

董事會報告

Report of the Board of Directors

董事會現謹呈截至2003年12月31日止年度報告及經審核財務報告以供審覽。

The Board of Directors is pleased to submit its report together with the audited financial statements for the year ended 31 December 2003.

董事會日常工作情況

1、本公司董事會於本報告期內共舉行四次董事會會議，並於會上討論並通過下列事項：

- (1) 公司第四屆九次董事會於2003年3月11日在總部召開。會議通過了2002年年度報告及其摘要、董事會報告、國際、國內核數師審計的財務報告及2002年度利潤不分配的預案。通過了續聘香港浩華會計師事務所和信永中和會計師事務所分別為公司2003年度之國際和國內核數師以及召開2002年度股東週年大會的有關事項。
- (2) 公司第四屆十次董事會於2003年4月22日在總部召開。會議通過公司2003年第一季度報告。
- (3) 公司第四屆十一次董事會於2003年8月18日在公司總部召開。會議通過了公司2003年半年度報告及其摘要。同意施秋生先生辭去董事會秘書職務，聘任陳平女士為公司副總經理兼董事會秘書。

Day-to-day Operation of the Board of Directors

1. During the reporting period, the Company's Board of Directors held 4 board meetings to consider and approve the following issues:

- (1) On 11 March 2003, the Company held the 9th meeting of the fourth Board of Directors at its headquarter. The meeting approved the 2002 Annual Report and the summary thereof, Report of the Board of Directors, Financial Statements as audited respectively by the international and domestic auditors and the Proposal for Appropriating None of the Profit for 2002. Horwath Hong Kong CPA Limited and Shine Wing Certified Public Accountants were approved to be retained respectively as the international and domestic auditors of the Company for 2003, and a proposal for convening the 2002 Annual General Meeting was also approved.
- (2) On 22 April 2003, the Company held the 10th meeting of the fourth Board of Directors at its headquarter. The meeting approved the 2003 first quarterly report of the Company.
- (3) On 18 August 2003, the Company held the 11th meeting of the fourth Board of Directors at its headquarter. The meeting approved the 2003 interim report of the Company and the summary thereof. Mr. Shi Qiusheng's resignation from his office of Secretary of the Board of Directors was accepted, and Ms. Chen Ping was appointed as a Vice General Manger and the Secretary of the Board of Directors of the Company.



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(4) 公司第四屆十二次董事會於2003年10月20日在公司總部召開。會議通過了公司2003年第三季度報告。

以上各次董事會有關決議須披露的信息均於董事會召開的次日刊登於《上海證券報》、《中國證券報》、香港《文匯報》和《The Standard》。

2、 本公司董事會於報告期內嚴格執行了股東大會的各項決議，並將繼續本著誠信和勤勉之原則，真誠地為公司及股東的最大利益服務。

信息披露報刊

報告期內，本公司信息披露的報刊為《上海證券報》、《中國證券報》、香港《文匯報》（從2004年度起為《大公報》）及《The Standard》。

主要業務

本公司及其附屬公司的主要業務為開發、生產與銷售移動通信系統、衛星通信系統、機電儀和信息產品等。

(4) On 20 October 2003, the Company held the 12th meeting of the fourth Board of Directors at its headquarter. The meeting approved the 2003 third quarterly report of the Company.

All of the aforesaid discloseable information related to the resolutions of the board meetings was published on the next day following the respective meeting on Shanghai Securities News, China Securities Journal, Wen Wei Po (Hong Kong) and The Standard.

2. During the reporting period, the Board of Directors of the Company strictly complied with any resolutions as approved at the general meeting and will diligently seek the best interest of the Company and shareholders pursuant to the principles of "honesty and industriousness".

Press for Information Disclosure

During the reporting period, discloseable information of the Company was published on Shanghai Securities News, China Securities Journal, Wen Wei Po (Hong Kong) (to be changed to Takung Pao from 2004) and The Standard.

