南京熊猫電子股份有限公司
NANJING PANDA ELECTRONICS COMPANY LIMITED

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 0553)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2010

Important Notice

The Board, supervisory committee, Directors, supervisors and senior management of the Company confirm that the information in this announcement does not contain any false representation, misleading statement, or material omission and jointly and severally accept full responsibility for the truthfulness, accuracy and completeness of the contents of this announcement. The purpose of this interim results announcement is to provide the public investors with a summary of the Company's results for the six months ended 30 June 2010. Investors should carefully read the whole text of the 2010 Interim Report in detail before making any significant decision.

All Directors were present at the Board meeting held on 25 August 2010.

The financial statements of the Company for the six months ended 30 June 2010 were unaudited.

None of the controlling shareholder or its related parties has misappropriated the Company's funds for non-operating purposes.

The Company did not provide external guarantees in violation of any stipulated decision-making procedures.

Mr. Xu Guofei, the Vice Chairman of the Company, Mr. Shen Jianlong, the Chief Accountant, and Ms. Wu Yuzhen, the manager of Finance Department, have declared that they guarantee the truthfulness and completeness of the financial statements in the 2010 Interim Report.

The board of directors (the "Board") and the directors (the "Directors") of Nanjing Panda Electronics Company Limited (the "Company") are pleased to announce the summary of the results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2010 (the "Reporting Period"). Investors should carefully read the whole text of the 2010 interim report ("2010 Interim Report") in detail before making any significant decision. The financial statements of the Company for the six months ended 30 June 2010 were unaudited.

I. BASIC COMPANY INFORMATION

(I) Company profile

1.	Legal Chinese name of the Company	:	南京熊猫電子股份有限公司	
	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.	Secretary of the Board	:	Shen Jianlong
	Securities Representative of the Board	:	Chen Yebao
	Correspondence Address	:	301 Zhongshan Road East, Nanjing, the People's Republic of China (Postal Code: 210002)
	Telephone	:	(8625)-84801144
	Facsimile	:	(8625)-84820729
	E-mail address	:	dms@panda.cn

(II) Key financial data and indices

1 Prepared in accordance with the PRC Accounting Standards (unaudited)

(Unit: RMB)

	End of the Reporting Period (30 June 2010)	**End of last year (31 December 2009)**	**Change between the end of the Reporting Period and the end of the last year** *(%)*
Total assets	2,582,611,390.50	2,456,940,249.72	5.11
Owners' equity (or shareholders' equity)	1,455,575,295.89	1,465,004,517.00	(0.64)
Net asset value per share	2.22	2.24	(0.64)

	The Reporting Period (January to June 2010)	The corresponding period last year (January to June 2009) After adjustment	Before adjustment	Change between the Reporting Period and the same period last year *(%)*
Operating profit	(7,880,621.96)	(44,526,690.24)	(47,487,053.84)	82.30
Total profit	(3,976,606.29)	(43,721,423.27)	(46,681,786.87)	90.90
Net profit	(9,429,221.11)	(48,171,090.98)	(49,967,934.90)	80.43
Net profit after extraordinary items	(13,845,522.10)	(51,077,413.67)	(50,468,307.44)	72.89
Basic earnings per share	(0.0144)	(0.0735)	(0.0763)	80.43
Basic earnings per share after extraordinary items	(0.0211)	(0.0780)	(0.0770)	72.89
Diluted earnings per share	(0.0144)	(0.0735)	(0.0763)	80.43
Return on net assets *(%)*	(0.65)	(3.23)	(3.57)	Increased by 2.58 percentage points
Net cash flow from operating activities	(218,076,368.45)	(45,407,230.71)	(32,076,301.96)	(380.27)
Net cash flow from operating activities per share	(0.3329)	(0.0693)	(0.0490)	(380.27)

Notes: Items of extraordinary profit and loss (unaudited)

Unit: RMB

Item	**Amount**
Gains and losses from disposal of non-current assets	(5,200,720.91)
Government grants (except for the grants which are closely related to the Company's business and have the standard amount and quantities in accordance with the national standard) attributable to gains and losses for the period	5,540,824.90
Profit and loss from debt restructuring	3,385,152.15
Other non-operating net income and expenses other than the aforesaid items	(19,382.81)
Impact on enterprise income tax	724,905.91
Net extraordinary profit and loss attributable to minority shareholders	(14,478.25)
Total	4,416,300.99

2 Prepared in accordance with Hong Kong Financial Reporting Standards (unaudited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2010

		Six months ended	
		30 June 2010	30 June 2009
		(unaudited)	(unaudited)
	Note	***RMB'000***	*RMB'000*
			(Restated)
Turnover	3	**731,159**	424,888
Cost of sales		**(656,521)**	(373,560)
Gross profit		**74,638**	51,328
Other income	4	**14,558**	4,098
Other losses — net		**(512)**	(66)
Distribution costs		**(17,542)**	(16,917)
Administrative expenses		**(94,937)**	(75,111)
Operating loss	5	**(23,795)**	(36,668)
Finance income		**2,395**	1,175
Finance costs		**(11,866)**	(20,318)
Finance costs — net		**(9,471)**	(19,143)
Share of profits of associates		**29,289**	12,090
Loss before income tax		**(3,977)**	(43,721)
Income tax expenses	6	**(2,945)**	(2,620)

	Note		
Loss for the period		**(6,922)**	(46,341)
Other comprehensive income		**—**	—
Total comprehensive loss for the period		**(6,922)**	(46,341)
Total comprehensive loss for the period attributable to			
Equity holders of the Company		**(9,429)**	(48,171)
Non-controlling interests		**2,507**	1,830
		(6,922)	(46,341)
Loss per share for loss attributable to the equity holders of the Company for the period (expressed in Renminbi per share)	7	**(0.014)**	(0.074)
Dividends	8	**—**	—

CONDENSED CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2010

	Note	**30 June 2010 (unaudited)** *RMB'000*	31 December 2009 (audited) *RMB'000*
ASSETS			
Non-current assets			
Land use rights		**23,720**	24,062
Property, plant and equipment		**565,379**	553,013
Investments in associates		**807,967**	778,712
Deferred income tax assets		**2,581**	2,782
		1,399,647	1,358,569
Current assets			
Inventories		**169,031**	157,430
Trade and bills receivables	9	**328,694**	215,484
Deposits, prepayments and other receivables		**166,118**	84,343
Amounts due from fellow subsidiaries, associates and related companies		**37,916**	19,090
Amount due from the ultimate holding company		**63**	91
Restricted bank deposits		**66,846**	61,579
Cash and cash equivalents		**414,296**	560,354
		1,182,964	1,098,371
Total assets		**2,582,611**	2,456,940

Equity			
Capital and reserves attributable to equity holders of the Company			
Ordinary shares		**655,015**	655,015
Share premium and reserves		**800,561**	809,990
		1,455,576	1,465,005
Non-controlling interests		**13,861**	11,785
Total equity		**1,469,437**	1,476,790
LIABILITIES			
Non-current liabilities			
Long term borrowing		**4,000**	4,000
Finance lease obligations — non-current portion		**—**	1,279
		4,000	5,279
Current liabilities			
Borrowings		**595,635**	399,454
Trade payables	10	**291,671**	270,216
Accruals and other payables		**187,221**	177,763
Amounts due to fellow subsidiaries, associates and related companies		**4,260**	11,612
Amount due to the ultimate holding company		**17,429**	86,705
Finance lease obligations — current portion		**2,362**	2,215
Tax payables		**10,596**	26,906
		1,109,174	974,871
Total liabilities		**1,113,174**	980,150

Total equity and liabilities	**2,582,611**	2,456,940
Net current assets	**73,790**	123,500
Total assets less current liabilities	**1,473,437**	1,482,069

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparation

The condensed consolidated interim financial statements have been prepared in accordance with the Hong Kong Accounting Standard ("HKAS") 34 "Interim financial reporting" and the principles of merger accounting as prescribed in Hong Kong Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. Principal accounting policies

The condensed consolidated interim financial statements have been prepared under the historical cost convention.

Except as described below, the accounting policies applied in the financial statements are consistent with those used in the Group's annual financial statements for the year ended 31 December 2009.

The following new and revised standards, amendments and interpretations are mandatory for the first time for the financial period beginning 1 January 2010.

HKAS 27 (Revised)	Consolidated and separate financial statements
HKAS 28 (Amendment)	Investment in associates
HKAS 39 (Amendment)	Eligible hedged items
HKFRS 1 (Amendment)	Additional exemptions for first-time adopters
HKFRS 2 (Amendment)	Group cash-settled share-based payment transaction
HKFRS 3 (Revised)	Business combinations
HK (IFRIC) 17	Distributions of non-cash assets to owners

HKAS 27 (Revised), "Consolidated and separate financial statements"

HKAS 27 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss.

