

I. IMPORTANT NOTICE

The Board of Directors of the Company and its Directors confirm that there are no misleading statements, misrepresentation, or material omissions contained in this interim report (the "Report") and accept joint and several responsibility for the truthfulness, accuracy and completeness of the contents of the Report.

For the reason of business trip, Mr. Xu Guofei (non-executive Director) appointed Mr. Zhang Zuzhong (executive Director) and Ms. Wan Hui and Mr. Ma Chung Lai Lawrence (independent non-executive Directors) appointed Mr. Cai Lianglin (independent non-executive Director) to respectively attend the board meeting held on 27 July 2005 and vote on their behalfs. Mr. Shi Qiusheng (non-executive Director) was engaged in other duties and therefore could not attend the said board meeting.

The Chairman of the Company, Mr. Li Anjian, Chief Accountant, Mr. Wu Liulin, and the manager of finance department, Mr. Shen Jianlong, have declared that they are responsible for the truthfulness and completeness of the financial statements in the Interim Report 2005.

The financial statements of the Company for the six months ended 30 June 2005 (the "Reporting Period") were unaudited.

II. BASIC COMPANY INFORMATION

(1) Company profile

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|----------------------------------------------------------------------------------------|---|-----------------------------------------------------------------------------------------------------------------------|
| 1. Legal Chinese name of the Company | : | 南京熊猫电子股份有限公司 |
| Legal English name of the Company | : | Nanjing Panda Electronics Company Limited |
| Abbreviation of English Name of the Company | : | NPEC |
| 2. Place of listing | : | H shares: The Stock Exchange of Hong Kong Limited
A shares: Shanghai Stock Exchange |
| Abbreviation of stock | : | H shares: Nanjing Panda A shares: Nanjing Panda |
| Stock Code | : | H shares: 0553 A shares: 600775 |
| 3. Registered Address of the Company | : | Floor 1-2, Block 5, North Wing, Nanjing High and New Technology Development Zone, Nanjing, the PRC |
| Office Address of the Company | : | 301 Zhong Shan Road East, Nanjing, the PRC (Postal Code : 210002) |
| International Web Site | : | http://www.chinapanda.com.cn |
| 4. Legal Representative of the Company | : | Li Anjian |
| 5. Secretary to the Board of Directors | : | Chen Ping |
| Securities Representative of the Board of Directors | : | Chen Yebao |
| Correspondence Address | : | 301 Zhong Shan Road East, Nanjing, the PRC (Postal Code: 210002) |
| Telephone | : | (8625)-84801144 |
| Facsimile | : | (8625)-84820729 |
| E-mail address | : | dms@panda.cn |
| 6. Names of Newspapers for information dissemination designated by the Company | : | Mainland China : Shanghai Securities News and China Securities Journal
Hong Kong SAR: Ta Kung Pao and The Standard |
| Worldwide Web Site for the Report designated by China Securities Regulatory Commission | : | http://www.sse.com.cn |
| Place for Inspection of the Documents available for inspection of the Company | : | Secretarial Office of the Board of Directors, 301 Zhong Shan Road East, Nanjing, the PRC |

(2) **Key Financial Data and Indices**

1 Prepared in accordance with the PRC Accounting Standards (unaudited, unit: RMB)

	As at 30 June 2005	As at 31 December 2004	Increase (decrease) from the beginning of the year (%)
Current assets	1,708,858,390.03	1,678,293,387.61	1.82
Current liabilities	1,402,197,453.14	1,521,988,950.13	(7.87)
Total assets	2,668,752,418.08	2,741,888,102.14	(2.67)
Shareholders' funds (excluding minority interests)	1,226,258,567.17	1,181,997,292.61	3.74
Net assets per share	1.87	1.80	3.89
Adjusted net assets per share	1.67	1.59	5.03
			Increase (decrease) from the corresponding period of the previous year (%)
	January to June 2005	January to June 2004	
Net profit	44,261,274.56	58,001,551.57	(23.69)
Net profit after extraordinary items	44,224,959.77	44,073,965.30	0.34
Earnings per share	0.07	0.09	(22.22)
Return on net assets (%)	3.61	4.89	(26.18)
Net cash flow arising from operating activities	47,884,266.24	(801,582,049.77)	105.97

Notes: The extraordinary items deducted during the Reporting Period amounted to RMB36,314.79, of which non-operating income amounted to RMB2,974,328.35, subsidy income amounted to RMB309,964.16 and non-operating expenses amounted to RMB(3,650,122.35), RMB402,144.63 is reversed from provision of various items of impairment losses.

2 Details of key financial indices prepared in accordance with generally accepted accounting principles in Hong Kong are set out in the financial report on pages 40 to 49.

3 Differences of the application of accounting principles generally accepted in Hong Kong and the PRC accounting standards on the Company are set out in note 17 to the financial report on page 49.

III. CHANGES IN SHARE CAPITAL AND SHAREHOLDING OF SUBSTANTIAL SHAREHOLDERS

(1) Changes in Share Capital

During the Reporting Period, there was no change in share capital of the Company.

(2) As at 30 June 2005, the number of shareholders of the Company was 26,913, of which there were 26,855 shareholders holding A Shares and 58 shareholders holding H Shares.