Principal Activities

The principal activities of the Company and its subsidiaries are the development, production and sale of mobile telecommunications system, satellite communication system, IT and electromechanical products.

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營業額及按業務分類之貢獻

根據香港普遍採納會計準則編制並按業務分類之綜合營業額及其對本集團盈利(虧損)影響之分析如下：

Turnover and Contribution by Business Analysis

An analysis of consolidated turnover by business activities and their contribution to profit (loss) of the Group under the accounting principles generally accepted in Hong Kong is as follows:

產品門類	Type of products	營業額	對本集團盈利 (虧損)影響
		Turnover 人民幣千元 RMB'000	Contribution to Group's operating profit/(loss) 人民幣千元 RMB'000
移動通信產品	Mobile telecommunications products	3,266,134	196,515
衛星通信產品	Satellite communication products	129,298	21,975
機電儀產品	Electromechanical products	162,341	7,355
電子信息及其他產品	Electronic information products and others	309,025	(45,240)
		3,866,798	180,605
不分部的支出	Unallocated expense		(59,980)
財務開支	Finance costs		(69,985)
經營盈利	Operating loss		128,087
應佔聯營公司業績	Share of results of associated companies		116,742
除稅前盈利	Profit before taxation		167,382

財務摘要

本集團過往五個財政年度按香港普遍採納之會計準則編制之業績資產負債摘要列載於本年報「二、會計資料與業務資料摘要」部分。

Financial Summary

A summary of the Group's results and assets and liabilities for the last five financial years, prepared in accordance with accounting standards generally accepted in Hong Kong, is set out on [Accounting Figures and Financial Highlights].



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每股淨資產

截至2003年12月31日止之三個年度的每個資產負債表日，每股淨資產情況如下。

(1) 按香港普遍採納會計準則編制：

		2003	2002	2001
每股淨資產 (淨資產/股份總數) (人民幣：元)	Net assets per share (Net assets / Total number of shares) (Unit: RMB)	1.75	1.59	1.44
增幅	Rate of increase	9.96%	10.42%	30.91%

Net Assets Per Share

The details of the net assets per share at the balance sheet date for each of the three years ended 31 December 2003 are as follows:

(1) As prepared in accordance with accounting principles generally accepted in Hong Kong

(2) 按中國會計準則編制：

		2003	2002	2001
每股淨資產 (淨資產/股份總數) (人民幣：元)	Net assets per share (Net assets / Total number of shares) (Unit: RMB)	1.72	1.57	1.43
增幅	Rate of increase	9.56%	9.72%	23.28%

(2) As prepared in accordance with PRC accounting standards:

購買、出售或贖回本公司上市股份

本報告期內，本公司及其附屬公司概無購買、出售或贖回任何本公司之股票。

Purchase, Sale or Redemption of the Listed Securities of the Company

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the reporting period.

優先購股權

根據中國有關法律及本公司之章程，並無優先購股權之條款。

Pre-emptive Rights

There is no provision for pre-emptive rights according to the relevant laws of the People's Republic of China and the Company's Articles of Association.

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董事及監事酬金

本年度，本公司給予董事酬金總額為人民幣200.8萬元，給予監事酬金總額為人民幣38萬元。上述酬金未包括董事及監事之退休金計劃供款。除上述酬金外，本公司無付予董事、監事其他的酬金、津貼或花紅。

每位董事及監事本年度所獲得本公司給予的酬金均在人民幣24萬元以下，執行董事和監事的退休金計劃已並入公司員工退休金計劃範疇，無其他特別安排。

最高酬金人事

本年度內，本公司獲最高酬金的前五名人士皆為本公司之科技研究人員和銷售人員。

董事、監事及高級管理人員購買股份或債券之安排

於本年度任何時間，本公司概無訂立任何安排，致使本公司董事、監事及高級管理人員及其配偶或18歲以下子女可藉以購買本公司或任何其他法人團體之股份或債券而受益。

董事、監事及高級管理人員之合約權益

於本年度任何時間，本公司或其附屬公司概無訂立重大合約，致使本公司董事、監事及高級管理人員享有重大利益。

Directors' and Supervisors' Remuneration

During the year, the aggregate remuneration of the Directors and Supervisors amounted to RMB2,008,000 and RMB380,000 respectively, exclusive of their pension scheme contributions. Save as disclosed above, the Company did not offer any emoluments, allowances, or bonuses to the directors and supervisors.