The Group has applied this revised standard prospectively from 1 January 2010 and management have assessed that this revised standard does not have a significant impact on the Group's financial statements for the six months period ended 30 June 2010 since there was no transaction undertaken with non-controlling interests.

HKFRS 3 (Revised), "Business combinations"

The revised standard continues to apply the acquisition method to business combinations but with some significant changes compared with HKFRS 3. For example, all payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs are expensed. As there was no transaction during the current interim period in which HKFRS 3 (Revised) is applicable, the application of HKFRS 3 (Revised) had no effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods.

The application of the other New or Revised HKFRSs had no effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods.

The following new standards, new interpretations and amendments to standards and interpretations have been issued but they are not effective for the financial period beginning 1 January 2010 and have not been early adopted:

HKFRSs (Amendments)	Improvements to HKFRSs 2010
HKAS 24 (revised)	Related party disclosures
Amendment to HKAS 32	Classification of rights issues
Amendment to HKFRS 1	Limited exemption from comparative HKFRS 7 disclosures for First - time adopters
HKFRS 9	Financial instruments
Amendment to HK (IFRIC) 14	Prepayments of a minimum funding requirement
HK (IFRIC) 19	Extinguishing financial liabilities with equity instruments

The directors of the Company anticipate that the application of other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. Turnover

Turnover represents the invoiced value of goods sold and services provided to outside customers, net of sales taxes.

4. Other income

	Six months ended	
	30 June 2010	30 June 2009
	(unaudited)	(unaudited)
	RMB'000	*RMB'000*
		(Restated)
Rental and property management fee income	**5,335**	2,328
Government subsidies	**5,739**	584
Writing off of trade and other payables	**3,385**	964
Sundry income	**99**	222
	14,558	4,098

5. Operating loss

	Six months ended	
	30 June 2010	30 June 2009
	(unaudited)	(unaudited)
	RMB'000	*RMB'000*
		(Restated)
Loss on disposal of property, plant and equipment, net	**5,201**	780
Depreciation of property, plant and equipment	**21,609**	22,275
Amortisation of land use rights	**341**	725
Impairment loss reversed		
— Inventories	**(1,317)**	(167)
— Trade receivables, other receivables and amounts due from related companies	**(74)**	(4,106)
Exchange losses, net	**(512)**	(66)

6. Income tax expenses

Income tax expenses comprise:

	Six months ended 30 June 2010 (unaudited) RMB'000	30 June 2009 (unaudited) RMB'000 (Restated)
PRC enterprise income tax	**2,859**	2,318
Deferred tax	**86**	302
Income tax expenses	**2,945**	2,620

The Company is recognized by the Jiangsu Science and Technology Department as a high-tech enterprise on 21 October 2008 with a validity period of three years. Accordingly, it enjoys a preferential policy on income tax and pays income taxes as per 15% of taxable income since 1 January 2008. The enterprise income tax rate for 2010 is 15%.

The applicable enterprise income tax rates for subsidiaries of the Company range from 15% to 25%. Nanjing Panda Information Industry Co., Ltd, a subsidiary of the Company, is registered in Jiangning Economic and Technical Development Zone. As a foreign invested enterprise, it is entitled to a preferential enterprise income tax policy of two years exemption from income taxes followed by three years of 50% tax reduction. The year of 2008 was the first year of enterprise income tax exemption. The enterprise income tax rate for 2010 is 12.5%.

Nanjing Panda Appliance & Apparatus Co. Ltd, a subsidiary of the Company, has been recognized by the Jiangsu Science and Technology Department as a high-tech enterprise since 21 October 2008 with a validity period of three years. Accordingly, it enjoys an enterprise income tax rate of 15% since 1 January 2008. The enterprise income tax rate for 2010 is 15%.

Nanjing Huage Appliance and Plastic Industrial Company Limited, a subsidiary of the Company, has been recognized as a high-tech enterprise by the Jiangsu Science and Technology Department since 9 December 2008, with a validity period of three years. Accordingly, it enjoys an enterprise income tax rate of 15% till 31 December 2010. The enterprise income tax rate for 2010 is 15%.

Pursuant to the approval from the taxation bureau of Nanjing Economic and Technical Development Zone, Nanjing Panda Electronic Manufacture Co., Ltd, a subsidiary of the Company, has an income tax rate of 18%, 20%, 22%, 24% and 25% from 2008 to 2012 respectively. It enjoyed a 50% tax deduction in year 2008 and 2009, and shall not be entitled to enjoy any preferential income tax policy starting from 2010. The enterprise income tax rate for 2010 is 22%.

7. Loss per share

The calculation of loss per share is based on the loss attributable to equity holders of the Company for the six months ended 30 June 2010 of RMB9,429,000 (six months ended 30 June 2009: Loss of RMB48,171,000) and on 655,015,000 shares in issue throughout the period.

No diluted earnings per share for the six months ended 30 June 2010 and 2009 has been presented as issue of no dilutive potential ordinary shares was made as at 30 June 2010 and 2009.

8. Dividends

No final dividend in respect of the previous year was approved and declared during the period.

The Directors do not recommend the payment of an interim dividend (six months ended 30 June 2009: Nil).

9. Trade and bills receivables

The Group allows a credit period ranging from 30 to 180 days to its trade customers.

The following is an ageing analysis of trade and bill receivables net of provision for impairment as at 30 June 2010:

	30 June 2010 **(unaudited)** ***RMB'000***	31 December 2009 (audited) *RMB'000*
Within 1 year	**294,422**	182,720
1 to 2 years	**32,515**	32,010
2 to 3 years	**1,251**	686
Over 3 years	**506**	68
	328,694	215,484

10. Trade payables

The following is an ageing analysis of trade payables as at 30 June 2010:

	30 June 2010 **(unaudited)** ***RMB'000***	31 December 2009 (audited) *RMB'000*
Within 1 year	**251,104**	229,714
1 to 2 years	**23,204**	21,152
2 to 3 years	**2,042**	3,543
Over 3 years	**15,321**	15,807
	291,671	270,216

11. Business combination under common control

The Company entered into an equity transfer agreement with the controlling shareholder, PEGL, on 10 July 2009 for the acquisition of 70% equity interests in Nanjing Panda Electromechanical Instruments Technology Co., Ltd. ("NPEIT") for an aggregate consideration of RMB 2,643,700.

The Group set the date of acquisition as 31 July 2009 at which the Group obtained the ultimate control of NPEIT.

The assets and liabilities of NPEIT as at 31 July 2009 are as follows:

	Date of acquisition
	31 July 2009
	RMB'000
Property, plant and equipment	1,271
Deferred income tax assets	263
Trade and bills receivables	18,373
Deposits, prepayment and other receivables	2,616
Cash and cash equivalents	6,104
Inventories	2,766
Trade payables	(19,896)
Accruals and other payables	(4,911)
Net assets	6,586

Such acquisition is regarded as a business acquisition under common control. The assets and liabilities acquired by the Company in the merger of enterprises shall be measured at book value of the merger party on the merger date.

Since merger accounting for common control combination is adopted after the acquisition of NPEIT, adjustments on the Group's result for the six months ended 30 June 2009 are as follows:

	The Group before transferred subsidiary	**Transferred subsidiary**	**Adjustments**	**Six months ended 30 June 2009**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Six months ended 30 June 2009				
Income	393,752	33,440	(2,304)	424,888
Loss before income tax	(46,682)	2,961	—	(43,721)
Income tax expense	(2,226)	(394)	—	(2,620)
Loss for the period	(48,908)	2,567	—	(46,341)

Notes:

No other significant adjustments were made to the net assets and net profit of any entities or businesses as a result of the common control combination to achieve consistency of accounting policies.

The Group has disclosed in the 2009 Annual Report the effects to the results of year 2009 and the consolidated balance sheet as at 31 December 2009 as a result of the adoption of common control business combinations on the two subsidiaries, Nanjing Panda Technology Industrial Co., Ltd. and NPEIT.

12. Disposal of equity interests in a subsidiary

In June 2010, the Company disposed of 70% equity interests in a subsidiary, Nanjing Electronic Calibration Co., Ltd, ("Electronic Calibration") to Nanjing Panda Handa Technology Company Limited, which is a subsidiary of PEGL, the controlling shareholder of the Company, at a consideration of approximately RMB 1,039,000. At the date of disposal, the net assets of Electronic Calibration were approximately RMB 1,438,000. The gain and net cash outflow arising from the disposal of Electronic Calibration amounted to approximately RMB 33,000 and RMB 425,000 respectively. For the six months ended 30 June 2010, the turnover and profit before income tax of Electronic Calibration was approximately RMB 3,541,000 and RMB 128,000 respectively.

