

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、程控交換機電纜、電視電纜、電纜套管、光纖、光纜、移動通訊電纜等。

於本期間，本集團共實現營業額為人民幣161,670,000元，較去年同期的人民幣278,034,000元下降41.85%。本集團股東應佔虧損為人民幣67,719,000元，而去年同期為溢利人民幣54,982,000元。

正如我們在去年年末展望本年度形勢時曾指出，在世界經濟發展形勢尚不明朗，不確定因素的影響尚難全面、準確評估的情況下，使我們面臨的經營形勢更加嚴峻。於本期間內，世界經濟發展未能走出低谷，尤其全球電信業仍處於低迷及尚在進行調整，造成投資不足，市場需求減少。國內市場上，由於中華人民共和國（「中國」）電信業全局性戰略重組直到五月末才

MANAGEMENT DISCUSSION AND ANALYSIS

(1) Analysis of the Results

During the Period, the principal products of the Group were plastic telephone cables, program-controlled telephone exchange system 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 RMB161,670,000, representing a 41.85% decrease over RMB278,034,000 when compared with the corresponding period last year. Loss attributable to shareholders of the Group amounted to RMB67,719,000 whereas a profit of RMB54,982,000 was recorded for the corresponding period last year.

As we pointed out during our comment on the prospect of this year at the end of last year, we would experience a more difficult operating environment in view of the uncertainties of the global economic development and under the conditions that the impact of those uncertainties cannot be fully and accurately evaluated. During the Period, the global economic development in the international market had not been turned around from depression, especially the global telecommunication industry which was still undergoing adjustment so that there was lack of investment and market demand was decreasing.

基本完成，而電信營運商尚需根據市場需求來調整投資結構和投資方向，使預期的市場未能如期啟動，造成上半年全國通信固定資產投資有較大幅度下降，至六月末，全國通信固定資產投資規模不到去年同期的七成。由於通信產品製造商受電信營運商固定資產投資減少的影響，進一步加劇了市場競爭，這些不利因素導致本公司上半年訂單不足和產品銷售價格大幅下降。

於本期間內，本集團共銷售全塑市話電纜564,000對公里，較去年同期減少48.6%；程控交換機電纜銷售41,000對公里，較去年同期減少35%；電視電纜銷售3,385公里，較去年同期減少31%；電纜套管實現銷售650,000套，較去年同期減少13.3%。由於同行業的激烈競爭使本集團產品價格也較去年同期有不同幅度的下降，其中，全塑市話電纜、程控交換機電纜和電視電纜等平均價格分別下降了4.7%、4.8%、7.3%，這對本公司營業額和效益的實現均產生了較大影響。

本公司專業生產光纖、光纜的附屬企業中住公司及聯營企業中康公司的經營業績對本集團的整體業績的實現具有舉足輕重的作用，但就今年上半年與去年同期比較，這兩間企業的經營業績形成了巨大的反差。去年同期，全球性光纖供應緊缺，價格大幅上揚，而今年光纖供過於求，價格大幅下降，市場競爭十分激烈，導致光纜銷售價格的下降幅度大於光纖價格的下降幅度，給生產經營活動造成了極大的困難，因此影響到該兩間企業的經營業績。

In the domestic market, as the comprehensive strategic restructuring of the telecommunication industry in the People's Republic of China (the "PRC") was only basically completed by the end of May, and the telecommunication companies would adjust their investment plan and direction according to the market demand so that the expected market demand had not been materialised, there was a relatively significant decrease of the fixed assets investment for telecommunication industry in the PRC during the first half of the year. Up to the end of June, the fixed assets investment for telecommunication industry in the PRC was less than 70% of the amount for the corresponding period last year. As a result of the reduction in fixed assets investment by the telecommunication products manufacturers, there was tighter competition in the market. These unfavourable factors led to insufficient purchase orders and significant decrease in selling price of the products.

During the Period, the Group sold 564,000 pair kilometers, 41,000 pair kilometers, 3,385 kilometers and 650,000 sets of plastic telephone cables, program-controlled telephone exchange system cables, television cables and cable joining sleeves, representing a decrease of 48.6%, 35%, 31% and 13.3% respectively as compared with the corresponding period last year. The keen competition within the industry led to a various decrease in selling prices of the Group's products. The average selling prices of plastic telephone cables, program-controlled telephone exchange system cables were and television cables were decreased by 4.7%, 4.8% and 7.3% respectively. These conditions had relatively great impact on the Company's turnover and profitability.