The emoluments paid or payable by the Company to each of the directors and supervisors was less than RMB240,000. The pension scheme for executive directors and supervisors was included as part of the staff pension scheme of the Company as there was no other special arrangement.

Highest Paid Individuals

The five highest paid individuals of the Company during the year were technology specialists and marketing staff of the Company.

Arrangements to Purchase Shares or Debentures by Directors, Supervisors and Senior Management

At no time during the year was the Company a party to any arrangements to enable the directors, supervisors or senior management or any of their spouses or children under 18 to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other corporate body.

Directors' or Supervisors' and Senior Management's Interests in Contracts

There has been no contract of significance at the end of the year or at any time during the year to which the Company or its subsidiaries was a party and in which a director, supervisor or senior management had a material interest, either directly or indirectly.



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董事及監事服務合約

所有董事、監事已與本公司訂立了服務合約，服務合約期限為三年。

各董事、監事均無與本公司簽定任何一年內若由本公司終止合約時須作出賠償之服務合約(法定賠償除外)。

董事、監事及高級管理人員之特殊待遇

本報告期內，本公司董事、監事及高級管理人員概無享受任何特殊待遇。

與熊貓電子集團有限公司訂立重大合約

本公司與熊貓電子集團有限公司除2000年度訂立的關於資產重組等有關協議外，於報告期內，並無訂立任何重大合約。

可換股證券、購股權、認股證券或類似權利

截至2003年12月31日止，本公司並無發行任何可換股證券、購股權、認股證券或類似權利。

退休金計劃

本公司參與政府設立的退休金計劃，按該計劃規定每年之供款額為員工薪金的20%。根據該計劃，現職及退休的員工的退休金受南京社會勞動保險統籌委員會保障。

除每年供款外，本公司再無其他責任。

Service Agreement for Directors and Supervisors

New agreements have been signed between the Company and all executive directors and supervisors. The term of service of each agreement is for a term of three years.

None of the directors or supervisors has entered into any contract with the Company which is not terminable by the Company within one year without payment of compensation other than statutory compensation.

Privilege of Directors, Supervisors and Senior Management

During the year, no privileges were enjoyed by the directors, supervisors or senior management of the Company.

Material Contracts with PEGL

Save for the agreement on asset reorganisation entered into between Panda Electronics Group Limited and the Company in 2000, the Company was not involved in any material contract during the reporting period.

Convertible Securities, Options, Warrants or Similar Rights

The Company had not issued or granted any convertible securities, options warrants or similar rights up to 31 December 2003.

Pension Scheme

The Company participated in a pension scheme established by the government. In accordance with the terms of the scheme, the annual contribution should be equivalent to 20% of the salary of the employees. The pension of present and retired employees of the Company is protected by the Nanjing Social Labour Insurance System Co-ordinating Committee.

Except for the annual contribution, the Company has no further obligation in relation to the pension scheme.

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管理合約

於本年度，本公司沒有簽訂任何關於本公司全部或大部分業務的管理和行政合同，亦無此等合同存在。

Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of this business were entered into by the Company or existed during the year.

業績及分配

本集團截至2003年12月31日止年度的業績以及公司與集團當日的財政狀況，俱詳列於按香港普遍採納會計準則及中國會計準則編制帳項。

Results and Distribution of Profit

The operating results of the Group for the year ended 31 December 2003 and the financial status of the Company and the Group on that date are set out in the financial statements prepared in accordance with accounting principles generally accepted in Hong Kong and PRC accounting standards.