13. Related party transactions

Other than those disclosed in note 12, the Group entered into the following transactions with its related parties during the Reporting Period:

	Fellow subsidiaries and associates		**Ultimate holding company**	
	Six months ended		**Six months ended**	
	30 June 2010	30 June 2009	**30 June 2010**	30 June 2009
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
		(Restated)		(Restated)
Sales of components and parts	**47,498**	39,432	**62**	66
Purchases of components and parts	**1,770**	3,166	**121**	193
Fees paid for welfare, support, sub-contracting and general services	**622**	263	**213**	87
Income from welfare, support, sub-contracting and general services	**24,867**	27,233	**4**	3
Rental income	**137**	173	**35**	—
Rental expenses	**275**	138	**—**	—

14. Difference between Hong Kong Financial Reporting Standards and PRC accounting standards as applicable to the Group

There were no differences between the interim financial statements prepared under Hong Kong Financial Reporting Standards and PRC accounting standards, including the condensed consolidated statements of comprehensive income for the six months ended 30 June 2010 and the condensed consolidated balance sheets as at 30 June 2010.

II. CHANGES IN SHARE CAPITAL AND INFORMATION OF SHAREHOLDERS

(I) Changes in share capital

As at 30 June 2010, there was no change in the total number of shares and shareholding structure of the Company.

(II) Information of shareholders

1. **As at 30 June 2010, the total number of shareholders of the Company was 20,912, among which 20,863 were holders of A Shares and 49 were holders of H Shares.**

2. Shareholdings of the top ten shareholders

As at 30 June 2010, the top ten shareholders of the Company and their respective shareholdings are as follows:

Name of shareholders	Nature of shareholders	Percentage of shareholding (%)	Number of shares held	Number of shares subject to trading moratorium	Number of shares pledged or frozen
Panda Electronics Group Limited ("PEGL")	State-owned shareholder	51.10	334,715,000	0	Nil
HKSCC (Nominees) Limited	Foreign shareholder	36.75	240,705,599	0	Unknown
Huang Jitang (黃紀棠)	Others	0.331	2,170,081	0	Unknown
Peng Hongwan (彭洪萬)	Others	0.142	933,050	0	Unknown
Cao Zhiqing (曹志清)	Others	0.094	616,121	0	Unknown
Zheng Xinhua (鄭新華)	Others	0.092	600,000	0	Unknown
Li Zhenling (李珍玲)	Others	0.076	500,000	0	Unknown
Xie Xiaoping (謝小萍)	Others	0.060	390,768	0	Unknown
Liu Xueqin (劉雪琴)	Others	0.057	376,000	0	Unknown
Wu Zhiyong (吳志勇)	Others	0.057	374,600	0	Unknown

3. Details of the top ten holders of shares not subject to trading moratorium

Name of shareholders	Number of circulating shares held	Class of shares
PEGL	334,715,599	A
HKSCC (Nominees) Limited	240,705,599	H
Huang Jitang (黃紀棠)	2,170,081	A
Peng Hongwan (彭洪萬)	933,050	A
Cao Zhiqing (曹志清)	616,121	A
Zheng Xinhua (鄭新華)	600,000	A
Li Zhenling (李珍玲)	500,000	A
Xie Xiaoping (謝小萍)	390,768	A
Liu Xueqin (劉雪琴)	376,100	A
Wu Zhiyong (吳志勇)	374,600	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 among PEGL and other shareholders. The Company is not aware of any connected relationship or party acting in concert among other shareholders.

Notes:

(1) Among the shareholders named above, PEGL held 334,715,000 shares on behalf of the state, representing 51.10% of the issued share capital of the Company, which were circulating shares not subject to trading moratorium. Of which, 167,350,000 shares were pledged at the beginning of the Reporting Period and were discharged on 28 January 2010. As at 30 June 2010, none of the shares of the Company held by PEGL were pledged or frozen.

(For details, please refer to the relevant announcements published in China Securities Journal and Shanghai Securities News on 30 January 2010, and on the websites of the Shanghai Stock Exchange, the Hong Kong Stock Exchange and the Company on 29 January 2010.)

(2) HKSCC (Nominees) Limited held 240,705,599 H Shares of the Company, representing 36.75% 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.

4. Changes of the controlling shareholder and the de facto controller

During the Reporting Period, there was no change of the controlling shareholder and the de facto controller of the Company, which were still PEGL and China Huarong Assets Management Company（中國華融資產管理公司） respectively.

Note: Nanjing Electronics Information Industrial Corporation（南京中電熊猫信息產業集團有限公司）("NEIIC") was jointly invested and established pursuant to the agreement entered into by Nanjing State-owned Assets Supervision and Administration Commission of the PRC ("Nanjing SASAC"), Jiangsu Provincial Guo Xin Asset Management Group Company Limited（江蘇省國信資產管理集團有限公司）("Guo Xin Group") and China Electronics Corporation ("CEC") (of which CEC accounts for 70%, Nanjing SASAC and Guo Xin Group account for 15% each). Pursuant to the agreement, NEIIC will hold 47.98% equity interest in PEGL, the controlling shareholder of the Company, hence becoming the largest shareholder of PEGL. Pursuant to the approval of the change in the ultimate controller of the Company (Guo Zi Chan Quan [2009] No. 843)（《關於南京熊猫電子股份有限公司實際控制人變更有關問題的批覆》（國資產權[2009]843號））issued by the State-owned Assets Supervision and Administration Commission of the State Council, the ultimate controller of the Company will be changed to CEC upon completion of the establishment of NEIIC. The completion of the agreement is still subject to the relevant approval procedures of the CSRC and other relevant regulatory authorities.

III. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

(I) Shareholdings of Directors, supervisors and senior management

As at 30 June 2010, the shareholdings of Directors, supervisors and senior management are as follows:

Name	Position	No. of shares held at the beginning of the Reporting Period (A share)	No. of shares increased/ decreased during the Reporting period (+/-)	No. of shares held at the end of the Reporting Period (A share)	Reasons for change
Lai Weide	Non-executive Director and Chairman	0	0	0	
Xu Guofei	Non-executive Director and Vice Chairman	2,546	0	2,546	
Zhu Lifeng	Non-executive Director	4,378	0	4,378	
Deng Weiming	Non-executive Director	0	0	0	
Lu Qing	Non-executive Director	0	0	0	
Jason Hsuan	Non-executive Director	0	0	0	
Cai Lianglin	Independent Non-Executive Director	0	0	0	
Tang Yousong	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	4,648	0	4,648	
Tang Min	Supervisor	0	0	0	
Zhou Yuxin	Supervisor	0	0	0	
Sun Suhua	Independent Supervisor	0	0	0	
Wang Fei	Independent Supervisor	0	0	0	
Liu Kun	Deputy General Manager	0	0	0	
Shen Jianlong	Chief Accountant and Secretary to the Board	0	0	0	
Xia Dechuan	Deputy General Manager	0	0	0	

(II) New appointment or dismissal of Directors, supervisors and senior management during the Reporting Period

During the Reporting Period, the changes in the Directors, supervisors and senior management of the Company were as follows:

1. Mr. Li Anjian resigned as the Chairman, the general manager, a member of the strategic committee and a member of the nomination committee of the Company on 22 March 2010 due to job re-allocation arrangement. Mr. Shi Qiusheng resigned as a Director, an authorized representative, the company secretary, a member of the strategic committee and a member of the audit committee of the Company on 9 April 2010 due to job re-allocation arrangement.

2. Mr. Lai Weide and Mr. Deng Weiming were nominated as candidates for Directors of the sixth Board of the Company at the extraordinary meetings of the Board held on 22 March 2010 and 9 April 2010 respectively, and were subsequently elected at the 2010 first EGM of the Company held on 28 May 2010. Their term of office shall expire with the sixth Board.

   The Company has appointed Mr. Lu Qing as the Authorized Representative of the Company according to relevant requirement of the Hong Kong Stock Exchange.

3. At the 14th meeting of the sixth Board held on 28 May 2010, Mr. Lai Weide was elected as Chairman of the Company.

   (For details, please refer to the relevant announcements published in China Securities Journal and Shanghai Securities News on 23 March 2010, 10 April 2010 and 29 May 2010 respectively and the websites of the Shanghai Stock Exchange, the Hong Kong Stock Exchange and the Company on 22 March 2010, 9 April 2010 and 28 May 2010 respectively).

IV. REPORT OF THE BOARD

(I) Principal operations during the Reporting Period

1 Principal operations of the Company

The principal operations of the Company are development, manufacture and sale of satellite communication products, mobile communication products, electronic equipment products, electronic intelligent products and electronic manufacturing business, etc.

