

(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.

(3) Shareholdings of the top ten shareholders

As at 30 June 2005, the top ten shareholders of the Company and their respective shareholdings are as follows:

Name of shareholders	Increase(+)/ decrease (-) during the Reporting Period (shares)	Number of shares held at the end of the Reporting Period (shares)	Percentage to total shares (%)	Class	Number of shares pledged or frozen	Type of shares
Panda Electronics Group Limited	0	355,015,000	54.20	Non-circulating	182,500,000 shares have been pledged or frozen	State-owned legal person shares
HKSCC Nominees Limited	+3,050,000	240,255,899	36.68	Circulating	Unknown	Foreign
Tse Wing Pak	0	550,000	0.084	Circulating	Unknown	Foreign
Huang Haibin	0	535,009	0.082	Circulating	Unknown	Public
Lai Shuijiao	0	419,800	0.064	Circulating	Unknown	Public
Lai Qiong	0	391,100	0.060	Circulating	Unknown	Public
Jin Zhe Petrochemical Joint Stock Company	+220,976	345,800	0.053	Circulating	Unknown	Public
Zhang Di	0	253,000	0.039	Circulating	Unknown	Public
Zhang Yu	+10,200	200,600	0.031	Circulating	Unknown	Public
Kay and Company Limited	0	200,000	0.031	Circulating	Unknown	Foreign

Notes:

- (1) During the Reporting Period, there was no change in controlling shareholders of the Company. Panda Electronics Group Limited still held 355,015,000 non-circulating State-owned legal person shares, representing 54.20% of the issued share capital of the Company, on behalf of the State. However, the 32,500,000 State-owned legal person shares of the Company (representing 4.96% of the total share capital of the Company) held by it were pledged to Shanghai Pudong Development Bank (Nanjing Branch), the 140,000,000 State-owned legal person shares of the Company (representing 21.37% of the total share capital of the Company) held by it were pledged to China Construction Bank (Nanjing Da Xing Gong branch). Besides, the 10,000,000 State-owned legal person shares of the Company (representing 1.52% of the total share capital of the Company) were judicially frozen by the Suzhou Intermediate People's Court of Jiangsu Province. (Please refer to the announcement dated 23 May 2005 published on China Securities Journal, Shanghai Securities News, Ta Kung Pao and The Standard for details.)
- (2) HKSCC Nominees Limited held 240,255,899 H Shares, representing 36.68% of the issued share capital of the Company, on behalf of various clients respectively. The Company is not aware of any individual client holding more than 5% of share capital issued by the Company.
- (3) All the top ten shareholders are not strategic investors of the Company. There was also no new shareholder arising from placing of shares. There is no connected relationship or any party acting in concert between the controlling shareholder, Panda Electronics Group Limited, and its second to the tenth largest shareholders. The H and A Shares held by the above second to the tenth largest shareholders are circulating shares issued to the public. The Company is not aware of any relationship or any connected party acting in concert among them.

(4) Shareholdings of the top ten shareholders of circulating shares of the Company as at 30 June 2005

Name of Shareholders	No. of shares held at the end of the Reporting Period	Type of shares	Percentage (%) of total share capital
HKSCC Nominees Limited	240,255,899	H	36.68
Tse Wing Pak	550,000	H	0.084
Huang Haibin	535,009	A	0.082
Lai Shuijiao	419,800	A	0.064
Lai Qiong	391,100	A	0.060
Jin Zhe Petrochemical Joint Stock Company	345,800	A	0.053
Zhang Di	253,000	A	0.039
Zhang Yu	200,600	A	0.031
Kay and Company Limited	200,000	H	0.031
Wu Xinhai	197,000	A	0.030

Note: The Company is not aware of any connected relationship or any persons acting in concert among the top ten shareholders of circulating shares.