董事會建議，不派發截至2003年12月31日止之末期股息，也不進行資本公積金轉換股本。

The Board of Directors have resolved not to distribute any final dividend for the year ended 31 December 2003, and not to utilise any capital reserve to increase the share capital.

銀行貸款及其它借貸

於2003年12月31日，本公司及本集團之銀行貸款及其它借貸詳情列載於根據香港普遍採納會計準則編制之帳目附註24。

Bank Loans and Other Borrowings

Particulars of bank loans and other borrowings of the Company and the Group, as at 31 December 2003, are set out in note 24 to the financial statements prepared under accounting principles generally accepted in Hong Kong.

本年度資本化之利息列載於根據香港普遍採納會計準則編制之帳目附註15。

Interest which was capitalised during the year is set out in note 15 to the financial statements prepared under accounting principles generally accepted in Hong Kong.

儲備

本年度內，本集團之儲備變動詳情載列於根據香港普遍採納會計準則編制之帳目及根據中國會計準則編制之會計報表附註28至30。

Reserves

The changes in the reserves of the Group for the year are set out in the Consolidated Statement of Changes in Equity prepared under accounting principles generally accepted in Hong Kong and notes 28 to 30 to the financial statements prepared under PRC accounting standards.



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固定資產

本年度內，本集團固定資產變動詳情載列於根據香港普遍採納會計準則編制之帳目附註14及根據中國會計準則編制之會計報表附註12。

附屬公司

本公司之附屬公司的資料載列於根據香港普遍採納會計準則編制之帳目附註16。

職工宿舍

有關本公司之職工購買職工宿舍，乃根據國家及南京市政策分配予本公司部分職工，而該職工宿舍為熊貓電子集團有限公司擁有。本公司截至2003年12月31日止年度並未參與出售職工宿舍予職工。因此，本公司不存在企業住房制度改革中出售住房的財務處理問題。公司按照國家規定為現有職工按其基本工資的7%繳納住房公積金，對公司的業績並無重大影響。本公司目前沒有實行住房提租補貼、住房困難補助和老職工一次性住房補貼金。

Fixed Assets

Details of the movements in fixed assets during the year are set out in note 14 to the financial statements prepared under accounting principles generally accepted in Hong Kong and note 12 to the financial statements prepared under PRC accounting standards.

Subsidiaries

Information on the subsidiaries of the Company is set out in note 16 to the financial statements prepared under accounting principles generally accepted in Hong Kong.

Staff Quarters

In respect of purchase of staff quarters by employees of the Company, such staff quarters are owned by PEGE and are provided to certain employees of the Company in accordance with the relevant policies issued by the State and Nanjing Municipal Government respectively. The Company was not involved in the selling of staff quarters to its employees during the year ended 31 December 2003. Therefore, there is no problem of financial arrangement arising from sale of houses during the reform of corporate housing system. The Company has transferred 7% of basic salary of existing staff as housing reserve in accordance with the relevant regulations of the State. It does not have material impact on the results of the Company. There is currently no housing rental subsidy, housing allowance and one-off housing subsidy for old staff.

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最佳應用守則

於本報告期內，本公司董事已遵守香港交易所制定的上市規則附錄十四最佳應用守則之規定。

由獨立非執行董事就關聯交易作出之確認

本公司獨立非執行董事已於職責內審核載列於根據香港普遍採納會計準則編制之帳目附註29及載於第198至207頁之財務報告內根據中國會計準則編制之會計報表中提述之關聯交易，並確認下列事宜：

- 1、 該等交易由本公司於其正常及一般業務過程中訂立；
- 2、 該等交易乃(1)按一般商業條款或(2)在無適用比較時，按就本公司股東而言，屬公平合理的條款訂立；及
- 3、 該等交易已根據(1)監管此等交易之有關協議或(2)(如無此協議)其他比給予第三者更有利之條款訂立。

核數師

本公司帳目經由香港浩華會計師事務所和信永中和會計師事務所審核。核數師依章告退，但提出繼續分別受聘為本公司之國際及國內核數師。

Compliance of Code of Best Practice

The Directors of the Company has complied throughout the reporting period with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited during the year.

