

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

南京熊猫电子股份有限公司

NANJING PANDA ELECTRONICS COMPANY LIMITED

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

(Stock Code: 00553)

SUMMARY OF 2022 INTERIM REPORT

I. IMPORTANT NOTICE

1. The summary of the results of Nanjing Panda Electronics Company Limited (the “**Company**”) and its subsidiaries (the “**Group**”) for the six months ended 30 June 2022 (the “**Reporting Period**”) is set out below. The financial statements contained in this report are unaudited. The summary of 2022 Interim Report is based on the full-length 2022 Interim Report. Investors who wish to know more details should carefully read the full text of the Interim Report simultaneously posted on the websites designated by the China Securities Regulatory Commission (“**CSRC**”), such as the website of the Shanghai Stock Exchange.
2. The board of directors, the supervisory committee, the directors, supervisors and senior management of the Company confirm that the information in this interim report is true, accurate and complete and does not contain any false representation, misleading statement or material omission, and jointly and severally accept full responsibility for the contents herein.
3. All directors of the Company attended the Board meeting.
4. This interim report of the Company is unaudited.
5. The Company would not make any profit distribution or capitalization of capital reserve for the first half of 2022.

II. BASIC INFORMATION ABOUT THE COMPANY

2.1 Company profile

Overview of stock

Class of stock	The stock exchange on which the shares are listed	Stock abbreviation	Stock code	Stock abbreviation before change
A Share(s)	Shanghai Stock Exchange	NPEC	600775	N/A
H Share(s)	The Stock Exchange of Hong Kong Limited (the “ Hong Kong Stock Exchange ”)	NPEC	00553	N/A

Contact persons and contact information

Secretary to the Board

Representative of securities affairs

Name	Wang Dongdong	Wang Dongdong
Telephone	(8625) 8480 1144	(8625) 8480 1144
Facsimile	(8625) 8482 0729	(8625) 8482 0729
E-mail	dms@panda.cn	dms@panda.cn

Interim results

The board of directors (the “**Board**”) of the Company hereby announces the unaudited interim results of the Group for the Reporting Period prepared in accordance with the PRC Accounting Standards for Business Enterprises.

As the Company adopts merely the PRC Accounting Standards for Business Enterprises for preparing its financial statements from 2016, the relevant financial data for the first half of 2022 have been presented in accordance with the PRC Accounting Standards for Business Enterprises in this announcement.

2.2 Major financial data of the Company (Unaudited)

Unit: Yuan Currency: RMB

	At the end of the Reporting Period (30 June 2022)	At the end of last year (31 December 2021)	Change from the end of last year (%)
Total assets	5,946,405,686.70	6,057,982,752.18	-1.84
Net assets attributable to shareholders of the Company	3,526,504,469.53	3,527,207,782.36	-0.02
	Reporting Period (January - June 2022)	Corresponding period of last year (January - June 2021)	Change from corresponding period of last year (%)
Operating income	2,033,290,915.24	2,169,456,301.72	-6.28
Net profit attributable to shareholders of the Company	12,000,168.67	18,273,010.95	-34.33
Net profit attributable to shareholders of the Company after deducting extraordinary profit and loss	956,526.34	6,012,972.37	-84.09
Net cash flow from operating activities	93,063,171.19	-45,434,137.31	N/A
Weighted average return on net assets (%)	0.34	0.52	Decreased by 0.18 percentage point
Basic earnings per share (RMB/share)	0.0131	0.0200	-34.33
Diluted earnings per share (RMB/share)	0.0131	0.0200	-34.33

Explanations on major accounting information and financial indicators of the Company:

The decreases in net profit attributable to shareholders of the Company and net profit attributable to shareholders of the Company after deducting extraordinary profit and loss were mainly due to the combined effect of the COVID-19 pandemic and the increase in the price of certain raw materials in the supply chain, which resulted in a year-on-year decrease in the gross profit of the Company's green service-oriented electronic manufacturing service during the Reporting Period. In addition, the Company actively fulfilled its corporate social responsibility by granting partial rent reductions to tenants of small and micro enterprises and individual industrial and commercial businesses engaged in production and operation activities, resulting in a year-on-year decrease in profit from leasing business during the Reporting Period.