In the first half of 2010, the Company continued to strengthen its corporate reforms and insisted on sustainable development. All activities proceeded as planned. Both operating income and profit increased along with the fast development of certain principal products of the Company in the first half of 2010. Meanwhile, the Company continued to enhance its control over the joint ventures so as to facilitate their growth. The Company's investment income for the first half of 2010 also obtained considerable increase.

Under the PRC Accounting Standards for Business Enterprises, operating income of the Company from January to June 2010 amounted to RMB742 million, representing an increase of 72.36% as compared with the corresponding period last year; and net loss was RMB9,429,200, representing an increase of 80.43% (a decrease in loss of RMB38,741,900) as compared with the corresponding period last year. Under the Hong Kong Financial Reporting Standards, operating income of the Company from January to June 2010 amounted to RMB731 million, representing an increase of 72.08% as compared with the corresponding period last year; and loss attributable to shareholders of the Company was RMB9,430,000, representing an increase of 80.43% as compared with the corresponding period last year.

2 Principal operations by business or product segments (prepared under the PRC Accounting Standards for Business Enterprises, unaudited)

Unit: RMB'000

Business or product	Income from principal activities	Cost of principal activities	Gross profit margin	Income from principal activities increased/(decreased) over the same period last year	Cost of principal activities increased/(decreased) over the same period last year	Gross profit margin increased/(decreased) over the same period last year
			%	%	%	%
Electronic manufacturing products	258,817	227,991	11.91	73.60	73.64	(0.02)
Electronic intelligent products	209,083	188,008	10.08	202.47	226.54	(6.63)
Electronic equipment products	143,817	122,262	14.99	(0.02)	(1.86)	1.59
Others	114,477	109,517	4.33	344.54	479.39	(22.27)
Total	726,195	647,777	10.80	71.75	77.32	(2.80)

Of which, the total transaction amount of the connected transactions of sales of products and the provision of services to the controlling shareholder and its subsidiaries by the Company was RMB30,329,800 during the Reporting Period.

3 Principal operations by geographical regions

The principal operations of the Company mainly span across different regions in the PRC.

4 Operation of the principal controlled and investee companies

(1) Nanjing Ericsson Panda Communication Co., Ltd. ("ENC")

ENC is held as to 27% by the Company, 25% by Telefonaktiebolaget L.M. Ericsson, 26% by Ericsson (China), 20% by China Potevio Co., Ltd. and 2% by Hong Kong Yung Shing Enterprise Company. ENC is mainly engaged in producing such products as mobile telecommunication system products and network communication systems. As one of the global logistic centres for Ericsson, ENC is also the largest supplier of mobile telecommunication equipment in the PRC. During the first half of 2010, ENC zealously explored markets and constantly enhanced the competitiveness of its products. Despite the decrease in sales revenue, better economic performance was achieved through efforts in expanding sales of radio base station products. Under the International Accounting Standards, ENC recorded operating income of RMB4,381 million from January to June 2010, representing a decrease of 28.69% as compared with the corresponding period last year and recorded net profit of RMB135 million, representing an increase of 184.24% as compared with the corresponding period last year.

(2) Beijing SE Putian Mobile Communication Co., Ltd. ("BMC")

BMC is held as to 20% by the Company, 51% by Sony Ericsson Mobile Communication Limited, 27% by China Potevio Co., Ltd. and 2% by Hong Kong Yung Shing. BMC is mainly engaged in the manufacturing of mobile terminals (mobile phones) under the brand of Sony Ericsson, which is the most important production base and supply centre of Sony Ericsson mobile phones. In the first half of the year, the profit of BMC decreased due to the decrease in both sales revenue and overall gross profit margin impacted by unfavourable market conditions. Under the International Accounting Standards, BMC recorded operating income of RMB9,683 million from January to June 2010, representing a decrease of 14.55% as compared with the corresponding period last year and recorded net profit of RMB105 million, representing a decrease of 50.14% as compared to the corresponding period last year.

(3) Hua Fei Colour Display Systems Company Limited ("Hua Fei Company")

Hua Fei Company is held as to 25% by the Company, 20% by Nanjing Hua Dong Electronics Group Limited and 55% by LG Philips Displays International Ltd. (樂金•飛利浦顯示件國際有限公司). Its principal operations include development, design and manufacture of colour image tubes, colour monitor tubes and other colour display system products, spare parts, materials and other related electronic products, as well as sale of self-produced products.

Under the PRC Accounting Standards for Business Enterprises, operating income of Hua Fei Company from January to June 2010 amounted to RMB4,155 million, representing an increase of 26.36% as compared with the corresponding period last year. In the Reporting Period, it incurred further loss of RMB131 million, which was RMB58 million lower than that of the corresponding period last year.

(II) Summary of analysis of operational performance and financial position

1. Analysis of reasons for movements of principal financial indicators (prepared under the PRC Accounting Standards for Business Enterprises, unaudited)

Unit: RMB

(1) Major changes of accounts in balance sheet

Items	30 June 2010	31 December 2009	Change (%)
Accounts receivable	357,982,120.27	225,724,139.03	58.59
Prepayments	129,532,731.68	64,834,617.63	99.79
Other receivables	37,631,446.53	20,079,161.67	87.42
Development expenses	836,091.07	—	—
Short-term loans	506,383,767.03	380,000,000.00	33.26
Bills payable	89,250,681.50	19,454,095.64	358.78
Taxes payable	10,596,204.86	26,906,223.41	(60.62)
Interest payable	645,755.00	469,360.36	37.58
Long-term payables	2,362,315.44	3,494,205.24	(32.39)

Explanation of the changes:

(1) The increase in accounts receivable was mainly due to the increase in sales during the Reporting Period.

(2) The increase in prepayments was primarily due to the advance payments for material procurement and construction of system engineering project.

(3) The increase in other receivables was mainly attributable to the increase in guarantee deposits and petty cash as at the end of the period.

(4) The increase in the development expenses was due to the package of software under development.

(5) The increase in short-term loans was mainly due to the additional working capital required by the expanded sales volume during the period.

(6) The increase in bills payable was mainly due to the settlement of bills for material purchase in the period.

(7) The decrease in taxes payable was primarily due to tax payment made on a timely basis during the period.

(8) The increase in interest payable was mainly due to the increase in closing balance of loans from the opening balance.

(9) The decrease in long-term payables was mainly due to payment under finance lease settled as scheduled during the period.

(2) Major changes of accounts in income statement:

Items	January - June 2010	January - June 2009	Change
			(%)
Operating income	741,785,644.63	430,358,398.28	72.36
Operating cost	657,837,656.83	373,726,797.61	76.02
Business taxes and surcharges	5,290,553.19	3,142,188.45	68.37
Financial expenses	10,267,781.73	20,016,887.76	(48.70)
Loss from assets impairment	(1,391,395.85)	(4,439,404.49)	68.66
Investment income	29,288,617.57	12,089,630.96	142.26
Operating profit	(7,880,621.96)	(44,526,690.24)	82.30
Non-operating income	9,222,475.73	1,769,898.75	421.07
Non-operating expenses	5,318,460.06	964,631.78	451.35
Total profit	(3,976,606.29)	(43,721,423.27)	90.90
Net profit	(6,922,050.27)	(46,341,125.43)	85.06

Explanation of the changes:

(1) The increase in operating income was mainly due to the increased sales volume of electronic intelligent and electronic manufacture products.

(2) The increase in operating cost was mainly due to the increased sales volume of electronic intelligent and electronic manufacture products.

(3) The increase in business taxes and surcharges was primarily due to the rise in sales.

(4) The decrease in financial expenses was due to the decrease in both average interest rate and loan amount as compared with the same period last year.

(5) The increase in loss from assets impairment was primarily due to less reversals of provision for asset impairment during the period.

(6) The increase in investment income was mainly due to the improvement of operating results of the joint ventures as compared with the corresponding period last year.

(7) The increase in operating profit was mainly due to the increase in operating income.

(8) The increase in non-operating income was primarily due to the recognition of government subsidies.

(9) The increase in non-operating expenses was mainly attributable to the disposal of certain fixed assets during the period.

(10) The increase in total profit was mainly due to the increased operating income.

(11) The increase in net profit was primarily due to the increased operating income.

(3) Major changes of accounts in cash flow statement:

Items	January - June 2010	January - June 2009	Change
			(%)
Net cash flow from operating activities	(218,076,368.45)	(45,407,230.71)	(380.27)
Net cash flow from investment activities	(49,302,510.63)	(153,595,923.20)	67.90
Net cash flow from financing activities	121,371,962.08	341,137.87	35,478.57

Explanation of the changes:

(1) The decrease in net cash flow from operating activities was primarily due to the increase in procurement volume and in the repayment of loans of the parent group during the period.

(2) The increase in net cash flow from investment activities was mainly attributable to the acquisition of subsidiaries in the previous period.