The operating results and profitability of the Company's associate company and subsidiary specialising in production of optical fibres and optical fibres cables, SEI and CCS, would have significant impact on the Group's achievement in overall results. However, there were significant contrasting operating results of these two companies in the first half of the year compared with the corresponding period last year. During the corresponding period last year, there were shortage of supply for optical fibres in global market and significant increase in prices. During this year, there were excess supply over demand for optical fibres, significant decrease in prices and keen competition in the market. As a result, the range of the decrease in selling prices of optical cables was bigger than the range of the decrease in prices of optical fibres. This led to great difficulty in production and operation and affected the operating results of these two companies.

(二) 主要業務回顧

面對通信信息市場急驟變化造成嚴峻的市場形勢和經營環境，在本期內，董事會和本公司經營班子沉著應對，堅定信心，紮實工作，迎接挑戰，為實現今年的經營目標進行了不懈的努力及作了充分準備。本集團於本期內主要業務活動摘錄如下：

1. 為適應市場經濟和建立健全現代企業制度的要求，切實轉換企業運行機制、管理模式，於本期內，本公司聘請了資深的專家、學者對公司發展戰略與管理進行了大規模的諮詢、診斷，找出了存在的問題和薄弱環節，理清了今後發展的方向和思路，提出了系統的整改建議和措施。本公司將會對此建議和措施進行認真研究，逐步納入公司發展規劃並落實整改，為本集團的擴張、騰飛作好充分的準備。
2. 為增強公司活力，靈活運用公司的資產和資源，實現降耗增效的目的，大力推進公司內部改革，強化內部管理，以逐步實現公司內部運行機制、管理模式的轉換。在本期內，本公司加大了對輔助生產單位和後勤服務部門的剝離力度，本公司生活服務公司、職工醫院等已分流，實行有充分自主權的承包經營、獨立核算、自負盈虧，銅材分廠部分業務也採取特殊承包經營辦法，為今後的改革進行了有益的探索。

(2) Review of Principal Operations

In view of the serious market conditions and operating environment as a result of the rapid changes in the telecommunication industry, the Board of Directors and senior management of the Company tackled the difficulties carefully, strengthened their confidence, laid a sound foundation in their work and dealt with challenges decisively. To achieve the operating targets and plan this year, they carried out their work relentlessly and made full preparation for the operations. The main business activities during the Period are summarised as follows:

1. To cope with the market economy and the requirements in establishing a modern enterprise system, the Group strived to change the operating mechanism and management system. During the Period, the Group appointed experienced management experts and scholars to conduct large-scale consultation and diagnosis on the Group's development strategy and management. As a result, certain existing problems and weaknesses were identified; future development direction and ideas were clarified; and systematic proposal and measures for reforms were presented. The Company will sincerely consider these proposal and measures for reforms, include these ideas step by step in the Company's development plan and implement the reforms so that the Group will be well prepared for its expansion and rapid development.
2. To enhance the capability of the Company, better utilise the Company's assets and resources and achieve the target of reducing cost and enhancing effectiveness, the Company strived to implement internal reforms and strengthened internal management to achieve a gradual transformation in the operating mechanism and management system within the Company. During the Period, the Company put more efforts in the segregation of the ancilliary production units and supporting service departments. The Company's staff service companies and hospitals had been segregated from the Group by subcontracting to outsiders with independent operating authorities, separate accounting system and self-financing. Special subcontracting arrangements were also implemented for certain businesses of the copper materials factory. These measures provided a good source of ideas for reforms in the future.

3. 為提高技術創新和新產品開發的能力，使新產品能盡快完成研發，投入生產並產生效益，以加快線纜產品結構的調整，經批准建立的新產品中試基地進展順利，已完成土建工作，現正進行公用工程的施工，訂購的設備部分已運送到公司，整個計劃可按期完成。
4. 抓好投資管理，為現有附屬及聯營企業的規模型發展和良性運作提供強力支撐和幫助，在本期內，中住公司光纖三期擴產工程進展順利，各項工作正在按計劃推進；中康公司光纖二期擴產工程進展順利，新廠房將於七月封頂；成都八達接插件有限公司（「八達公司」）股權收購調整的工作和深圳普達通信技術有限公司（「深圳普達公司」）有關公司註冊登記的手續正在積極辦理之中。