2.3 Total number of shareholders, shareholdings of the top ten shareholders as at the end of the Reporting Period

Unit: shares

Total number of shareholders as at the end of the Reporting Period 39,440

Name of Shareholder	Shareholdings of top ten shareholders			Number of shares held subject to trading moratorium	Number of pledged, tagged or frozen shares
	Type of shareholders	Percentage of shareholding (%)	Number of shares held		
HKSCC (Nominees) Limited	Overseas legal person	26.56	242,729,916	0	Unknown
Panda Electronics Group Limited (“PEGL”)	State-owned legal person	23.05	210,661,444	0	Pledged 105,091,430
China Huarong Assets Management Co., Ltd.	State-owned legal person	5.71	52,155,524	0	Unknown
Nanjing Electronics Information Industrial Corporation (“NEIIC”)	State-owned legal person	3.93	35,888,611	0	Unknown
Guoxin Investment Co., Ltd.	State-owned legal person	2.24	20,443,753	0	Unknown
Lu Ping (呂平)	Domestic natural person	1.03	9,398,800	0	Unknown
Lin Jiatuan (林加團)	Domestic natural person	0.67	6,150,292	0	Unknown
Zhang Desheng (張德勝)	Domestic natural person	0.55	5,025,582	0	Unknown
Chen Linfa (陳林法)	Domestic natural person	0.36	3,294,600	0	Unknown
Li Rong (李蓉)	Domestic natural person	0.34	3,143,559	0	Unknown
Description on connected relationship or party acting in concert among the aforesaid shareholders	NEIIC holds 100% equity interests of PEGL, the controlling shareholder of the Company. NEIIC holds, directly and through asset management plans, 22,120,611 A shares and 13,768,000 H shares of the Company, representing 3.93% of the total number of shares. NEIIC indirectly holds 210,661,444 A shares of the Company through PEGL, representing 23.05% of the total number of shares. In total, NEIIC holds 26.98% equity interests of the Company. CEIEC (H.K.) Limited (華電有限公司), a wholly-owned subsidiary of China Electronics Corporation (“CEC”), holds 27,414,000 H shares of the Company, representing 3% of the total number of shares, which are held under the name of HKSCC (Nominees) Limited. In conclusion, CEC, the de facto controller of the Company, holds 29.98% shares of the Company through its subsidiaries. Save as disclosed above, the Company is not aware of any connected relationship or party acting in concert among the aforesaid shareholders.				

Notes:

1. As at the end of the Reporting Period, HKSCC (Nominees) Limited held 242,729,916 shares (including 241,663,450 H shares and 1,066,466 A shares) of the Company on behalf of a number of clients, representing 26.56% of the total issued share capital of the Company, which includes 13,768,000 H shares held by NEIIC and 27,414,000 H shares held by CEIEC (H.K.) Limited (華電有限公司), a wholly-owned subsidiary of CEC. Save as disclosed above, the Company is not aware of any individual client holding more than 5% of the total issued share capital of the Company.
2. On 2 August 2021, the Company received a notice from PEGL, the controlling shareholder of the Company, that part of the shares it held in the Company were pledged. Pursuant to the notice, PEGL pledged 105,091,430 shares in the Company, accounting for 49.89% of the total shares it held in the Company and 11.50% of the total share capital of the Company. For details, please refer to the relevant announcement of the Company published in China Securities Journal and Shanghai Securities News and on the websites of the Shanghai Stock Exchange on 3 August 2021.

2.4 Particulars of the total number of holders of preferred shares and the top 10 holders of preferred shares as at the end of the Reporting Period

Applicable N/A

2.5 Change in the controlling shareholder or the de facto controller

Applicable N/A

During the Reporting Period, there was no change in the controlling shareholder and the de facto controller of the Company, being PEGL and CEC, respectively.

