

監事會報告

Report of the Supervisory Committee

致各位股東：

報告期內，公司監事會全體成員依照《公司法》、《證券法》、《公司章程》、國家其他法律法規及國內、國際監管機構之規定，遵守誠信原則，忠實履行有關法律、法規及《公司章程》所賦予的職責，竭誠維護公司及股東的利益。

報告期內，監事會共召開了三次會議，分別就有關事項作出決議，具體情況如下：

- (1) 2004年3月24日，公司第四屆七次監事會在公司會議室召開，會議審議通過了2003年度監事會報告、審核了公司經審核的2003年度財務報告及公司2003年度報告及其摘要。通過了監事會2004年度監事會工作要點和關於第五屆監事會和獨立監事候選人名單。
- (2) 2004年5月12日，公司第五屆一次監事會在公司會議室召開，會議選舉張政平女士為監事會主席。

To all shareholders,

During the reporting period, all the members of the Supervisory Committee of Nanjing Panda Electronics Company Limited (the "Company") have, in accordance with the provision of the Company Law of the People's Republic of China ("Company Law"), Securities Law, the Articles of Association of the Company, other state laws and rules of domestic and international securities regulatory bodies, based on the principles of acting in good faith, performed faithfully their duties prescribed in laws and regulations concerned and in the Articles of Association to protect the interests of the Company and its shareholders.

During the reporting period, the Supervisory Committee held three meetings for several resolutions. The details are as follows:

- (1) On 24 March 2004, the fourth Supervisory Committee held its seventh meeting at the Company's Conference Room during which the Company passed the 2003 Report of the Supervisory Committee, the 2003 audited financial statements and 2003 financial report and its summary. The Supervisory Committee passed the 2004 Supervisory Committee summary of work and candidate list for the fifth Supervisory Committee and independent Supervisors.
- (2) On 5 December, 2004, the fifth Supervisory Committee held its first meeting at the Company's Conference Room during which the Company elected Ms. Zhang Zhengping as the Chairman of the Supervisory Committee.



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(3) 2004年8月26日，公司第五屆二次監事會在公司會議室召開，會議審核了公司2004年半年度報告及其摘要。

報告期內，全體監事列席了公司全部的董事會會議，並對董事會所作出的各項決議是否符合國家的法律、法規及《公司章程》，是否符合公司的實際和發展前景，是否符合公司股東的合法權益，進行了監督。監事會也對公司的生產經營、技術改造及投資計劃等事項積極參與，並提出諸多良好建議。

監事會認為公司所有董事及高級管理人員能夠按照法律、法規及《公司章程》的規定履行職責。未發現董事、經理及其它高級管理人員有違反國家法律、法規或《公司章程》的其他違法行為，亦未有濫用職權、損害公司利益或侵犯公司股東及員工權益的不法行為。

報告期內，公司無募集資金的使用或報告期之前延續使用的情況；在轉讓本公司所持有的江蘇省軟件產業股份有限公司總計35%的股權交易中，交易條款公平合理、符合股東整體利益。

公司關聯交易(見浩華報告附註32)皆按公平合理之原則訂立，得到公司獨立非執行董事的確認，並未有任何損害本公司利益的行為。

(3) On 26 August 2004, the fifth Supervisory Committee held its second meeting at the Company's Conference Room during which the Company passed the 2004 interim financial report and its summary.

During the reporting period, all supervisors attended all board meetings, and provided effective supervision to ensure that all decisions were made by the Board of Directors according to laws, and regulations and the Company's Articles of Association, were in line with the Company's development and prospects and were in accordance with shareholders' interests. The Supervisory Committee actively participated in issues such as production operation, technological renovations and investment projects, and provided many good proposals.

In the opinion of the Supervisory Committee, the Directors, manager and other senior management of the Company had performed their duties as provided in the Company's Articles of Association and as required by the relevant laws and regulations. During the year, none of the directors, chief executive and senior management violated any laws and regulations of the State or the Articles of Association of the Company, and they neither abuse their office nor act illegally to harm the interests of the Company or its shareholders and staff.

The Company did not utilise any proceeds raised in the reporting period or proceeds raised in the previous period. In the transaction for transfer of 35% equity interest of Jiangsu Software Industrial Co., Ltd held by the Company, the terms of transaction are fair and reasonable and in the overall interest of shareholders.

Connected transactions (please refer to the notes 32 to Horwath's Report) of the Company were made on a fair and reasonable basis and were confirmed by Independent Non-executive Directors of the Company. No acts detrimental to the interests of the Company were found.



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公司截止2004年12月31日財務報告乃經香港浩華會計師事務所和信永中和會計師事務所審計，並出具了有保留意見的審計報告。公司董事會對核數師出具的保留意見所涉及的事項作出了說明。監事會認為董事會的說明是合理的和符合實際情況的，監事會將督促公司儘快落實省投管公司的還款事宜。

監事會希望要加強控股子公司對外擔保的管理，完善內部控制制度。尤其是資金運用和對外擔保的內部控制，切實有效地控制擔保風險。

監事會對董事會一年來的工作表示滿意，並對公司未來發展抱有信心。

承監事會命
張政平
主席

中國·南京·2005年4月29日

The financial statement as at 31 December 2004 is audited by Horwath Hong Kong CPA Limited and Shine Wing Certified Public Accountants and an unqualified auditing report is presented. The directors of the Company had make explanations to the unqualified opinions on events by the auditor. Supervisory Committee considered that the explanation of the Board was reasonable and in line with practical conditions. The Supervisory Committee will supervise the Company to materialize the repayment matter of Jiangsu Investment Management as soon as possible.

The Supervisory Committee wishes to reinforce the management of guarantee to outside parties provided by subsidiaries and to perfect the internal control mechanism, especially for capital utilisation and guarantee to outside parties, so as to effectively control the risk of guarantee.

The Supervisory Committee is satisfied with the performance of the Board of Directors for the year and have great confidence in the future development of the Company.

By Order of the Supervisory Committee
Zhang Zhengping
Chairman

Nanjing, the PRC, 29 April 2005