Confirmation by Independent Non Executive Directors on Connected Transactions

The independent non-executive directors of the Company have, in such capacity, reviewed the connected transactions referred to in note 29 to the financial statements prepared under accounting principles generally accepted in Hong Kong and on pages 198 to 207 of the Annual Report in regard to the financial statements prepared under PRC accounting standards and confirmed that :

1. such transactions have been entered into by the Company in the ordinary and usual course of its business;
2. the transactions have been entered into either (1) on normal commercial terms or (2) where there is no available comparison, on terms that are fair and reasonable so far as the shareholders of the Company are concerned; and
3. such transactions have been entered into either (1) in accordance with the terms of the relevant agreement governing such transactions or (2) (where there is no such agreement) on terms no less favourable than terms available to third parties.

Auditors

The financial statements have been audited by Horwath Hong Kong CPA Limited and Shine Wing Certified Public Accountants. The auditors retire in accordance with the Articles of Association of the Company but required to be re-appointed as international and domestic auditors of the Company respectively.



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股東週年大會

董事會設股東週年大會之日為2004年5月12日。

註冊會計師對公司控股股東及其他關聯方佔用資金情況的專項說明

南京熊貓電子股份有限公司全體股東：

我們接受南京熊貓電子股份有限公司(以下簡稱「貴公司」)委託，根據中國證券監督管理委員會證監發(2003)56號《關於規範上市公司與關聯方資金往來及上市公司對外擔保若干問題的通知》第一條第三項的要求，對截止2003年12月31日貴公司控股股東及其他關聯方佔用貴公司資金情況出具專項說明。貴公司董事會的責任是依據證監會通知要求提供控股股東及其他關聯方佔用資金情況的真實、合法、完整的實物證據、原始書面材料、副本材料、口頭證言以及我們認為必要的其他證據，我們的責任是根據上述證監會通知的相關規定，對貴公司與控股股東及其他關聯方資金往來

Annual General Meeting

The Annual General Meeting will be held on 12 May 2004.

Special statement of the certified accountants for the Company's fund appropriated by its controlling shareholder and other connected parties

To shareholders of Nangjing Panda Electronics Company Limited:

We hereby refer to our engagement by Nangjing Panda Electronics Company Limited (the "Company") that under Paragraph 3 of Article 1 in CSRC Zheng Jian Fa (2003) No. 56 Notice to Certain Issues for Standardisation of Capital Transactions and Guarantees Provided by Listed Company to Outside Company (the "Notice"), we prepare this special statement for the Company's fund appropriated by its controlling shareholder and other connected parties as at 31 December 2003. The responsibility of the Board of Directors of the Company (the "Board") is to provide true, legitimate, complete evidence, original manual material, transcript, verbal evidence and the other information which in our opinion is necessary in connection with the Company's fund appropriated by its controlling shareholder and other connected parties in accordance with the Notice. The responsibility of us is, in accordance with the Notice, to review the Company's fund appropriated by its controlling shareholder and other connected

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情況進行審核並出具專項說明。在審核過程中，我們實施了包括瞭解、詢問以及檢查有關書面證據等我們認為必要的審核程序。

經審核，貴公司控股股東及其他關聯方佔用貴公司資金情況如下：

截至2003年12月31日，貴公司控股股東及其他關聯方佔用資金餘額為71,169萬元。其中控股股東熊貓電子集團有限公司佔用貴公司資金餘額為804萬元，其他關聯方佔用貴公司的資金餘額為70,365萬元；其中經營性資金佔用70,770萬元，非經營性資金佔用為399萬元。非經營性資金佔用中除南京熊貓巨能小家電有限公司為借款外，其餘關聯方餘額系在與貴公司的代理業務中產生。

我們認為，截至2003年12月31日，貴公司已如實反映了控股股東及其他關聯方佔用貴公司資金的總體情況。

本專項說明是我們進行審慎調查並在實施必要的審核程序的基礎上，根據審核過程中所取得的材料所做出的職業判斷。該專項說明僅供貴公司向中國證券監督管理委員會及其派出機構報送貴公司年度報告使用，未經本事務所書面同意，不得用於其他用途。

parties and provide our special statement. During the review course, we have carried out acquaintance, inquiry and circumspect verification of the written evidence and all the audit procedures which in our opinion are necessary.

