

# Changes in Share Capital and Shareholders



## 1. Changes in shareholdings during the Reporting Period

Unit: Shares

	Before the change		Newly Issued shares	Increase/decrease from the change (+/-)			After the change	
	Amount	Percentage (%)		Bonus shares	Transfer	Others	Sub-total	Amount
1. Restricted shares								
1. State-owned shares	355,015,000	54.20		-20,300,000		-20,300,000	334,715,000	51.10
2. Non-restricted shares								
1. Renminbi ordinary shares	58,000,000	8.85		20,300,000		20,300,000	78,300,000	11.95
2. Overseas listed foreign shares	242,000,000	36.95					242,000,000	36.95
3. Total number of shares	655,015,000	100					655,015,000	100

Note: During the Reporting Period, Nanjing Panda Electronics Company Limited (the "Company") did not repurchase, sell or redeem its listed securities.

During the reporting period, the Company implemented Share Segregation Reform. Since the implementation of Share Segregation Reform on 11 September 2006, the number of shares held by Panda Electronics Group Limited ("PEGL"), the sole holder of non-circulating shares of the Company offered holders of circulating A Shares 3.5 shares for every 10 circulating shares they held, aggregating 20,300,000 for the purpose of granting the listing status of the non-circulating shares in the A Shares market, the original shareholder of non-circulating shares of the Company, reduced from 355,015,000 shares to 334,715,000 shares, and the nature of the shares changed from non-circulating to restricted circulating shares, while circulating A Shares increased from 58,000,000 shares to 78,300,000 shares. The total number of shares of the Company remained unchanged.

As at 25 April 2007, being the latest practicable date before the publishing of this annual report, in accordance with the information available and so far as the directors are aware, the Company is in conformity of having sufficient public float as required for its continuous listing.

## 2. New issues and listings

### (1) New issues and listings

	H Shares	A Shares
Date of issue	1996.4.24-5.2	1996.11.7-11.18
Par value	RMB1.00 per share	RMB1.00 per share
Issue price	HK\$2.13 per share	RMB5.10 per share
Number of shares issued (share)	242,000,000	23,000,000
Date of listing	1996.5.2	1996.11.18
Place of listing	Hong Kong	Shanghai
Aggregate number of shares permitted to be traded (share)	242,000,000	28,000,000
Opening price on the first trading day of listing	HK\$2.05	RMB11.00
Opening price on the first trading day of the year	HK\$1.54	RMB4.97
Closing price on the first trading day of the year	HK\$1.80	RMB5.46
The highest price during the year	HK\$2.67	RMB8.48
The lowest price during the year	HK\$1.35	RMB4.75
Total transaction volume during the year (in 0'000 shares)	43,739.40	46,573.70



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### 2. New issues and listings (Continued)

#### (2) Issue of shares during the past three years

During the past three years ended 31 December 2006, there was no issuance and listing of shares such as additional issue of new shares or placing, etc.

#### (3) Existing internal employee's share

There was no internal employee's share at the end of the Reporting Period.

### 3. Shareholders

The total number of shareholders, the number of shares held by the top ten shareholders and holders of circulating shares of the Company as at 31 December 2006 are as follows:

As at the end of reporting period, there were a total of 25,668 holders, of which 25,625 were holders of A Shares and 43 were holders of H Shares.

#### Details of the top ten shareholders

Name of shareholders	Type of shareholders (state-owned or foreign shareholders)	Percentage (%)	Total number of shares held	Number of non-circulating shares held	Number of shares pledged or frozen
Panda Electronics Group Limited	State-owned shareholders	51.10	334,715,000	334,715,000	72,500,000 shares were pledged, 92,815,000 were judicial frozen, 100,000,000 were pledged and judicial frozen (note 1)
HKCSS Nominees Limited	Foreign shareholders	36.78	240,929,899	0	Unknown
Huang Haibin	Public shareholder	0.110	722,262	0	Unknown
Lai Shuijiao	Public shareholder	0.087	566,730	0	Unknown
Yin Weijiang	Public shareholder	0.071	465,900	0	Unknown
Cheng Huiying	Public shareholder	0.059	387,686	0	Unknown
Zhang Di	Public shareholder	0.041	266,700	0	Unknown
Chengdu Tianfeng Advertising Co. Ltd.	Public shareholder	0.038	250,154	0	Unknown
Gong Fei	Public shareholder	0.037	243,722	0	Unknown
Zhu Benxin	Public shareholder	0.035	230,400	0	Unknown

# Changes in Share Capital and Shareholders



## 3. Shareholders (Continued)

### Details of the top ten holders of circulating shares

Name of shareholders	Number of circulating shares held	Class of shares
HKCSS Nominees Limited <sup>(2)</sup>	240,929,899	H <sup>(note 2)</sup>
Huang Haibin	722,262	A
Lai Shuijiao	566,730	A
Yin Weijiang	465,900	A
Cheng Huiying	387,686	A
Zhang Di	266,700	A
Chengdu Tianfeng Advertising Co. Ltd.	250,154	A
Gong Fei	243,722	A
Zhu Benxin	230,400	A
Zheng Laobing	229,500	A

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

There is no connected relationship or party acting in concert between the state-owned shareholders and the top ten holders of circulating shares of the Company. The Company is not aware of any connected relationship or party acting in concert between the state-owned shareholders and the top ten holders of circulating shares of the Company.