(3) The increase in net cash flow from financing activities was mainly due to the increase in the proceeds from financing activities at the end of the period as compared with the beginning of the period.

2. Liquidity

In accordance with the Hong Kong Financial Reporting Standards, as at 30 June 2010, the Company's gearing ratio (the ratio of total liability to total assets) was 43.10%; current net liabilities value was RMB74 million; liquidity ratio was 1.07; quick ratio was 0.91; bank deposits and cash were RMB481 million; total loan amounted to approximately RMB600 million, and the standard annual interest rate was 5.31% for the Reporting Period, as shown in the consolidated financial statements of the Company.

(III) Investments in the Reporting Period

The Company did not utilise any proceeds raised in the Reporting Period or continue any use thereof commencing from the previous periods, nor had any material investment financed by non-raised funds.

(IV) Business plan for the second half year of 2010

The Company will make further efforts in propelling adjustment for business structure to facilitate the growth of principal operations. The Company will further strengthen talent recruitment so as to sustain growth and achieve a rapid and sound development.

(V) Employees of the Company

As at 30 June 2010, the Company had 3,529 employees (1,679 were engaged in production, 1,061 in technology, 359 in sales, 145 in finance and 285 in administration and management.) In addition, there were 758 retirees, for whom the Company undertook to pay retirement pension.

V. SIGNIFICANT EVENTS

(I) During the Reporting Period, the Company did not have any profit appropriation, transfer of public reserves to share capital or issue of new shares which were recommended in the previous period and implemented during the Reporting Period.

The Company does not recommend to make any profit distribution or to convert any capital reserve into share capital during the first half of 2010.

(II) Material litigation and arbitration

During the Reporting Period, the Company was not involved in any material litigation or arbitration which occurred during the Reporting Period or which had occurred in the previous periods but subsisted to the Reporting Period.

(III) There was no material acquisition, disposal of assets or asset reorganization which occurred during the Reporting Period or which had occurred in the previous periods but subsisted during the Reporting Period.

(IV) Material connected transactions

1. **As at 30 June 2010, the Company had no other material connected transaction save and except for the continuing connected transactions for the period from 2010 to 2012 which were approved by the independent shareholders at the extraordinary general meeting of the Company held on 23 December 2009 (i.e. the continuing connected transactions which were conducted in the ordinary course of business and on normal commercial terms).**

2. **Connected transactions relating to day-to-day operation**

   During the Reporting Period, the connected transactions relating to sale of products and provision of services to the controlling shareholder and its subsidiaries by the Company amounted to RMB30,329,800.

3. Transactions relating to creditor's rights and debt

Unit: RMB 0'000

Related parties	Provision of funds to related parties		Provision of funds to the Company by related parties	
	Amount of transaction	Balance	Amount of transaction	Balance
Panda Electronics Group Limited	0	0	(7,695.11)	836.25
Nanjing Thales Panda Transportation system Company Limited	0	0	(32.19)	2.78
Panda Electronics (Kunshan) Co., Ltd.	(1.55)	242.93	(30.00)	0.00
Intenna (Nanjing) Co. Ltd.	0	0	(9.92)	216.31
Nanjing Panda Electronics Transportation Company	0	0	71.54	264.89
Nanjing Panda Garden Property Management	0	0	(27.87)	4.94
Nanjing Lianhui Communication Technology Company Limited	0	0	5.12	5.12
Nanjing 21st Century Electronic and Technology Square Company Limited	0	0	(15.95)	15.05
Total	(1.55)	242.93	(7,734.38)	1,345.34

Of which: During the Reporting Period, the appropriated capital provided by the Company to the controlling shareholder and its subsidiaries was nil and the balance amounted to RMB0.

(V) Material guarantees

During the Reporting Period, the amount guaranteed by the Company for the controlled subsidiaries amounted to RMB59,072,900, and the balance amounted to RMB76,561,200. The details of which are as follows:

As at 30 June 2010, the Company provided guarantees to secure the following: a bank loan of RMB5,000,000 for Nanjing Panda Mechanical Manufacturing Co., Ltd., a controlled subsidiary of the Company; a bank loan of RMB15,000,000 and acceptance bills of RMB17,545,900 for Nanjing Panda Information Industry Co., Ltd.; a bank loan of RMB22,000,000 and acceptance bills of RMB9,527,000 for Nanjing Huage Appliance and Plastic Industrial Company Limited; and a bank loan of RMB5,000,000 and financing lease of RMB2,488,300 for Nanjing Panda Electronics Manufacturing Co., Ltd.

The guarantees above were granted to its controlled subsidiaries, totalling RMB76,561,200 and representing 5.26% of the net asset value of the Company. Of the controlled subsidiaries above, the gearing ratio of Nanjing Panda Information Industry Co., Ltd. was over 70%, while that of the other companies did not exceed 70%.

Other than the controlled subsidiaries, the Company did not grant any guarantee to any independent third parties, its controlling shareholder, de facto controller or its connected parties.

(VI) During the Reporting Period, the Company did not hold stocks or securities issued by other listed companies, nor did it acquire equities of unlisted financial enterprises.

(VII) It was resolved at the annual general meeting held on 30 June 2010 that Vocation International Certified Public Accountants Co., Ltd. and UHY Vocation HK CPA Limited were reappointed as domestic and international auditors of the Company for 2010, respectively.

(VIII) The audit committee and the senior management of the Company have reviewed the accounting principles and accounting standards and methods adopted by the Company, studied the matters relating to internal control and reviewed the interim results for the Reporting Period. The audit committee is of the opinion that the relevant financial report complies with the applicable accounting standards and legal requirements and that adequate disclosure has been made.

(IX) Other matters

1. Income tax

The Company is registered in the Nanjing High and New Technology Development Zone which is approved by the State Council as a national high and new technology industry development zone. The Company was approved by Jiangsu Technological Commission and Jiangsu Science and Technology Department as a high and new technology enterprise in 1995 and 2008 respectively, which is entitled to a preferential enterprise income tax rate treatment of 15% under relevant regulations.

2. Purchase, sale and redemption of listed securities of the Company by the Company or its subsidiaries

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

3. Pre-emptive rights

In accordance with the laws of the PRC and the articles of association of the Company, there are no provisions for the pre-emptive rights for the Company.

4. Corporate governance

It was reported in the corporate governance report, which was incorporated in the Company's 2009 Annual Report, that the Company has adopted and strived to comply with the Code on Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Hong Kong Stock Exchange (the "CG Code"). Details of the work done by of the Company during the Reporting Period are as follows:

(1) According to the relevant regulatory requirements, the Company has established a more comprehensive internal control system, which is monitored by the audit department of the Company regularly or from time to time. The supervisory committee, the audit committee, the Board and the independent Directors of the Company review the implementation of internal control regularly.

(2) The 2009 "Self-assessment Report on the Internal Control of the Company" (《關於公司本部控制的自我評估報告》) and the "Report on Performance of Social Responsibilities of the Company" (《公司履行社會責任報告》) were considered and passed at the twelfth meeting of the sixth Board of the Company, which was convened on 29 March 2010. The reports were disclosed in the 2009 annual report as well.

(3) Regulatory documents including the "Insider Information Management System", "Management System For External Information Users" and "Accountability System for Major Disclosure Errors in Annual Report" were considered and passed at the twelfth meeting of the sixth Board of the Company which was convened on 29 March 2010. The documents assisted the Company in enhancing and standardizing its operation, improving the quality of information disclosure and perfecting the management system for information disclosure.

(For details, please refer to the announcements published on the websites of the Shanghai Stock Exchange and the Hong Kong Stock Exchange on 29 March 2010)

5. Compliance with the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code")

During the Reporting Period, the Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules. The Company has made specific enquiry with all Directors who confirmed that they have complied with the Model Code during the Reporting Period.

6. No administrative penalty or public criticism by the CSRC or stock exchanges was made against the Company, the Board or its Directors during the Reporting Period.

