

### III. CHANGES IN SHARE CAPITAL AND SHAREHOLDING OF SUBSTANTIAL SHAREHOLDERS

#### (I) Changes in Share Capital

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

#### (II) Particulars of shareholders

As at 30 June 2006, the total number of shareholders of the Company, the top ten shareholders of the Company and their respective shareholdings are as follows:

Total number of shareholders as at 30 June 2006 21,785 shareholders, including 21,737 holders of A shares and 48 holders of H shares

#### Shareholdings of the top ten shareholders

Unit: Share

Name of shareholders	Nature of shareholders (State-owned or foreign shareholders)	Percentage of shareholding (%)	Number of shares held	Number of non-circulating shares held	Number of shares pledged or frozen
Panda Electronics Group Limited	State-owned shareholder	54.20	355,015,000	355,015,000	72,500,000 shares were pledged, 182,515,000 shares were judicially frozen and 100,000,000 shares were pledged and judicially frozen
HKSCC Nominees Limited	Foreign shareholder	36.69	240,329,899	—	Unknown
Hanbo Securities Investment Fund	Public shareholder	0.154	1,006,391	—	Unknown
Hanxing Securities Investment Fund	Public shareholder	0.133	871,142	—	Unknown
Fullgoal Development Balance Securities Investment Fund	Public shareholder	0.127	833,521	—	Unknown
Huang Jiafu	Public shareholder	0.108	710,633	—	Unknown
Xu Wei	Public shareholder	0.105	685,845	—	Unknown
Tse Wing Pak	Foreign shareholder	0.084	550,000	—	Unknown
Huang Haibin	Public shareholder	0.082	535,009	—	Unknown
Chen Limin	Public shareholder	0.076	496,164	—	Unknown

## Shareholdings of the top 10 holders of circulating shares

Name of shareholders	Number of circulating shares held	Class of shares
HKSCC Nominees Limited	240,329,899	H share
Hanbo Securities Investment Fund	1,006,391	A share
Hanxing Securities Investment Fund	871,142	A share
Fullgoal Development Balance Securities Investment Fund	833,521	A share
Huang Jiafu	710,633	A share
Xu Wei	685,845	A share
Tse Wing Pak	550,000	H share
Huang Haibin	535,009	A share
Chen Limin	496,164	A share
Lai Shuijiao	419,800	A share

Explanation of the connected relationship or party acting in concert among the aforesaid shareholders

The Company is not aware that there is any connected relationship or party acting in concert among state-owned shareholders and the top ten shareholders of the Company. The Company is not aware of any connected relationship or party acting in concert among the second to tenth shareholders of the Company.

## Notes:

- (1) Among the shareholders named above, Panda Electronics Group Limited ("PEGL") held 355,015,000 shares, for and on behalf of the state representing 54.20% of the issued share capital of the Company, which were State-owned Legal Person Shares of non-circulating shares. There was no change in the shareholding held by PEGL during the Reporting Period. However, it has already pledged its 72,500,000 shares, 182,515,000 shares were judicially frozen and 100,000,000 shares were pledged and judicially frozen. Please refer to the announcements dated 5 December 2005 and 6 July 2006 and published in Shanghai Securities News, China Securities Journal, Hong Kong Ta Kung Pao and The Standard on 6 December 2005 and 7 July 2006 for the capitalised terms used in Note (1) and further details.
- (2) HKSCC Nominees Ltd. held 240,329,899 H Shares, representing 36.69% of the issued share capital of the Company, on behalf of a number of clients. The Company is not aware of any individual client holding more than 5% of share capital issued by the Company.
- (3) There is no connected relationship or party acting in concert among state-owned shareholders and the top ten shareholders of the Company. The Company is not aware of any connected relationship or party acting in concert among the top ten shareholders of the Company.

## (III) Substantial shareholders' interests and short positions in the shares or undalying shares of the Company

As at 30 June 2006, so far as the directors, supervisors and senior management of the Company are aware, 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 under section 336 of the 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 aware 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 notify the Company pursuant to provisions of Part 2 and 3 of the SFO or were required to be entered in the register as required pursuant to section 336 of the SFO.