According to our review, details of the Company's fund appropriated by its controlling shareholder and other connected parties are as follows:

As at 31 December 2003, the Company's fund appropriated by its controlling shareholder and other connected parties amounted to RMB711,690,000, including RMB8,040,000 appropriated by Panda Electronics Group Limited, the controlling shareholder of the Company, and RMB703,650,000 appropriated by other connected parties. Of which, RMB707,700,000 is for operating use, and RMB3,990,000 is for non-operating use. Among the latter, apart from the loan to Nanjing Panda Juneng Small Home Appliance Co., Ltd, the balance of fund appropriated by other connected parties occurred in the business course of the Company's business on behalf of the connected party.

In our opinion, as at 31 December 2003, the Company presented the overall status which gives a true and fair view in respect of the fund appropriated by its controlling shareholder and other connected parties.

The special statement we announce is based on our circumspect verification and necessary audit procedures and we made our professional judgment based on the materials we obtained during the audit. The purpose of this statement is only for the Company to submit its annual report to CSRC and the resident audit offices thereunder. This report is not allowed for use for other purpose without our written prior consent.



董事會報告

Report of the Board of Directors

附件一：南京熊貓電子股份有限公司資金佔用情況表

Schedule 1 Appropriated Fund of Nanjing Panda Electronics Co., Ltd.

單位：人民幣萬元

Unit: RMB0'000

類別	佔用方名稱	與上市 公司關係	於2002年12月	於2003年12月	2003年	2003年累計	佔用方式 及餘額	佔用原因	2003年償還	
			31日時點 佔用金額	31日時點 佔用金額	新增資金 佔用金額	2003年累計 佔用資金金額			金額及形式	
Class	Appropriated by	Connection with the Company	Fund	Fund	Increase	Accumulative	Appropriation mode and balance	Reason	Payment in 2003	
			appropriated as of 31 December 2002	appropriated as of 31 December 2003	in fund appropriated in 2003	fund appropriated for 2003			Cash	Non-cash
						經營性 非經營性				
						Operating Non-operating				
上市公司大股東 佔用資金情況	熊貓電子集團 有限公司	母公司	—	804	804	19,927	804	代收銷貨款	19,123	—
By the majority shareholder	Nanjing Panda Electronics Group	Controlling shareholder						Collecting receivables from sales on behalf a connected party		
其他關聯方 佔用資金情況	南京熊貓電視機 有限公司	母公司之 控股子公司	1,276	1,481	205	205	1,481	銷售貨款	—	—
By other connected parties	Nanjing Panda Television Set Co., Ltd.	Subsidiary of the controlling shareholder						Receivables from sales		
	南京熊貓電子 進出口公司	母公司之 控股子公司	15	-1,876	-1,891	0	-1,876	代理進口	1,891	—
	Nanjing Panda Electronics Import & Export Co., Ltd.	Subsidiary of the controlling shareholder						Import on behalf a connected party		
	江蘇天創通訊 實業有限公司	子公司之 關聯公司	19,189	69,289	50,100	312,717	69,289	銷售貨款	262,617	—
	Jiangsu Tianchuang Telecommunication Industry Co., Ltd.	Associate of subsidiary						Receivables from sales		
	南京熊貓巨能 小家電有限公司	子公司	900	1,471	571	571	1,471	提供借款	—	—
	Nanjing Panda Juneng Small Home Appliance Co., Ltd	Subsidiary						Loan		
合計			21,380	71,169	49,789	333,420	70,770	399	283,631	—
Total										