VI. FINANCIAL STATEMENTS (PREPARED IN ACCORDANCE WITH THE PRC ACCOUNTING STANDARDS)

(I) The financial statements of the Company for the Reporting Period were unaudited

(II) Financial Statements (Prepared in accordance with the People's Republic of China Accounting Standards for Business Enterprises, unaudited)

Consolidated Balance Sheet

As at 30 June 2010

Prepared by: Nanjing Panda Electronics Company Limited *Unit: RMB*

Assets	30 June 2010	1 January 2010
Current assets:		
Cash and bank deposits	**481,142,490.60**	621,932,597.32
Trading financial assets	**—**	—
Bills receivable	**7,644,361.69**	8,370,297.83
Accounts receivable	**357,982,120.27**	225,724,139.03
Prepayments	**129,532,731.68**	64,834,617.63
Interest receivable	**—**	—
Dividends receivable	**—**	—
Other receivables	**37,631,446.53**	20,079,161.67
Inventories	**169,030,717.76**	157,430,028.94
Non-current assets due within one year	**—**	—
Other current assets	**—**	—
Total current assets	**1,182,963,868.53**	1,098,370,842.42

Non-current assets:		
Financial assets available for sale	**—**	—
Held-to-maturity investments	**—**	—
Long-term receivables	**—**	—
Long-term equity investment	**807,967,808.82**	778,712,065.54
Properties investment	**—**	—
Fixed assets	**470,309,820.59**	465,374,877.71
Construction in progress	**92,285,902.66**	85,591,336.05
Construction supplies	**—**	—
Clearance of fixed assets	**—**	—
Biological assets for production	**—**	—
Gas assets	**—**	—
Intangible assets	**25,667,395.62**	26,109,128.25
Development expenses	**836,091.07**	—
Goodwill	**—**	—
Long-term deferred expenses	**—**	—
Deferred income tax assets	**2,580,503.21**	2,781,999.75
Other non-current assets	**—**	—
Total non-current assets	**1,399,647,521.97**	1,358,569,407.30
Total assets	**2,582,611,390.50**	2,456,940,249.72

Liabilities and shareholders' equity	30 June 2010	1 January 2010
Current liabilities:		
Short-term loans	**506,383,767.03**	380,000,000.00
Trading financial liabilities	**—**	—
Bills payable	**89,250,681.50**	19,454,095.64
Accounts payable	**299,761,669.87**	276,239,639.25
Advances from customers	**34,057,433.51**	42,926,670.63
Salaries payable	**41,242,260.26**	44,696,054.89
Taxes payable	**10,596,204.86**	26,906,223.41
Interest payable	**645,755.00**	469,360.36
Dividends payable	**—**	—
Other payables	**124,874,762.80**	181,964,084.47
Non-current liabilities due within one year	**2,362,315.44**	2,215,375.85
Other current liabilities	**—**	—
Total current liabilities	**1,109,174,850.27**	974,871,504.50
Non-current liabilities:		
Long-term loans	**4,000,000.00**	4,000,000.00
Bonds payables	**—**	—
Long-term payables	**—**	1,278,829.39
Specific payables	**—**	—
Estimated liabilities	**—**	—
Deferred income tax liabilities	**—**	—
Other non-current liabilities	**—**	—
Total non-current liabilities	**4,000,000.00**	5,278,829.39
Total liabilities	**1,113,174,850.27**	980,150,333.89

Shareholders' equity:		
Share capital	**655,015,000.00**	655,015,000.00
Capital reserve	**465,369,977.77**	465,369,977.77
Less: treasury stock	**—**	—
Special reserve	**—**	—
Surplus reserve	**202,784,405.42**	202,784,405.42
Provision for general risks	**—**	—
Undistributed profits	**132,405,912.70**	141,835,133.81
Difference in translation of foreign currency statements	**—**	—
Sub-total of equity attributable to shareholders of the Company	**1,455,575,295.89**	1,465,004,517.00
Minority interests	**13,861,244.34**	11,785,398.83
Total shareholders' equity	**1,469,436,540.23**	1,476,789,915.83
Total liabilities and shareholders' equity	**2,582,611,390.50**	2,456,940,249.72

Person in charge of the Company:	*Person in charge of accounting work:*	*Person in charge of Accounting Department:*
Xu Guofei	**Shen Jianlong**	**Wu Yuzhen**

Consolidated Income Statement

For the six months ended 30 June 2010

Prepared by: Nanjing Panda Electronics Company Limited *Unit: RMB*

Items		**Amount for the period**	Amount for the same period last year
1. Total operating income		**741,785,644.63**	430,358,398.28
Include:	Operating income	**741,785,644.63**	430,358,398.28
2. Total operating cost		**778,954,884.16**	486,974,719.48
Include:	Operating cost	**657,837,656.83**	373,726,797.61
	Business taxes and surcharge	**5,290,553.19**	3,142,188.45
	Sale expenses	**17,541,943.42**	16,917,033.67
	Administrative expenses	**89,408,344.84**	77,611,216.48
	Financial expenses	**10,267,781.73**	20,016,887.76
	Loss in assets impairment	**(1,391,395.85)**	(4,439,404.49)
Add:	Income from change in fair value (losses are represented by "—")	**—**	—
	Investment income (losses are represented by "—")	**29,288,617.57**	12,089,630.96
Include:	Investment income of associates and joint ventures	**—**	—
3. Operating profit (losses are represented by "—")		**(7,880,621.96)**	(44,526,690.24)
Add:	Non-operating income	**9,222,475.73**	1,769,898.75
Less:	Non-operating expenses	**5,318,460.06**	964,631.78
Include:	Loss from the disposal of non-current assets	**—**	—
4. Total Profit (losses are represented by "—")		**(3,976,606.29)**	(43,721,423.27)
Less:	Income tax	**2,945,443.98**	2,619,702.16

5. Net Profit (losses are represented by "—")	**(6,922,050.27)**	(46,341,125.43)
Net profit attributable to the equity shareholders of the parent	**(9,429,221.11)**	(48,171,090.98)
Minority interest	**2,507,170.84**	1,829,965.55
6. Earnings per share		
(1) Basic earnings per share	**(0.0144)**	(0.0735)
(2) Diluted earnings per share	**(0.0144)**	(0.0735)
7. Other comprehensive income	**—**	—
8. Total comprehensive income	**(6,922,050.27)**	(46,341,125.43)
Total comprehensive income attributable to the equity holders of the parent company	**(9,429,221.11)**	(48,171,090.98)
Total comprehensive income attributable to minority interests	**2,507,170.84**	1,829,965.55

Person in charge of the Company:	*Person in charge of accounting work:*	*Person in charge of Accounting Department:*
Xu Guofei	**Shen Jianlong**	**Wu Yuzhen**

Consolidated Cash Flow Statement
For the six months ended 30 June 2010

Prepared by: Nanjing Panda Electronics Company Limited *Unit: RMB*

Items	**Amount for the period**	Amount for the same period last year
1. Cash flow from operating activities		
Cash received from the sale of goods and services provided	**648,978,363.03**	555,587,702.59
Return of tax payment	**1,953,053.74**	392,800.14
Other cash received relating to operating activities	**62,456,379.97**	25,741,787.41
Sub-total of cash inflow from operating activities	**713,387,796.74**	581,722,290.14
Cash paid for purchase of goods and services	**601,803,564.80**	405,951,391.00
Cash paid to staff and paid on behalf of staff	**126,870,603.92**	112,843,184.54
Taxes paid	**47,900,801.16**	38,013,717.03
Cash paid relating to other operating activities	**154,889,195.31**	70,321,228.28
Sub-total of cash outflow from operating activities	**931,464,165.19**	627,129,520.85
Net cash flow from operating activities	**(218,076,368.45)**	(45,407,230.71)

2. Cash flow from investment activities

Cash received from investment	**—**	1.00
Cash received from investment income	**—**	—
Net cash proceeds on the disposal of fixed assets, intangible assets and other long-term assets	**32,000.00**	21,850.00
Cash received from disposal of subsidiaries and other business units	**(425,320.87)**	—
Cash received relating to other operating activities	**—**	—
Sub-total of cash inflow from investment activities	**(393,320.87)**	21,851.00
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	**48,909,189.76**	31,628,574.20
Cash paid for investment	**—**	—
Net cash paid for acquisition of subsidiaries and other business units	**—**	121,989,200.00
Cash paid for other investment activities	**—**	—
Sub-total of cash outflow from investment activities	**48,909,189.76**	153,617,774.20
Net cash flow from investment activities	**(49,302,510.63)**	(153,595,923.20)

3. Cash flow from financing activities		
Cash received from investment	**—**	—
Including: Cash received by subsidiaries from equity investment of minority shareholders	**—**	—
Cash received from borrowings	**263,339,498.85**	162,000,000.00
Cash received from other financing activities	**6,981,352.82**	26,131,173.26
Sub-total of cash inflows from financing activities	**270,320,851.67**	188,131,173.26
Cash paid for repayment of debts	**136,955,731.82**	162,000,000.00
Cash paid for distribution of dividends or profits, or interest repayment	**10,715,115.87**	19,235,248.27
Including: Bonus and profit paid to minority shareholders by subsidiaries	**—**	—
Cash paid for other financing activities	**1,278,041.90**	6,554,787.12
Sub-total of cash outflow from financing activities	**148,948,889.59**	187,790,035.39
Net cash flow from financing activities	**121,371,962.08**	341,137.87
4. Effect on cash and cash equivalents due to foreign currency exchange	**(51,083.73)**	(25,734.47)
5. Net increase in cash and cash equivalents	**(146,058,000.73)**	(198,687,750.51)
Add: Balance of cash and cash equivalents at the beginning of the period	**560,354,017.93**	416,445,310.81
6. Balance of cash and cash equivalents at the end of the period	**414,296,017.20**	217,757,560.30