(三) 財務分析

截至二零零二年六月三十日止，本集團資產總值為人民幣1,185,601,000元，較去年年末的人民幣1,287,135,000元減少7.89%。其中非流動資產總值為人民幣597,744,000元，佔總資產值的50.42%，較去年年末的人民幣635,046,000元減少5.87%。流動資產總值為人民幣587,857,000元，佔總資產的49.58%，較去年年末的人民幣652,089,000元減少9.85%。

本集團於本期間之經營業務淨現金流出為人民幣56,957,000元，去年同期為淨現金流出人民幣9,593,000元。

本集團於本期間之投資活動產生的淨現金流入為人民幣16,653,000元，去年同期為淨現金流入人民幣32,768,000元。

3. To enhance the ability of developing new technology and products so that research and development of new products can be completed for production and generating results as soon as possible and speeding up the adjustment in line cables product mix, there was smooth progress in the construction of new product testing centre, of which the foundation construction works were completed, construction works for common areas were in progress and certain equipment ordered had been delivered to the Company. The whole project will be completed on time.
4. To effectively support and assist the development with appropriate economy of scale and healthy operation of the existing subsidiaries and associated companies, the Group put efforts in improving its investment management. During the period, the progress in the third phase expansion project of SEI was smooth and various works were in line with the plan. There was smooth progress in the second phase expansion project of CCS and the new factory will be completed in July. The acquisition of the equity interest in Chengdu Bada Connector Company Limited ("Bada Company") and in registration for the establishment of Shenzhen Puda Communication Technology Company Limited ("Shenzhen Puda Company") were being actively processed.

(3) Financial Analysis

As at 30 June 2002, the Group's total assets amounted to RMB1,185,601,000, representing a decrease of 7.89% over RMB1,287,135,000 when compared with the end of the last year. Non-current assets amounted to RMB597,744,000, accounting for 50.42% of the total assets and representing a decrease of 5.87% over RMB635,046,000 when compared with the end of the last year. Current assets amounted to RMB587,857,000, accounting for 49.58% of the total assets and representing a decrease of 9.85% over RMB652,089,000 when compared with the end of the last year.

The net cash outflow from operating activities of the Group during the Period amounted to RMB56,957,000. The net cash outflow was RMB9,593,000 when compared during the corresponding period last year.

The net cash inflow arising from investing activities of the Group during the Period amounted to RMB16,653,000. There was net cash inflow of RMB32,768,000 during the corresponding period last year.

截至二零零二年六月三十日止，本集團銀行結餘及現金（包括抵押銀行存款）為人民幣209,066,000元，較去年年末的人民幣252,669,000元減少17.26%。

As at 30 June 2002, the Group's bank balances and cash (including pledged bank deposits) amounted to RMB209,066,000, representing a decrease of 17.26% over RMB252,669,000 when compared with the end of the last year.

截至二零零二年六月三十日止，本集團負債總額（不包括少數股東權益）為人民幣346,684,000元，資產負債率為341.98%，較去年年末的339.94%上升2.04%，其中一年內到期銀行貸款為人民幣214,361,000元，較去年年末的人民幣201,861,000元增加6.19%，與去年年末比較，無太大變化。

As at 30 June 2002, the Group's total liabilities (excluding minority interests) amounted to RMB346,684,000. The asset-liability ratio was 341.98%, representing an increase of 2.04% as compared with 339.94% at the end of the last year. Short term bank loans due within one year amounted to RMB214,361,000, representing an increase of 6.19% over RMB201,861,000 when compared with the end of the last year, representing no significant change as compared with the end of the last year.

於本期間，本集團為以上貸款支付的利息為人民幣6,595,000元，而去年同期為人民幣6,119,000元。

During the Period, the interest expenses paid by the Group in respect of the above loans amounted to RMB6,595,000. The interest expenses amounted to RMB6,119,000 in the corresponding period last year.

於本期間內，本集團未有安排其他集資活動。

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

於本期間內，本集團的分銷費用、行政及其他費用和財務費用分別為人民幣12,115,000元、43,525,000元、6,595,000元，較去年同期的人民幣16,069,000元、50,243,000元、6,119,000元，分別減少24.61%、13.37%、增加7.78%。

During the Period, distribution costs, administrative and other expenses and finance costs amounted to RMB12,115,000, RMB43,525,000 and RMB6,595,000 respectively, representing a decrease of 24.61% and 13.37% and an increase of 7.78% respectively as compared with RMB16,069,000, RMB50,243,000 and RMB6,119,000 of the corresponding period last year.