2.6 Information on bonds outstanding as at the date on which the interim report was approved for publication

Applicable N/A

III. MANAGEMENT DISCUSSION AND ANALYSIS

3.1 The discussion and analysis on the operation

In the first half of 2022, the Company's overall operating results declined in the face of a complex situation in which risks and challenges increased significantly in various areas, mainly due to the combined effect of the COVID-19 pandemic and the increase in the price of certain raw materials in the supply chain, which resulted in a year-on-year decrease in the gross profit of the Company's green service-oriented electronic manufacturing service during the Reporting Period. In addition, the Company actively fulfilled its corporate social responsibility, reduced and exempted part of the rent for the tenants of small and micro enterprises and individual industrial and commercial businesses engaged in production and operation activities, resulting in a year-on-year decrease in profit from leasing business during the Reporting Period.

The Company established a sound organizational system, strengthened quality and efficiency, and practically prevented risks by continuously focusing on key reform tasks, promoting special work on the governance of loss-making enterprises and digital transformation, optimizing the talent structure, increasing research and development efforts, systematically promoting the establishment of a "five-in-one" risk control system, including risks, rule of law, compliance, internal control and accountability to promote the sustainable development of the Company. During the Reporting Period, the Company recorded revenue of RMB2,033,290,900, total profit of RMB33.8662 million and net profit attributable to the parent company of RMB12.0002 million.

3.1.1 Analysis of principal operations

(1) Analysis of changes in relevant items in the financial statements (Unaudited)

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the corresponding period of last year	Change (%)
Operating income	2,033,290,915.24	2,169,456,301.72	-6.28
Operating costs	1,783,237,901.63	1,907,128,831.84	-6.50
Cost of sales	19,195,793.89	21,434,870.13	-10.45
Administrative expenses	116,077,148.70	118,753,604.90	-2.25
Financial expenses	936,528.15	-12,117,300.61	Not Applicable
R&D expenses	114,297,434.42	102,863,123.01	11.12
Net cash flows from operating activities	93,063,171.19	-45,434,137.31	Not Applicable
Net cash flows from investing activities	35,919,510.23	7,541,552.32	376.29
Net cash flows from financing activities	-32,148,271.49	10,263,585.18	-413.23
Other income	11,160,362.03	6,827,016.37	63.47
Investment income	43,958,109.96	24,418,619.55	80.02
Gain from change in fair value	-1,483,336.59	1,211,375.22	-222.45
Credit impairment losses	-1,560,256.71	3,651,766.84	-142.73
Asset impairment losses	-8,169,906.19	-4,217,750.65	Not Applicable
Gains on disposal of assets	120,045.79	-652,003.85	Not Applicable
Non-operating expenses	144,390.35	208,592.65	-30.78
Income tax expense	8,598,947.17	14,885,284.13	-42.23

Reasons for change:

- (1) Reasons for the change in operating income: mainly due to the impact of the project progress as certain smart city and safe city businesses did not meet the recognition criteria, resulting in a year-on-year decrease in income costs;
- (2) Reasons for the change in operating costs: mainly due to the impact of the project progress as certain smart city and safe city businesses did not meet the recognition criteria, resulting in a year-on-year decrease in income costs;
- (3) Reasons for the change in cost of sales: mainly due to the year-on-year decrease in advertising and exhibition expenses;
- (4) Reasons for the change in administrative expenses: mainly due to the year-on-year decrease in labor costs and travel expenses;
- (5) Reasons for the change in financial expenses: mainly due to the fluctuation of RMB exchange rate as the exchange gains and losses were transferred from the exchange gains in the same period of the previous year to the exchange losses during the period;
- (6) Reasons for the change in R&D expenses: mainly due to the year-on-year increase in labor costs of R&D staff;
- (7) Reasons for the change in net cash flows from operating activities: mainly due to the decrease in cash paid for purchasing goods and receiving labor services during the period;
- (8) Reasons for the change in net cash flows from investing activities: mainly due to the dividend received from an associate during the period;
- (9) Reasons for the change in net cash flows from financing activities: mainly due to the payment of dividends to some minority shareholders during the period;

- (10) Reasons for the change in other income: mainly due to the increase in government grants related to operations during the period;
- (11) Reasons for the change in investment income: mainly due to the increase in income from investment in associates during the period;
- (12) Reasons for the change in gain from change in fair value: mainly due to the reversal of gains and losses on fair value changes recognized on outstanding financial products at the end of the previous year;
- (13) Reasons for the change in credit impairment losses: mainly due to the reversal of part of the bad debt provision for accounts receivable in the previous period;
- (14) Reasons for the change in asset impairment losses: mainly due to the increase in provision for decline in value of inventories during the period;
- (15) Reasons for the change in gains on disposal of assets: mainly due to the increase in gain on disposal of non-current assets during the period;
- (16) Reasons for the change in non-operating expenses: mainly due to the decrease in loss on retirement of non-current assets during the period;
- (17) Reasons for the change in income tax expense: mainly due to the decrease in income tax expense during the period.