Person in charge of the Company:	*Person in charge of accounting work:*	*Person in charge of Accounting Department:*
Xu Guofei	**Shen Jianlong**	**Wu Yuzhen**

Consolidated Statement of Change in Shareholders' Equity

For the six months ended 30 June 2010

Prepared by: Nanjing Panda Electronics Company Limited *Unit:RMB*

	Amount for the period										Amount for the same period last year									
	Equity attributable to shareholders of the parent company										Equity attributable to shareholders of the the parent company									
Items	Share capital	Capital reserve	Less: treasury stock	Special reserve	Surplus reserve	Provision for general risks	Undistributed profits	Other	Minority interest	Total shareholders' equity	Share capital	Capital reserve	Less: treasury stock	Special reserve	Surplus reserve	Provision for general risks	Undistributed profits	Other	Minority interest	Total shareholders' equity
I. Balance at end of last year	**655,015,000.00**	**465,369,977.77**	–	–	**202,784,405.42**	–	**141,835,133.81**	–	**11,785,398.83**	**1,476,789,915.83**	655,015,000.00	497,361,298.42	–	–	200,510,421.29	–	140,414,701.05	–	12,141,268.62	1,505,442,689.38
Add: Changes in accounting policies	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Combination of businesses under the same control	–	–	–	–	–	–	–	–	–	–	–	93,155,198.39	–	–	–	–	(11,831,254.73)	–	1,216,919.86	82,540,863.52
II. Balance at the beginning of this year	**655,015,000.00**	**465,369,977.77**	–	–	**202,784,405.42**	–	**141,835,133.81**	–	**11,785,398.83**	**1,476,789,915.83**	655,015,000.00	590,516,496.81	–	–	200,510,421.29	–	128,583,446.32	–	13,358,188.48	1,587,983,552.90
III. Change of this year (a decrease is represented by "-")	–	–	–	–	–	–	**(9,429,221.11)**	–	**2,075,845.51**	**(7,353,375.60)**	–	(121,989,200.00)	–	–	–	–	(48,171,090.98)	–	1,829,965.55	(168,330,325.43)
(1) Net profit	–	–	–	–	–	–	**(9,429,221.11)**	–	**2,507,170.84**	**(6,922,050.27)**	–	–	–	–	–	–	(48,171,090.98)	–	1,829,965.55	(46,341,125.43)
(2) Other comprehensive income	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Subtotal of item(1) and (2) above	–	–	–	–	–	–	**(9,429,221.11)**	–	**2,507,170.84**	**(6,922,050.27)**	–	–	–	–	–	–	(48,171,090.98)	–	1,829,965.55	(46,341,125.43)
(3) Contribution and reduction of capital by shareholders	–	–	–	–	–	–	–	–	**(431,325.33)**	**(431,325.33)**	–	(121,989,200.00)	–	–	–	–	–	–	–	(121,989,200.00)
1. Capital contribution by shareholders	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		
2. Share-based payment recognized in shareholders' equity	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
3. Others	–	–	–	–	–	–	–	–	**(431,325.33)**	**(431,325.33)**	–	(121,989,200.00)	–	–	–	–	–	–	–	(121,989,200.00)
(4) Profit distribution	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
1. Transfer to surplus reserve	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
2. Provision for general risks	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
3. Distribution to shareholders	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
4. Others	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
(5) Internal transfer of shareholders' equity	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
1. Transfer of capital reserve to share capital	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
2. Transfer of surplus reserve to share capital	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
3. Compensation of loss from surplus reserve	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
4. Others	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
(6) Appropriation and use of special reserve	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
1. Appropriation for the period	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
2. Use for the period	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
IV. Balance at the end of the year	**655,015,000.00**	**465,369,977.77**	–	–	**202,784,405.42**	–	**132,405,912.70**	–	**13,861,244.34**	**1,469,436,540.23**	655,015,000.00	468,527,296.81	–	–	200,510,421.29	–	80,412,355.34	–	15,188,154.03	1,419,653,227.47

Person in charge of the Company:	*Person in charge of accounting work:*	*Person in charge of Accounting Department:*
Xu Guofei	**Shen Jianlong**	**Wu Yuzhen**

Balance Sheet
As at 30 June 2010

Prepared by: Nanjing Panda Electronics Company Limited *Unit: RMB*

Assets	**30 June 2010**	1 January 2010
Current assets:		
Cash and bank deposit	**203,135,752.86**	327,700,983.52
Trading financial assets	**—**	—
Bills receivable	**—**	300,000.00
Accounts receivable	**21,056,919.08**	24,536,091.11
Prepayments	**32,479,128.91**	25,270,980.90
Interest receivable	**—**	—
Dividends receivable	**9,574,019.24**	4,842,582.93
Other receivables	**208,174,201.58**	182,748,549.10
Inventories	**12,116,818.07**	10,163,724.18
Non-current assets due within one year	**—**	—
Other current assets	**—**	—
Total current assets	**486,536,839.74**	575,562,911.74

Non-current assets:		
Financial assets available for sale	**—**	—
Held-to-maturity investments	**—**	—
Long-term receivables	**—**	—
Long-term equity investment	**1,162,500,375.68**	1,113,461,382.90
Properties investment	**—**	—
Fixed assets	**283,872,385.45**	265,847,921.94
Construction in progress	**92,094,384.82**	85,509,336.05
Construction supplies	**—**	—
Clearance of fixed assets	**—**	—
Biological assets for production	**—**	—
Gas assets	**—**	—
Intangible assets	**13,351,351.78**	13,614,113.40
Development expenses	**836,091.07**	—
Goodwill	**—**	—
Long-term deferred expenses	**—**	—
Deferred income tax assets	**—**	—
Other non-current assets	**—**	—
Total non-current assets	**1,552,654,588.80**	1,478,432,754.29
Total assets	**2,039,191,428.54**	2,053,995,666.03

Liabilities and shareholders' equity

Current liabilities:		
Short-term loans	**433,000,000.00**	338,000,000.00
Trading financial liabilities	**—**	—
Bills payable	**40,548,808.57**	8,354,095.64
Accounts payable	**36,888,188.06**	71,628,242.83
Advances from customers	**2,575,648.99**	3,783,687.81
Salaries payable	**27,715,010.11**	30,620,099.44
Taxes payable	**2,483,587.73**	17,374,556.53
Interest payable	**645,755.00**	469,360.36
Dividends payable	**—**	—
Other payables	**135,703,468.34**	204,856,900.73
Non-current liabilities due within one year	**—**	—
Other current liabilities	**—**	—
Total current liabilities	**679,560,466.80**	675,086,943.34
Non-current liabilities:		
Long-term loans	**4,000,000.00**	4,000,000.00
Bonds payables	**—**	—
Long-term payables	**—**	—
Specific payables	**—**	—
Estimated liabilities	**—**	—
Deferred income tax liabilities	**—**	—
Other non-current liabilities	**—**	—
Total non-current liabilities	**4,000,000.00**	4,000,000.00
Total liabilities	**683,560,466.80**	679,086,943.34

Shareholders' equity:		
Share capital	**655,015,000.00**	655,015,000.00
Capital reserve	**437,688,751.31**	437,688,751.31
Less: Treasury stock	**—**	—
Special reserve	**—**	—
Surplus reserve	**202,784,405.42**	202,784,405.42
Provision for general risks	**—**	—
Undistributed profits	**60,142,805.01**	79,420,565.96
Total shareholders' equity	**1,355,630,961.74**	1,374,908,722.69
Total liabilities and shareholders' equity	**2,039,191,428.54**	2,053,995,666.03

Person in charge of the Company:	*Person in charge of accounting work:*	*Person in charge of Accounting Department:*
Xu Guofei	**Shen Jianlong**	**Wu Yuzhen**

Income Statement

For the six months ended 30 June 2010

Prepared by: Nanjing Panda Electronics Company Limited *Unit: RMB*

Items	Amount for the period	Amount for the same period last year
1. Total operating income	**91,333,186.48**	62,835,420.73
Include: Operating income	**91,333,186.48**	62,835,420.73
2. Total operating cost	**161,281,795.78**	131,296,507.67
Include: Operating cost	**87,378,892.66**	59,461,144.26
Business taxes and surcharge	**723,727.88**	137,966.38
Selling expenses	**4,474,654.47**	1,846,439.81
Administrative expenses	**59,181,515.53**	51,361,150.29
Financial expenses	**7,907,304.85**	17,428,643.73
Loss in assets impairment	**1,615,700.39**	1,061,163.20
Add: Income from change in fair value (losses are represented by "—")	**—**	—
Investment income (losses are represented by "—")	**47,708,949.12**	14,432,213.89
Include: Investment income of associates and joint ventures	**—**	—
3. Operating profit (losses are represented by "—")	**(22,239,660.18)**	(54,028,873.05)
Add: Non-operating income	**3,015,104.60**	964,141.40
Less: Non-operating expenses	**53,205.37**	777,389.37
Include: Loss from the disposal of non-current assets	**—**	—
4. Total Profit (losses are represented by "—")	**(19,277,760.95)**	(53,842,121.02)
Less: Income tax	**—**	—