於本期間內，本集團的平均毛利率為3.74%，較去年同期的34.22%下降30.48%。

During the Period, the average gross margin of the Group was 3.74%, representing a decrease of 30.48% from 34.22% of the corresponding period last year.

於本期間內，本集團的應收貿易賬款和存貨分別為人民幣193,833,000元、153,021,000元，較去年年末的人民幣201,963,000元、168,976,000元分別下降4.03%、9.44%。

During the Period, the trade receivables and inventories of the Group amounted to RMB193,833,000 and RMB153,021,000, representing a decrease of 4.03% and 9.44% respectively from RMB201,963,000 and RMB168,976,000 when compared with the end of last year.

1. 資金流動性分析

截至二零零二年六月三十日止，本集團資金流動比率為176%，速動比率為130%。綜合考慮本行業的特點及當前市場情況，上述數據表明，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。

2. 財政資源分析

截至二零零二年六月三十日止，本集團共獲銀行短期貸款為人民幣214,361,000元，該短期貸款為分期支付貸款，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209,066,000元，因此，本集團並無短期償債風險。

截至二零零二年六月三十日止，本集團長期借款約為人民幣13,204,000元，該借款為長期分期還款，其期限最長達36年。由於本集團長期借款金額較小，故對本集團的營運並無太大影響。

3. 本集團資本結構情況

本集團的資金來源是利潤、銀行貸款和募股資金。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。

1. Analysis of liquidity

As at 30 June 2002, the Group's liquidity ratio and quick ratio were 176% and 130%. Taking into account the overall characteristics of the industry and the existing market conditions, the above figures 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, there was still relatively big room for further improvement. This should be the focus of the Group's work in the future and justified for further research in these areas.

2. Analysis of financial resources

As at 30 June 2002, the Group's short-term bank loan amounted to RMB214,361,000. This loan is repayable by instalments and the Group has repaid those instalments due for repayment. At the same time, the Group has adequate bank and cash balances of RMB209,066,000. Accordingly, the Group does not have short term repayment risk.

As at 30 June 2002, the Group's long term loans amounted to approximately RMB13,204,000. All these long term loans were instalment loans with the maximum repayment term of 36 years. As the balance of long term loans was immaterial, there was no significant impact on the operation of the Group.

3. Capital structure of the Group

The Group's capital resources are derived from profit, bank loans and proceeds from shares issue. To ensure proper utilisation of capital funds, the Group has established a tight and sound financial management system. During the Period, no problem occurred in terms of repaying loans due for payments and fulfilling obligations due for performance.

In the future, the Group will strengthen the utilisation and management of funds so that the funds can be fully utilised while production and operation are in normal operations.

(四) 業務展望

展望下半年的經濟形勢，我們認為，當前雖然仍有很多困難，但下半年應是有利因素大於不利因素。首先是國家政策穩定，政策對整個經濟的支持作用依然穩健；第二，上半年國內整體經濟發展好於預期，已奠定了一個好的發展基礎；第三，信息產業仍是國內發展的重點，國內主要電信營運商的重組已基本完成，下半年度的投資規模會高於上半年。這些均會對通信產業的發展產生正面的影響。因此，我們對本集團下半年的工作仍然充滿信心，本集團將會抓住這有利形勢實施如下措施：

1. 繼續深化企業改革，加強企業管理，切實轉換經營機制，強調企業管理和激勵機制的「動態化」，在用人機制上真正體現幹部能上能下，人員能進能出，收入能增能減。以財務成本管理和投資管理為企業管理的重中之重，不斷完善內部經營承包責任制。
2. 積極開拓市場，在加大市場開發投入的同時，要加強市場調研工作，加強營銷隊伍建設，優化營銷人員的素質，鞏固現有的銷售網路，拓寬銷售渠道和制定切實可行的銷售策略，擴大市場佔有率，健全營銷承包責任制和激勵機制，充分調動營銷人員積極性。

(4) Business Prospect

In respect of the economic conditions in the second half of the year, in our opinion, the favourable factors will be more than unfavourable factors although there will be many difficulties at this stage. Firstly, the State policies are stable and the support of the policies towards the whole economy is still firm and steady. Secondly, the overall economic development in the PRC in the first half of the year has been better than expectation. This has laid down a good foundation for development. Thirdly, the development of the telecommunication industry is still the focus of the domestic development. The reorganisation of the domestic telecommunication operating companies has been basically completed. The scale of investment in the second half of the year will be greater than that of the first half of the year. These will have positive impact on the development of the telecommunication industry. Accordingly, we are still confident in the works of the Group in the second half of the year. In view of the favourable conditions, the Group will carry out the following measures:

1. The Group will continue to place more efforts in enterprise reform, strengthening enterprise management, firmly carrying out the transformation of operating mechanism and placing emphasis on the flexibility of enterprise management and incentive system. The Group will implement the mechanism of staff employment where there will be promotion and demotion, appointment and dismissal, increase and reduction in remunerations in accordance with performance. The Group will place the highest priority on the financial and cost management and investment management so that the Group can continue to refine the subcontracting responsibility system in the internal operations.
2. The Group will actively explore new markets. In addition to putting more efforts in market development, the Group will strengthen the work in market research, strengthen the establishment of operating and sales teams, enhance the quality of operating and sales personnel and consolidate the existing sales networks. The Group will expand the sales channels and set out a feasible sales strategy to increase the market share. The Group will refine the subcontracting responsibility system and incentive mechanism in operation and sales so that the operating and sales personnel can be fully motivated.

3. 以市場為導向，加強市場分析，不斷尋求新的項目和利潤增長點，積極穩妥地進入新領域。抓緊對光通信用光電模塊的預研工作，全力開發光通信、光器件等方面的項目新品。使公司逐步做到產品多元化，在公司現有銅纜的基礎上，開發寬帶全塑市話電纜、新型程控電纜、汽車纜和其他特種電纜，實現線纜產品向多樣化，高端化，精細化方向發展。
 4. 抓好投資管理，針對國內外市場急驟變化的實際情況，積極穩妥地調整、推進中住公司、中康公司等聯營企業的擴產項目；充分利用上市公司平臺，進行資本運作，置換不良資產，壯大公司實力。抓好其他合資聯營企業的鞏固和發展工作，實現降耗增效，持續發展的目標。
 5. 加強本公司財務管理、成本核算和資金管理工作，進行原材料、零件的國產化研究，嚴把採購質量、成本關，降低產品生產成本，通過盤活閑置存量資產和加強資金管理、提高資金利用率。
3. In line with the market trend, the Group will strengthen market analysis, continue to find new projects and new areas for profit growth and enter into new business actively and steadily. The Group will place more efforts in the research works on the use of optical telecommunication mould parts in optical telecommunication and focus on the development of new products in optical telecommunication and optical equipment facilities so that the Group can achieve production diversification gradually. Based on the Group's existing copper cable products, the Group will develop broadband plastic telephone cables, new program-controlled telephone exchange system cables, automobile cables and other specialised telecommunication cables so that the Group can achieve further development towards diversification of fibre and cable products, advanced technology and high precision.
 4. The Group will focus on investment management. In line with existing conditions of rapid changes in international and domestic market, the Group will actively and steadily adjust and push forward the expansion projects of its associated company and subsidiary, CCS and SEI. The Group will fully utilise the status as a listed company to carry out financial restructuring, replacement of defective assets and strengthen the foundation of the Group's operations. The Group will manage the work relating to the consolidation and development of other joint venture associated companies. The Group will try to achieve the targets of reduced cost and enhanced effectiveness and continuous development.
 5. The Group will strengthen the Company's work in financial management, cost evaluation and assets management. The Group will carry out research on local production of raw material items, carefully control the quality and cost of purchasing to reduce the production costs. The Group will enhance the utilisation rate of funds by fully utilising the existing redundant assets and strengthening the funds management.

募集資金的運用

本公司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，自上市至二零零二年六月三十日止，累計動用資金約為港幣 331,000,000 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 246,640,000 元。

尚未使用的募集資金約為港幣 93,000,000 元，存放於中國境內的銀行。

逾期定期存款

截至二零零二年六月三十日止，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。

存放於中國租賃有限公司的人民幣 30,000,000 元本金，雖然已於二零零零年度經批准全額作壞賬撥備處理，但我們並未放棄追討該筆資金的努力，可惜於本期間仍無進展。

出售員工住房

1. 本公司在一九九八年之前出售之員工住房，有關賬目按中國財政部的有關規定已在二零零零年度處理完畢，並在二零零零年年度報告中予以披露。
2. 本公司於二零零零年度、二零零一年度分別有一項已獲批准的員工集資建房計劃，截至二零零二年六月三十日止，此計劃共收到員工預付的定金人民幣 22,377,000 元，該項集資計劃完成後，本公司將全部產權出售給員工。
3. 於本期間內，本公司無新的員工集資建房計劃。

USE OF PROCEEDS

The Company 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 2002, the Company had used a total of approximately HK\$331,000,000, of which HK\$84,360,000 was used in investment projects and HK\$246,640,000 was used for debt repayment and working capital.