Notes:

- (1) Among the shareholders named above, Panda Electronics Group Limited ("PEGL") held 334,715,000 shares, representing 51.10% of the issued share capital of the Company, which were State-owned Legal Person Shares of restricted circulating shares. However, it has already pledged its 72,500,000 shares and 92,815,000 shares have been judicially frozen, and another 100,000,000 shares have been pledged and judicially frozen.
- (2) HKSCC Nominees Ltd. held 240,929,899 H Shares, representing 36.78% 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.



# Changes in Share Capital and Shareholders

## 4. Details of controlling shareholder and other ultimate controllers of the Company

During the Reporting Period, there was no change in the controlling shareholder and the ultimate controllers of the Company, namely, PEGL and 中國華融資產管理公司 (China Huarong Assets Management Company) respectively. The basic condition was as follows:

1. PEGL held 334,715,000 shares, representing 51.10% of the issued share capital of the Company, which were State-owned Legal Person Shares of non-circulating shares. The predecessor of PEGL was established in 1936, which was converted into a limited company upon approval by the Nanjing Municipal Government on 5 July 1999 and subsequently completed the conversion of indebtedness into equity interests on 4 June 2003. The registered capital of PEGL is RMB 1,266,060,000 and its shareholders include 中國華融資產管理公司 (China Huarong Assets Management Company) ("China Huarong"), representing 36.84% of the share capital, 南京新港開發總公司 (Nanjing Xingang Development Corporation), representing 22.07% of the share capital, 江蘇省國信資產管理集團有限公司 (Jiangsu International Trust and Investment Corporation), representing 21.59% of the share capital, 中國建設銀行股份有限公司 (China Construction Bank Corporation), representing 8.21% of the share capital, 中國長城資產管理公司 (China Changcheng Assets Management Company), representing 6.31% of the share capital, 南京市國有資產經營(控股)有限公司 (Nanjing Municipal State-owned Assets Operation (Holding) Company), representing 4.32% of the share capital, and 中國信達資產管理公司 (China Cinda Assets Management Company), representing 0.66% of the share capital. The legal representative is Mr. Li Anjian. PEGL engages in the manufacture of wireless telecommunication equipment, broadcasting television equipment, electrical machinery and apparatus, electronic system projects, etc.
2. China Huarong, the ultimate controller of the Company, was established on 1 November 1999, with a registered capital of RMB 10 billion. Its legal representative is Ding Zhongchi. Its principal operations are acquisition and operation of the non-performing assets disposed of by Industrial and Commercial Bank of China, demand for the payment of debt, re-allocation, transfer and sales of assets, debt restructure and corporate restructure, debt-equity swap and phase by phase shareholdings, securitization of assets and other operations approved by financial regulatory authorities. It holds 36.84% of shares in Panda Group through debt-equity swap.

Controlling relationship between the Company and the ultimate controller is as follows:

China Huarong Assets Management Company	36.84%
Panda Electronics Group Limited	51.10%
Nanjing Panda Electronics Company Limited	



### 5. Substantial shareholders' interests and short positions in the shares or underlying shares of the Company

On 31 December 2006, so far as the Directors, Supervisors and Senior Management Staff of the Company were aware of, long positions in shares or underlying shares of the Company held by substantial shareholders (exclusive of Directors, Supervisors and Senior Management Staff of the Company) which were required, pursuant to section 336 of the Securities and Futures Ordinance ("SFO"), to be filed in the register were as follows: (1) Panda Electronic Group Ltd. held 334,715,000 domestic shares, accounting for approximately 81.04% of domestic shares in issue and approximately 51.10% of the total shares in issue. The nature of interests in such shares was corporate interest which was held in the capacity of beneficial owner. (2) Lewis Joseph held 20,260,000 H Shares, accounting for approximately 8.37% of 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 was held in the capacity of beneficial owner; (3) Tuesday Thirteen Inc., held 16,920,000 H Shares, accounting for approximately 7.00% of H Shares in issue and approximately 2.59% of the total shares in issue. The nature of interests in such shares was corporate interest which was held in the capacity of controlled corporation. No short positions were found in any shares held by the above substantial shareholders.

Save as disclosed above, the Company is not aware of any person (exclusive of Directors, Supervisors and Senior Management Staff of the Company) who has any interests or short positions which were required to be filed in the register pursuant to section 336 of the SFO.