(2) Analysis of assets and liabilities

Unit: Yuan Currency: RMB

Item	Amount at the end of the period	Amount at the end of the period as a percentage of the total assets (%)	Amount at the end of the previous period	Amount at the end of the previous period as a percentage of the total assets (%)	Change in the amount at the end of the period as compared to the amount at the end of the previous period (%)	Remarks
Contract assets	23,319,633.36	0.39	117,037,111.93	1.93	-80.08	Mainly due to the transfer of contract assets recognized at the beginning of the year to accounts receivable
Construction in progress	5,236,534.77	0.09	1,662,327.51	0.03	215.01	Mainly due to some projects under construction during the period that have not been transferred to fixed assets
Bills receivable	41,284,672.69	0.69	59,789,784.39	0.99	-30.95	Mainly due to the decrease in sales of goods settled by bills in the period
Prepayments	78,777,653.10	1.32	58,199,200.40	0.96	35.36	Mainly due to the increase in prepayments paid for purchases during the period
Non-current assets due within one year	4,770,671.40	0.08	12,892,936.65	0.21	-63.00	Mainly due to the expiration of the warranty period of some projects
Lease liabilities	2,410,358.52	0.04	3,586,641.07	0.06	-32.80	Mainly due to the payment of rent as scheduled during the period
Salaries payable	21,889,220.52	0.37	42,787,188.00	0.71	-48.84	Mainly due to the payment of salaries, bonuses and salary expenses during the period
Other payables	145,067,187.71	2.44	99,479,790.95	1.64	45.83	Mainly due to the provision of dividends payable to shareholders during the period

Item	Amount at the end of the period	Amount at the end of the period as a percentage of the total assets (%)	Amount at the end of the previous period	Amount at the end of the previous period as a percentage of the total assets (%)	Change in the amount at the end of the period as compared to the amount at the end of the previous period (%)	Remarks
Non-current assets due within one year	4,071,912.81	0.07	9,076,593.15	0.15	-55.14	Mainly due to the corresponding lease payments and decreased lease liabilities due within one year during the period
Other current liabilities	23,337,237.02	0.39	38,938,492.63	0.64	-40.07	Mainly due to the decrease in sales tax to be carried forward at the end of the period
Deferred income tax liabilities	122,023.97	0.00	396,709.26	0.01	-69.24	Mainly due to the deferred income tax liabilities arising from changes in fair value of financial assets held for trading
Other consolidated income	-156,518.13	Not Applicable	-73,601.84	Not Applicable	Not Applicable	Mainly due to the changes in fair value of investments in other equity instruments included in other consolidated income for the period
Special reserves	173,174.20	0.00		Not Applicable	Not Applicable	Mainly due to the provision for unused production safety costs

3.2 Analysis of investments

3.2.1 Overall analysis of equity investment

In the first half of 2022, the Company proceeded with investments in fixed assets and relevant projects in a prudent, standardized and disciplined manner as required by the Board and in strict compliance with the annual capital expenditure budget and actual operating situation.

3.2.2 Analysis of major subsidiaries and investee companies

(1) Information of major subsidiaries

From January to June in 2022, the Company delved into its three principal businesses and exerted great efforts in expanding the market. Currently, the major subsidiaries of the Company are carrying out orderly operations.