The unutilised proceeds amounted to RMB93,000,000 which is deposited with a bank in the PRC.

OVERDUE TIME DEPOSITS

The Company has no other deposit or trust deposit with non-bank financial institutions or time deposits which cannot be withdrawn on maturity as at 30 June 2002.

Although the principal of a deposit of RMB30,000,000 in China Leasing Company Limited has been written off as provision for bad debt in the year 2000, we have not given up the effort to recover the amount. However, there was no progress in the recovery of the deposit during the Period.

SALE OF STAFF QUARTERS

1. The disposal of staff quarters before 1998 has been dealt with and disclosed in the Company's financial report for the year 2000 in accordance with relevant regulations promulgated by the Ministry of Finance of the PRC.
2. The Company introduced an approved programme for raising funds from its employees to construct staff quarters during 2000 and 2001. As at 30 June 2002, the total amount of deposits received from staff in respect of such programme amounted to RMB22,377,000. Upon completion of the programme for raising funds, the Company will transfer all the titles of staff quarters to its staff.
3. The Group has not introduced any programme for raising funds from its employees to construct staff quarters during the Period.

統一所得稅及取消地方政府退稅優惠

本公司享受高新技術企業15%的所得稅稅率優惠，並按此納稅，未享有所得稅財政返還優惠。於本期間內，本公司未獲悉稅務部門有關任何對15%稅率政策產生改變的通知。

近期經濟發展和加入世界貿易組織(世貿)對本集團的影響

於本期間內，在國內通信信息領域，雖然存在著市場啟動推遲、潛在的市場需求未能及時地轉化為真實的市場需求、投資規模較大幅度下降、價格競爭成為市場競爭的主要手段的情況，導致了大部分通信信息產品製造商效益下滑，但我們認為，這是一個短期和必經的過程，隨著我國電信營運大格局的確定和市場競爭的「理性化」及「規範化」，我們將會在我國通信信息產業新一輪的大發展中受益。

隨著世界經濟一體化的推進，尤其是在我國加入「世貿」組織後，世界經濟的發展和變化，尤其世界電信業的發展和變化，對本行業和本集團直接和間接的影響表現得也愈來愈明顯，此種影響將會持續存在。於本期間內，由於世界經濟未能走出谷底，尤其世界電信業仍處於低迷，國外企業和產品以各種方式進入中國市場，加劇了國內市場的競爭，亦給本集團造成很大衝擊和壓力。隨著世界經濟轉暖及我們的技術水平、實力的增強，我們完全有能力通過產品出口、技術出口、資本出口等多種途徑去打開國際市場，為本集團的發展開創一片新天地，為股東創造更多的效益。

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

The Company enjoys and pays income tax at a preferential rate of 15% for hi-tech enterprises. Accordingly, the Company is not entitled to any income tax rebate. During the Period, the Company did not receive any notice from the State Tax Bureau of any change in the Company's 15% income tax rate.

RECENT ECONOMIC DEVELOPMENT AND IMPACT OF CHINA'S ACCESSION INTO WORLD TRADE ORGANISATION ("WTO") ON THE GROUP

In the domestic telecommunication market, the operating results of most telecommunication operating companies during the Period were decreasing as there was delay in stimulating market demand, the potential market demand was not transformed into real market demand, there was a relatively great reduction in the scale of investment and price competition became the major competing technique. However, in our opinion, this will be a short term phenomenon and a process which we must come across. Following the establishment of the overall operating environment of the domestic telecommunication industry and rationalisation and standardisation of the market competition, we shall benefit from the new development of the domestic telecommunication industry.

