



## Shareholder's General Meeting

A. The Company held its 2005 Annual General Meeting (“AGM”) on 30 June 2006 at its headquarters. The notice of the AGM was published in China Securities Journal, Shanghai Securities News, Hong Kong Ta Kung Pao and The Standard on 12 May 2006. A total of 43 shareholders of the Company and duly authorized proxies attended the meeting, representing 596,661,742 shares or 91.09% of the Company’s total share capital, which was in compliance with the regulations of the Company Law of the People’s Republic of China and the Articles of Association of the Company.

(1) The following resolutions were passed at the general meeting as ordinary resolutions:

1. The Report of the Board of Directors of the Company for the year 2005 was approved.
2. The Report of the Supervisory Committee for the year 2005 was approved.
3. The audited financial report for the year 2005 was approved.
4. The Company’s proposed profit after tax appropriation plan for the year 2005 was approved and resolved that neither profit appropriation nor capitalisation of capital reserve for the year 2005 would be made.
5. The appointment of Yue Hua Certified Public Accountants as the Company’s PRC auditors for the year 2005 was approved and ratified, and the Board of Directors was authorized to fix its remuneration.
6. The re-appointment of Horwath Hong Kong CPA Limited and YueHua Certified Public Accountants as the Company’s international and PRC auditors respectively for the year 2006 was approved, and the Board of Directors was authorized to fix their remuneration.
7. Mr. Lu Qing was elected as Director of the Fifth Board of the Company with a term until the expiry of this term of Board, and the Board of Directors was authorized to fix his remuneration.

(2) The AGM was witnessed by Mr. Jing Zhong of Jiangsu FD Yongheng Law Firm that issued a legal opinion certifying the meeting was legally and validly held.

The announcement of above resolutions was published in the China Securities Journal, Shanghai Securities News, Hong Kong Ta Kung Pao and The Standard on 3 July 2006.



- B. The Company convened a Relevant A Shareholders' Meeting in relation to Share Segregation Reform Proposal of the Company at its headquarters on 28 July 2006. The notice of the Relevant A Shareholders' Meeting was published in the China Securities Journal and Shanghai Securities News on 30 June 2006.**

A total of 2,676 shareholders of the Company or duly authorized proxies attended the meeting, representing 375,620,428 shares or 90.95% of the Company's total share capital (excluding H Shares), which was in compliance with the regulations of the Company Law of the People's Republic of China and the Articles of Association of the Company.

- 1. The Share Segregation Reform Proposal of the Company was considered and approved at the Relevant A Shareholders' Meeting.**
- 2. The Relevant A Shareholders' Meeting was witnessed by Mr. Jing Zhong of Jiangsu FD Yongheng Law Firm that issued a legal opinion certifying the meeting was legally and validly held**

The announcement of above resolutions was published in the China Securities Journal, Shanghai Securities News, Hong Kong Ta Kung Pao and The Standard on 31 July 2006.

- C. The Company convened the first 2006 Extraordinary General Meeting ("EGM") at its headquarters on 17 August 2006. The notice of the EGM was published in the China Securities Journal, Shanghai Securities News, Hong Kong Ta Kung Pao and The Standard on 3 July 2006 and 30 June 2006 respectively. A total of 30 shareholders of the Company or duly authorized proxies attended the meeting, representing 595,393,143 shares or 90.90% in the Company's total share capital, which was in compliance with the regulations of the Company Law of the People's Republic of China and the Articles of Association of the Company.**

- (1) The resolutions were passed at the general meeting as ordinary resolutions:**

- 1. The agreement relating to assignment of debt ("Assignment of Debt Agreement") entered into by the Company, Nanjing Panda Mobile Communication Equipment Co., Ltd. and Jiangsu Province Investment Management Company Limited dated 9 March 2005 was considered and approved.**
- 2. The Assignment of Debt Agreement ("Further Assignment of Debt Agreement") entered into by the Company, Jiangsu Province Investment Management Company and Jiangsu International Trust & Investment Corporation Limited dated 8 May 2006 was considered and approved.**
- 3. The equity transfer agreement ("Equity Transfer Agreement") entered into by the Company and Jiangsu International Trust & Investment Corporation Limited dated 8 May 2006 was considered and approved.**

- (2) The EGM was witnessed by Mr. Jing Zhong of Jiangsu FD Yongheng Law Firm that issued a legal opinion certifying the meeting was legally and validly held.**

The announcement of above resolutions was published in the China Securities Journal, Shanghai Securities News, Hong Kong Ta Kung Pao and The Standard on 18 August 2006.



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- D. The Company convened the second 2006 EGM at its headquarters on 31 December 2006. The notice of the EGM was published in the China Securities Journal, Shanghai Securities News, Hong Kong Ta Kung Pao and The Standard on 16 November 2006. A total of 42 shareholders of the Company or duly authorized proxies attended the meeting, representing 579,854,254 shares or 88.53% in the Company's total share capital, which was in compliance with the regulations of the Company Law of the People's Republic of China and the Articles of Association of the Company.
1. The agreement to use the Assets for discharge of the Debt (《以資抵債協議》) entered into by the Company and Panda Electronic Group Limited was passed as ordinary resolution at the EGM and the Board of Directors was authorized to take any actions it considered necessary to give effect to the agreement.
  2. Amendment to the Articles of Association of the Company was passed as a special resolution at the EGM.
  3. The EGM was witnessed by Mr. Jing Zhong of Jiangsu FD Yongheng Law Firm that issued a legal opinion certifying the meeting was legally and validly held.

The announcement of above resolutions was published in the China Securities Journal, Shanghai Securities News, Hong Kong Ta Kung Pao and The Standard on 4 January 2007 and 2 January 2007 respectively.