5. Net Profit (losses are represented by "—")	**(19,277,760.95)**	(53,842,121.02)
6. Earnings per share		
(1) Basic earnings per share	**—**	—
(2) Diluted earnings per share	**—**	—
7. Other comprehensive income	**—**	—
8. Total comprehensive income	**(19,277,760.95)**	(53,842,121.02)

Person in charge of the Company:	*Person in charge of accounting work:*	*Person in charge of Accounting Department:*
Xu Guofei	**Shen Jianlong**	**Wu Yuzhen**

Cash Flow Statement

For the six months ended 30 June 2010

Prepared by: Nanjing Panda Electronics Company Limited *Unit: RMB*

Items	**Amount for the period**	Amount for the same period last year
1. Cash flow from operating activities		
Cash received from the sale of goods and services provided	**56,639,513.31**	96,900,679.67
Return of tax payment	**—**	—
Other cash received relating to operating activities	**75,222,442.15**	84,842,769.32
Sub-total of cash inflow from operating activities	**131,861,955.46**	181,743,448.99
Cash paid on purchase of goods and services	**52,038,056.94**	43,167,253.13
Cash paid to staff and paid on behalf of staff	**41,028,565.04**	37,963,621.19
Taxes paid	**11,378,047.80**	3,878,197.88
Cash paid relating to other operating activities	**219,720,529.40**	61,252,783.95
Sub-total of cash outflows from operating activities	**324,165,199.18**	146,261,856.15
Net cash flows from operating activities	**(192,303,243.72)**	35,481,592.84

2. Cash flow from investment activities

Cash received from investment	**—**	1.00
Cash received from investment income	**13,382,469.53**	2,701,820.22
Net cash proceeds on the disposal of fixed assets, intangible assets and other long term assets	**—**	—
Cash received from disposal of subsidiaries and other business units	**1,039,300.00**	—
Cash received relating to other operating activities	**—**	—
Sub-total of cash inflow from investment activities	**14,421,769.53**	2,701,821.22
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	**25,340,992.71**	28,246,924.40
Cash paid for investment	**20,483,249.50**	121,989,200.00
Net cash paid for acquisition of subsidiaries and other business units	**—**	—
Cash paid for other investment activities	**—**	—
Sub-total of cash outflow from investment activities	**45,824,242.21**	150,236,124.40
Net cash flow from investment activities	**(31,402,472.68)**	(147,534,303.18)

3. Cash flow from financing activities		
Cash received from investment	**—**	—
Cash received from borrowings	**195,000,000.00**	150,000,000.00
Cash received from other financing activities	**4,749,352.82**	620,000.00
Sub-total of cash inflow from financing activities	**199,749,352.82**	150,620,000.00
Cash paid for repayment of debts	**100,000,000.00**	150,000,000.00
Cash paid for distribution of dividends or profits, or interest repayment	**9,970,646.00**	18,106,500.60
Cash paid for other financing activities	**—**	—
Sub-total of cash outflow from financing activities	**109,970,646.00**	168,106,500.60
Net cash flow from financing activities	**89,778,706.82**	(17,486,500.60)
4. Effect on cash and cash equivalents due to foreign currency exchange	**44.28**	(1,179.96)
5. Net increase in cash and cash equivalents	**(133,926,965.30)**	(129,540,390.90)
Add: Balance of cash and cash equivalents at the beginning of the period	**293,955,551.88**	227,578,462.74
6. Balance of cash and cash equivalents at the end of the period	**160,028,586.58**	98,038,071.84

Person in charge of the Company:	*Person in charge of accounting work:*	*Person in charge of Accounting Department:*
Xu Guofei	**Shen Jianlong**	**Wu Yuzhen**

Statement of Change in Shareholders' Equity

For the six months ended 30 June 2010

Prepared by: Nanjing Panda Electronics Company Limited *Unit: RMB*

	Amount for the period								Amount for the same period last year							
Items	Share capital	Capital reserve	Less: treasury stock	Special reserve	Surplus reserve	Provision for general risks	Undistributed profits	Total shareholders' equity	Share capital	Capital reserve	Less: treasury stock	Special reserve	Surplus reserve	Provision for general risks	Undistributed profits	Total shareholders' equity
I. Balance at end of last year	**655,015,000.00**	**437,688,751.31**	–	–	**202,784,405.42**	–	**79,420,565.96**	**1,374,908,722.69**	655,015,000.00	478,941,415.14	–	–	200,510,421.29	–	58,954,708.76	1,393,421,545.19
Add: Changes in accounting policies	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Correction of prior errors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
II. Balance at the beginning of this year	**655,015,000.00**	**437,688,751.31**	–	–	**202,784,405.42**	–	**79,420,565.96**	**1,374,908,722.69**	655,015,000.00	478,941,415.14	–	–	200,510,421.29	–	58,954,708.76	1,393,421,545.19
III. Change of this year (a decrease is represented by "-")	–	–	–	–	–	–	**(19,277,760.95)**	**(19,277,760.95)**	–	(43,218,946.66)	–	–	–	–	(53,842,121.02)	(97,061,067.68)
(1) Net profit	–	–	–	–	–	–	**(19,277,760.95)**	**(19,277,760.95)**	–	–	–	–	–		(53,842,121.02)	(53,842,121.02)
(2) Other comprehensive income	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Subtotal of item (1) and (2) above	–	–	–	–	–	–	**(19,277,760.95)**	**(19,277,760.95)**	–	–	–	–	–	–	(53,842,121.02)	(53,842,121.02)
(3) Contribution and reduction of capital by shareholders	–	–	–	–	–	–	–	–	–	(43,218,946.66)	–	–	–	–	–	(43,218,946.66)
1. Capital contribution by shareholders	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
2. Amount settled by shares for amount accounted for in shareholders' equity	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
3. Others	–	–	–	–	–	–	–	–	–	(43,218,946.66)	–	–	–	–	–	(43,218,946.66)
(4) Profit distribution	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
1. Transfer to surplus reserve	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
2. Provision for general risks	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
3. Distribution to shareholders	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
4. Others	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
(5) Internal transfer of shareholders' equity	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
1. Transfer of capital reserve to share capital	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
2. Transfer of surplus reserve to share capital	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
3. Compensation of loss from surplus reserve	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
4. Others	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
(6) Appropriation and use of special reserve	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
1. Appropriation for the period	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
2. Use for the period	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
IV. Balance at the end of the year	**655,015,000.00**	**437,688,751.31**	–	–	**202,784,405.42**	–	**60,142,805.01**	**1,355,630,961.74**	655,015,000.00	435,722,468.48	–	–	200,510,421.29	–	5,112,587.74	1,296,360,477.51

Person in charge of the Company: **Xu Guofei**

Person in charge of accounting work: **Shen Jianlong**

Person in charge of Accounting Department: **Wu Yuzhen**

(III) Notes to the statements

1. There were no changes in the accounting policies and accounting estimates during the Reporting Period, as compared with the latest annual report.

2. Nanjing Electronic Calibration Co., Ltd. was no longer included in the consolidated financial statements during the Reporting Period, as compared with the latest annual report.

VII. DOCUMENTS AVAILABLE FOR INSPECTION

1 The 2010 Interim Report signed by the Chairman;

2 The financial report signed and stamped by the person in charge of the Company, person in charge of accounting work and person in charge of Accounting Department (person in charge of accounting matters) of the Company;

3 All announcements publicly disclosed in Shanghai Securities News and China Securities Journal, and on the websites of Shanghai Stock Exchange and the Hong Kong Stock Exchange during the Reporting Period;

4 The articles of association of the Company; and

5 The 2010 Interim Report published in Hong Kong and Shanghai securities markets.

By order of the Board
Nanjing Panda Electronics Company Limited
Lai Weide
Chairman

Nanjing, the PRC
25 August 2010

As at the date of announcement, the Board comprises: 1. Non-executive Directors: Mr. Lai Weide, Mr. Xu Guofei, Mr. Zhu Lifeng, Mr. Deng Weiming, Mr. Lu Qing, Mr. Jason Hsuan; 2. Independent Non-executive Directors: Mr. Cai Lianglin, Mr. Ma Chung Lai, Lawrence, Mr. Tang Yousong.