Following the integration of the global economy, especially after the PRC's accession into the WTO, the development and changes in global economy, especially the development and changes in the global telecommunication industry, will have obvious impact directly or indirectly on the industry and the Group. This impact will continue to exist. During the Period, the entry of foreign enterprises and overseas products into the domestic market by different means intensified the competition in the domestic market as a result of the depression in global economy, especially the global telecommunication industry. This also created significant challenges and pressures to the Group. Following the recovery of the global economy and our improved technology and skills, we are fully capable of exploring international markets through various means including the export of products, technology and capital so that new opportunity can be explored for the Group's further development and greater returns can be generated for the shareholders.

股東持股和股權結構變化

SHAREHOLDING AND CHANGE OF SHARE CAPITAL STRUCTURE

1. 股權結構

本公司截至二零零二年六月三十日止，沒有安排任何送股、配股和擴股，也未發售任何新股，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，其中境內已發行之國有法人股240,000,000股，佔已發行總股本的60%，境外已發行股份（「H股」）160,000,000股，佔已發行總股本的40%。

2. 主要股東持股情況

截至二零零二年六月三十日止，本公司之最大股東為中國普天信息產業集團公司（「中國普天公司」），持有已發行之國有法人股240,000,000股，佔已發行總股本的60%，香港中央結算(代理人)有限公司於本期間初持H股為157,522,999股，佔已發行總股本的39.38%，至本期間末持有H股為157,670,999股，佔已發行總股本的39.42%。

又據香港中央結算(代理人)有限公司申明，截至二零零二年六月三十日止，持有本公司H股超過本公司已發行H股總數10%或以上的有以下中央結算系統參與者：

中央結算系統 參與者	本期間末持有 H股數量	持H股 百分比
香港上海匯豐銀行	33,724,000	21.08%
國泰君安證券 (香港)有限公司	21,400,000	13.38%

除上述披露者外，於本期間內本公司並未獲悉有任何其他按香港法例之香港證券（披露權益）條例必須予以披露的股權權益及本公司董事會並無知悉任何人士直接或間接持有本公司發行之H股股本10%或以上之權益。

1. Share capital structure

Up to 30 June 2002, the Company has not made any arrangements for bonus issue, placing of shares or issue of new shares. 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 to be RMB400,000,000 divided into 400,000,000 shares with par value of RMB1.00 each, comprising of 240,000,000 issued state-owned legal person shares and 160,000,000 overseas listed foreign invested shares ("H Shares"), representing 60% and 40% of the total issued share capital of the Company respectively.

2. Shareholdings of substantial shareholders

As at 30 June 2002, the largest shareholder of the Company was China Putian Corporation ("CHINA PUTIAN") holding 240,000,000 issued state-owned legal person shares, representing 60% of the total issued share capital of the Company. At the beginning of the Period, HKSCC Nominees Limited held 157,522,999 H Shares, representing 39.38% of the total issued share capital of the Company. At the end of the Period, HKSCC Nominees Limited held 157,670,999 H Shares, representing 39.42% of the total issued shares capital of the Company.

As indicated by HKSCC Nominees Limited, as at 30 June 2002, the following CCASS participants held 10% or more of the Company's total issued H Shares:

CCASS participant	Number of H Share held at the end of the year	Percentage of H Shares
The Hongkong & Shanghai Banking Corporation Ltd.	33,724,000	21.08%
Guotai Junan Securities (HK) Limited	21,400,000	13.38%

Save as disclosed above, at any time during the Period, the Company is not aware of any shareholding interests which are required to be disclosed pursuant to the Securities (Disclosure of Interests) Ordinance of Hong Kong. The Board of Directors is not aware of any person holding, directly or indirectly, 10 % or more of the interests in the Company's issued H Shares.

3. 董事、監事持股情況

於本期間內任何時間，本公司各位董事、監事、其配偶及其十八歲以下子女均未持有或實質擁有本公司或其任何相聯法團(按證券(披露權益)條例所指)之股本或債務證券權益，也沒有獲授權認購本公司或其他相聯法團之股本或債務證券的權利，亦沒有出現任何該等人士行使任何該等權利的情况。

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、回購或註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。

3. Shareholdings of the directors and supervisors

At any time during the Period, none of the directors or supervisors of the Company, their spouses and their children under 18 years old held or beneficially owned any equity or debt securities of the Company or any of its associated corporations (as defined in the Securities (Disclosure of Interests) Ordinance) nor were they granted the right to purchase any equity or debt securities of the Company or any other associated corporation, and there were no circumstances in which any such right was exercised by any of such persons.

4. Purchase, sale and repurchase of listed securities

During the Period, none of the Company's listed securities was purchased, sold, repurchased 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.