(5) **Shareholdings of Directors, Supervisors and senior management**

As at 30 June 2005, the directors, supervisors and senior management of the Company is notified that, long positions in shares or underlying shares of the Company held by substantial shareholders (exclusive of Directors, Supervisors and chief executives of the Company) which were required, pursuant to section 336 of the Securities and Futures Ordinance (cap. 571 of the Laws of Hong Kong) ("SFO"), to be entered in the register referred to therein are as follows: (1) Panda Electronic Group Limited holds 355,015,000 domestic shares, accounting for approximately 85.96% of the domestic shares in issue and approximately 54.20% of the total shares in issue. The nature of Interests in such shares is corporate interest which is held in the capacity of beneficial owner. (2) Lewis Joseph holds 20,260,000 H shares, accounting for approximately 8.38% of the H shares in issue and approximately 3.10% of the total shares in issue. The nature of Interests in such shares is personal interest which is held in the capacity of beneficial owner. (3) Tuesday Thirteen Inc. holds 16,920,000 H shares, accounting for approximately 7.00% of the H shares in issue and approximately 2.59% of the total shares in issue. The nature of Interests in such shares is corporate interest which is held in the capacity of controlled corporation. No short positions are found in any shares held by the above substantial shareholders.

Save as disclosed above, the Company has not been notified of any other persons (except Directors, Supervisors and chief executives of the Company) who has any interests or short positions in the shares or underlying shares of the Company which were required to disclose to the Company pursuant to requirements of Part 2 and 3, Section XV of the SFO or were required to be entered in the register as required pursuant to section 336 of the SFO.

**IV. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT**

(1) **Shareholdings of Directors, Supervisors and Senior Management**

As at 30 June 2005, interests of the Directors, Supervisors and chief executive of the Company in the domestic shares of the Company which were required, pursuant to section 352 of SFO, to be entered in the register referred to therein are as follows (the nature of such interests is of personal interest):

Name	Duties	No. of A Shares held at the beginning of the Reporting Period	No. of A Shares held at the end of the Reporting Period	Percentage of share capital in issue (%)
Li Anjian	Chairman, General Manager	0	0	0
Zhang Zuzhong	Vice-chairman	9,400	9,400	0.014
Xu Guofei	Non-executive Director	1,886	1,886	0.003
Liu Ailian	Non-executive Director	0	0	0
Zhu Lifeng	Non-executive Director	2,743	2,743	0.004
Shi Qiusheng	Non-executive Director	3,343	3,343	0.005
Wan Hui	Independent non-executive Director	0	0	0
Cai Lianglin	Independent non-executive Director	0	0	0
Ma Chung Lai, Lawrence	Independent non-executive Director	0	0	0
Zhang Zhengping	Chairman of the Supervisory Committee	3,429	3,429	0.005
Chen Ning	Supervisor	3,900	3,900	0.006
Zhong Youxiang	Supervisor	0	0	0
Wu Shiyuan	Independent Supervisor	0	0	0
Sun Suhua	Independent Supervisor	0	0	0
Wang Hongjin	Deputy General Manager	8,300	8,300	0.013
Wu Liulin	Chief Accountant	0	0	0
Liu Kun	Deputy General Manager	0	0	0
Chen Ping	Deputy General Manager, Secretary of the Board of Directors	0	0	0

Save as disclosed above, none of the Directors, Supervisors and chief executives of the Company or any of their respective associates has any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations which were required to be recorded in the register required to be kept under Section 352 of Part XV of SFO or to be notified to the Company and the Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code").

None of the Directors, Supervisors, chief executives or their respective associates were granted or exercised any rights to subscribe for any shares or debt securities of the Company during the Reporting Period.

(2) **New appointments or dismissals of Directors, Supervisors and Senior Management during the Reporting Period**

At the fourth meeting of the Fifth Board of Directors held on 28 April 2005, it was resolved that Mr. Zhou Zhenyu and Mr. Tong Hongqing be resigned from their directorship for reasons of work changes and aging respectively with effect from the election of Mr. Xu Guofei and Mr. Shi Qiusheng as the Directors; and that Mr. Shi Qiusheng be resigned from his position of Deputy General Manager for reason of work changes.

Mr. Xu Guofei and Mr. Shi Qiusheng were elected as Directors of the Fifth Board of Directors of the Company at the Annual General Meeting 2004 held on 29 June 2005.