The overview of major subsidiaries is set out below:

Unit: 0'000 Currency: RMB

Subsidiary	Major products or services	Registered capital	30 June 2022	Total assets	Net assets	January to June 2022	
			Percentage of shareholding			Operating income	Net profit
Nanjing Panda Electronics Equipment Co., Ltd	Manufacture and sale of automatic transmission equipment and industrial robots	19,000.00	100%	53,470	14,965	12,634	-3,507
Nanjing Panda Information Industry Co., Ltd	Production and sale of AFC and ACC systems and equipment of railway transit, building intellectualization and system integration	USD3,194.6435	82%	141,220	49,485	44,487	1,917
Nanjing Panda Electronic Manufacture Co., Ltd	EMS services	USD2,000	75%	90,980	50,623	68,695	1,599
Nanjing Panda Communications Technology Co., Ltd	Manufacture and sale of mobile communication, digital communication and network communication systems and products	10,000.00	100%	28,930	17,650	5,847	675
Nanjing Panda Xinxing Industrial Co., Ltd.	Property and catering services	2,000.00	100%	6,274	4,404	5,019	34
Nanjing Panda Electronic Technology Development Company Limited	Manufacturing of general purpose equipment, software development, and property management	70,000.00	100%	57,025	56,564	758	-909
Shenzhen Jinghua Electronics Co., Ltd.	Research and development, manufacturing and sales of communication equipment and digital products	11,507.00	43.34%	54,990	37,525	38,866	2,175
Chengdu Panda Electronic Technology Co., Ltd.	Electronic manufacturing service	2,000.00	100%	38,616	7,605	27,786	813

(2) Information of major investee companies (January to June 2022)

- Nanjing Ericsson Panda Communication Co., Ltd.

Unit: 0'000 Currency: RMB

Name of investee company	Operating income	Net Profit	Equity interests held by the Company	Investment Income received by the Company
Nanjing Ericsson Panda Communication Co., Ltd. ("ENC")	252,047.89	3,992.16	27%	1,077.88

ENC was set up on 15 September 1992 with a total investment of US\$40.88 million and a registered capital of US\$20.9 million. ENC is held as to 27% by the Company, 51% by Ericsson (China) Company Limited, 20% by China Potevio Co., Ltd., and 2% by Yung Shing Enterprise, Hong Kong. ENC mainly engages in production of mobile telecommunication system equipment and public network communications system equipment, etc. As the biggest production and supply center of Ericsson in the world, ENC is now mainly in charge of the industrialization and mass production of the products that Ericsson developed and makes delivery and shipment to customers worldwide.

Operating income of ENC from January to June 2022 amounted to RMB2,520,478,900, representing a period-on-period decrease of 25.41%; net profit amounted to RMB39,921,600, representing a period-on-period decrease of 42.45%. Reason(s) for changes in the main indicators: operating income and net profit decreased period on period as the domestic 5G centralized purchase and domestic sales were affected.

- Nanjing LG Panda Appliances Co., Ltd.

Unit: 0'000 Currency: RMB

Invested company	Operating income	Net profit	Shareholding of the Company	Investment income received by the Company
Nanjing LG Panda Appliances Co., Ltd. (LG Panda Appliances)	299,025.14	11,812.26	30%	2,657.65

LG Panda Appliances was established on 21 December 1995 with a registered capital of USD35.70 million. The first extraordinary general meeting for 2021 held by the Company on 8 December 2021 considered and approved the completion of the acquisition of 30% equity interests of LG Panda Appliances. The current shareholding of LG Panda Appliances is: LG Electronics Co., Ltd. holds 50%, the Company holds 30%, and LG Electronics (China) Co., Ltd. holds 20%. LG Panda Appliances is mainly engaged in the development and production of fully automatic washing machines and related parts. It is currently the largest washing machine production base other than LGE's local company in Korea.

From January to June 2022, the operating income of LG Panda Appliances amounted to RMB2,990,251,400, representing a period-on-period increase of 4.06%; net profit amounted to RMB118,122,600, representing a period-on-period increase of 23.98%. Reason(s) for changes in the main indicators: operating income and net profit increased period on period as the product price was raised.

3.3 Plan for Profit Distribution or Capitalization of Capital Reserve

3.3.1 Plans for profit distribution and capitalization of capital reserve for the first half year

The Company will not make any profit distribution or convert any capital reserve into share capital for the first half of 2022.