董事會報告

Report of the Board of Directors

註釋：

1. 新增資金佔用金額：是指「預付賬款」、「應收賬款」、「其他應收款」三個會計科目的期末餘額與期初餘額之差：
2. 佔用方式：是指經營性佔用或非經營性佔用：
3. 經營性佔用：是指因購銷關聯交易所發生的往來款項：
4. 非經營性佔用：是指為關聯方提供借款、代墊費用、代償銀行債務、代為投資等形成的債權關係。

信永中和會計師事務所
中國 北京

二零零四年三月二十四日

獨立董事對公司累計和當期對外擔保情況的專項說明及獨立意見

根據證監發(2003)56號《關於規範上市公司與關聯方資金往來及上市公司對外擔保若干問題的通知》精神，我們本著實事求是的態度，對南京熊貓電子股份有限公司截止2003年12月31日對外擔保情況進行了認真的核查，現就有關問題說明如下：

- 1、截止2003年12月31日，公司累計和當期對外擔保的總額為人民幣372,055,338元，其中為上市公司南京中達制膜(集團)股份有限公司擔保人民幣5,000萬元，其餘皆為公司之控股子公司擔保，上述擔保皆由董事會通過。

Notes:

1. Increase in fund appropriated: the difference between the beginning balance and the ending balance for the 3 accounting items of "prepayments", "accounts receivable" and "other receivables"
2. Appropriation mode: fund appropriated for operating use or non-operating use
3. Operating: amounts in an open account for connected transactions related to purchase or sales
4. Non-operating: claims for liabilities arising from loans as well as payment of expense, repayment of bank loans and investments on behalf the connected party.

Shine Wing Certified Public Accountants
Beijing, China

24 March 2004

Special statement and independent opinion of the Independent Directors for the Company's accumulative and current guarantees provided to outside parties

Under the CSRC Zheng Jian Fa (2003) No. 56 Notice to Certain Issues for Standardization of Capital Transactions and Guarantees Provided by Listed Company to Outside Company (the "Notice"), we performed circumspect verification of guarantees of Nanjing Panda Electronics Co., Ltd. (the "Company") provided to outside parties as at 31 December 2003 on a practicable manner, details of which are set out as follows:

1. As at 31 December 2003, the Company's accumulative and current guarantees provided to outside parties amounted to RMB372,055,338, of which RMB50,000,000 was for guarantee provided to Nanjing Zhongda Mode (Group) Co., Ltd., a listed company; and the remaining amounts were for guarantees provided to subsidiaries of the Company. All of such guarantees have been approved by the Board of Director.



董事會報告 Report of the Board of Directors

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|---|---|
| <p>2、 截止2003年12月31日，公司累計和當期對外擔保中不存在為控股股東、非法人單位或個人提供擔保。</p> <p>3、 截止2003年12月31日，公司累計和當期對外擔保總額低於公司合併報表2003年末淨資產的50%。</p> <p>4、 公司第四屆十四次董事會已經根據證監發(2003)56號文件精神，對公司章程有關對外擔保事項的條款進行了修改，並準備提交公司2003年度股東週年大會審議。</p> | <p>2. As at 31 December 2003, none of the Company's accumulative and current guarantees provided to outside parties was provided to its controlling shareholder, any non-legal person or individual.</p> <p>3. As at 31 December 2003, the total amount of the Company's accumulative and current guarantees provided to outside parties was less than 50% of net assets included in the Company's consolidated financial statements as at the end of 2003.</p> <p>4. Under the Notice, the Company held the 14th meeting of the fourth Board of Directors. At the meeting, the relevant amendments were made to the articles in connection with guarantees provided to outside parties in the Articles of Association. The amendments will be proposed to the 2003 Annual General Meeting for consideration.</p> |
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承董事會命
李安建
董事長

中國南京，2004年3月24日

By Order of the Board
Li Anjian
Chairman

Nanjing, the PRC, 24 March 2004