348	582
本集團搬遷廠房、購置 土地及新廠房之建築	45,271	—
已授權但未簽約：		
機器及設備添置	9,760	9,920
本集團搬遷廠房、購置 土地及新廠房之建築	115,504	180,000
	172,123	191,513

18. 資產抵押

於資產負債表日，本集團將以下資產抵押予銀行，作為本集團的信貸而取得的信貸額為人民幣11,935,000元(二零零五年十二月三十一日：人民幣76,379,000元)之保證。

18. PLEDGE OF ASSETS

At the balance sheet date, the Group pledged the following assets to banks as security for general banking facilities granted to the Group amounting to RMB11,935,000 (31 December 2005: RMB76,379,000):

		二零零六年 六月三十日 30.6.2006	二零零五年 十二月三十一日 31.12.2005
		人民幣千元 RMB'000 (未經審核) (Unaudited)	人民幣千元 RMB'000 (經審核) (Audited)
銀行存款	Bank deposits	4,993	54,917
土地使用權	Prepaid lease payments on land use rights	2,588	2,651
建築物	Buildings	10,398	10,836
		17,979	68,404



19. 關連交易及結餘

於二零零六年及二零零五年六月三十日止六個月，本集團與其關連公司進行的交易概要如下：

19. RELATED PARTY TRANSACTIONS AND BALANCES

During the six months ended 30 June 2006 and 2005, the Group entered into the following transactions with related parties:

		截至六月三十日止六個月	
		Six months ended 30 June	
		二零零六年	二零零五年
		2006	2005
		人民幣千元	人民幣千元
		RMB'000	RMB'000
		(未經審核)	(未經審核)
		(Unaudited)	(Unaudited)
最終控股公司及其附屬公司：	Ultimate holding company and its subsidiaries:		
– 銷售製成品	– Sales of finished goods	53	—
– 租金收入	– Rental income	75	—
– 管理費收入	– Management fee income	9	—
聯營公司：	Associates:		
– 銷售製成品	– Sales of finished goods	10,200	4,567
– 採購原材料	– Purchase of raw materials	15,592	8,096
– 技術轉讓費收入	– Technology transfer fee income	—	164
– 租金收入	– Rental income	70	—

(a) 於二零零六年六月三十日，中國普天公司授予本集團銀行信貸額之擔保金額為人民幣50,000,000元(二零零五年十二月三十一日：人民幣50,000,000元)及於本期間並無向本集團收取任何擔保費用(二零零五年十二月三十一日：無)。

(b) 與聯營公司及關連公司之往來結餘，乃無抵押、無利息及須於要求時償還。與聯營公司、關連公司及集團前度少數股東往來結餘詳情已列載於本集團之簡明綜合資產負債表內。

(a) As at 30 June 2006, China Potevlo is also providing guarantees for banking facilities amounting to RMB50,000,000 (31 December 2005: RMB50,000,000) granted to the Group and did not charge the Group during the period (31 December 2005: Nil).

(b) Balances with associates and related companies are unsecured, interest-free and repayable on demand. Details of the balances with the associates, related companies and a former minority shareholder of the Group are set out in the condensed consolidated balance sheet of the Group.

19. 關連交易及結餘 (續)

(c) 本公司授予非全資附屬公司銀行信貸額之擔保金額如下：

19. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(c) The Company is providing guarantees for banking facilities granted to non-wholly owned subsidiaries. The guarantees amount as follow:

		二零零六年 六月三十日 30.6.2006	二零零五年 十二月三十一日 31.12.2005
		人民幣千元 RMB'000 (未經審核) (Unaudited)	人民幣千元 RMB'000 (經審核) (Audited)
成都中住光纖有限公司	Chengdu SEI Optical Fiber Co., Ltd.	20,000,000	20,000,000
成都中菱無線通信電纜有限公司	Chengdu MCIL Radio Communication Cable Co., Ltd.	18,000,000	18,000,000

Potevio
中国普天

成都普天電纜股份有限公司

CHENGDU PUTIAN TELECOMMUNICATIONS

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