3.3.2 Implementation of or adjustment to the profit distribution plan during the Reporting Period

The resolution in relation to the profit distribution plan for the year 2021 was considered and approved at the sixth meeting of the tenth session of the Board of the Company and the 2021 annual general meeting of the Company, pursuant to which, a cash dividend of RMB0.14 (tax inclusive) for every ten shares was distributed to all the shareholders on the basis of a total share capital of 913,838,529 shares as at 31 December 2021, with the total cash dividend distributed amounting to RMB12,793,739.41, and the remaining profits will be carried forward to next year. The Company would not make any capitalization of capital reserve. As at the date of this report, the profit distribution plan had been duly implemented. For details, please refer to the announcements published by the Company in China Securities Journal and Shanghai Securities News and on the website of Shanghai Stock Exchange on 31 March 2022, 30 June 2022 and 8 July 2022 and on the website of the Hong Kong Stock Exchange on 30 March 2022, 29 June 2022 and 7 July 2022, respectively.

3.4 Other matters

3.4.1 Liquidity of capital

As shown in the consolidated financial statements of the Company prepared under the PRC Accounting Standards for Business Enterprises, as of 30 June 2022, the Company's gearing ratio (the ratio of total liabilities to total assets) was 36.72%; current liabilities amounted to RMB2.13 billion; liquidity ratio was 1.86; quick ratio was 1.42; bank deposits and cash amounted to RMB946 million; and short-term bank and other loans amounted to RMB0.

According to the announcement of the National Interbank Funding Center authorized by the People's Bank of China, during the Reporting Period, as of 20 June 2022, the LPR for 1-year was 3.7%, and the LPR for more than 5-year was 4.45%; as of 22 August 2022, the LPR for 1-year was 3.65%, and the LPR for more than 5-year was 4.30%.

3.4.2 Purchase, sale or redemption of the Company's listed shares

During the Reporting Period, the Group did not purchase, sell or redeem any of the Company's listed shares.

3.4.3 Liability insurance for Directors, supervisors and senior management

During the Reporting Period, the Company purchased liability insurance for its Directors, supervisors and senior management in compliance with relevant requirements under the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the “**Listing Rules**”).

3.4.4 Corporate Governance Code

The Company and Directors recognize the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Company so as to achieve effective accountability.

During the Reporting Period, the Company has been in compliance with the code provisions stated in the CG Code contained in Appendix 14 of the Listing Rules. Except for the deviation from code provision C.2.1 of the CG Code, since the listing date and during the period ending as at the date of this interim report, the corporate governance of the Company has been in compliance with the CG Code.

The general manager of the Company resigned on 2 June 2022. Based on the actual needs of the corporate operating structure of the Company, under the supervision of the other current members of the Board, Mr. Zhou Guixiang concurrently held the positions of the chairman of the Board and the general manager. A new general manager was appointed on 24 June 2022.

3.4.5 Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”)

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

3.4.6 Events after the Reporting Period

As at the date of this announcement, the Group did not record any material events after the Reporting Period.

3.5 Audit committee

The audit committee and the management of the Company have reviewed the accounting principles and accounting standards and methods adopted by the Company, discussed 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 laws and that adequate disclosure has been made.

The audit committee convened a meeting on 30 March 2022 to review 2021 financial report of the Company and the summary report on audit work in 2021 performed by BDO China Shu Lun Pan Certified Public Accountants LLP and agreed to submit the same to the Board for review. The appointment of BDO China Shu Lun Pan Certified Public Accountants LLP as the Company's international, domestic and internal control auditors for 2022 was agreed at the meeting and relevant proposal was submitted to the Board for consideration.

Having reviewed the unaudited financial report of the Company for the six months ended 30 June 2022, the audit committee is of the opinion that the financial report complies with the applicable accounting standards and laws and that adequate disclosure has been made.

3.6 Appointment and Removal of Auditors

At the sixth meeting of the tenth session of the Board, the resolution in relation to the Appointment of the Auditors for 2022 was considered and approved, whereby it was proposed that BDO China Shu Lun Pan Certified Public Accountants LLP be re-appointed as the Company's international auditor, PRC auditor and internal control auditor for 2022 and that their remuneration be determined within the limit of RMB2.48 million and it was agreed that the same be submitted to the 2021 annual general meeting of the Company for shareholders' consideration.

The 2021 annual general meeting of the Company considered and approved the reappointment of BDO China Shu Lun Pan Certified Public Accountants LLP as the Company's international auditor, PRC auditor and internal control auditor for 2022, and authorized the Board to determine their remuneration within the limit of RMB2.48 million.

For details, please refer to the relevant announcements of the Company published in China Securities Journal and Shanghai Securities News and on the website of Shanghai Stock Exchange on 31 March 2022 and 30 June 2022 and on the website of the Hong Kong Stock Exchange on 30 March 2022 and 29 June 2022.

IV. SIGNIFICANT EVENTS

The Company shall explain the major changes in its business operations during the Reporting Period and those events occurring during the Reporting Period and with a significant impact on the business operations of the Company and expected to have a significant impact in the future in accordance with the principle of materiality.

Applicable Not Applicable

V. FINANCIAL REPORT (PREPARED IN ACCORDANCE WITH THE PRC ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES)

Consolidated Balance Sheet

As at 30 June 2022

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Asset	Closing balance	Opening balance
Current assets:		
Monetary funds	1,037,128,622.44	963,218,477.01
Settlement provisions		
Placements with banks and other financial institutions		
Financial assets measured at fair value through profit or loss		
Financial assets held for trading	490,758,063.02	472,241,399.61
Derivative financial assets		
Notes receivable	41,284,672.69	59,789,784.39
Accounts receivable	1,224,911,814.77	1,150,920,743.65
Financing receivables	20,364,587.65	20,272,279.95
Advance to suppliers	78,777,653.10	58,199,200.40
Premium receivables		
Reinsurance receivables		
Reinsurance contract reserve receivable		
Other receivables	41,138,726.88	41,962,947.68
Financial assets held under resale agreements		
Inventories	875,411,659.85	975,417,660.38
Contract assets	23,319,633.36	117,037,111.93
Held-for-sale assets		
Non-current assets due within one year	4,770,671.40	12,892,936.65
Other current assets	133,681,083.23	139,370,084.35
Total current assets	3,971,547,188.39	4,011,322,626.00

Consolidated Balance Sheet (Continued)*As at 30 June 2022*

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Asset	Closing balance	Opening balance
Non-current assets:		
Loans and advances to customers		
Available-for-sale financial assets		
Held-to-maturity investments		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	679,849,590.03	702,575,641.90
Other equity instruments investments	3,441,309.15	3,551,864.21
Other non-current financial assets		
Investment properties	219,505,929.17	225,438,906.53
Fixed assets	888,821,175.83	921,295,490.47
Construction in progress	5,236,534.77	1,662,327.51
Biological assets for production		
Fuel assets		
Right-of-use assets	6,304,999.59	8,982,713.77
Intangible assets	141,362,274.15	150,967,594.98
Development expenses		
Goodwill		
Long-term expenses to be amortised	9,170,947.15	10,927,742.76
Deferred income tax assets	16,778,586.15	17,020,460.54
Other non-current assets	4,387,152.32	4,237,383.51
	<hr/>	<hr/>
Total non-current assets	1,974,858,498.31	2,046,660,126.18
	<hr/>	<hr/>
Total assets	5,946,405,686.70	6,057,982,752.18
	<hr/> <hr/>	<hr/> <hr/>

Consolidated Balance Sheet (Continued)

As at 30 June 2022

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Liabilities and owners' equity	Closing balance	Opening balance
Current liabilities:		
Short-term loans		
Borrowings from central bank		
Customer deposits and deposits from banks and other financial institutions		
Placements from banks and other financial institutions		
Financial liabilities at fair value through profit and loss		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payables	161,274,362.63	214,817,174.59
Accounts payable	1,625,278,288.38	1,607,660,654.09
Advance receipts from customers	376,467.68	461,253.51
Contract liabilities	119,898,930.76	153,089,473.09
Financial assets sold under repurchase agreements		
Bank charges and commissions due		
Staff salaries payable	21,889,220.52	42,787,188.00
Taxes payable	28,771,495.48	28,572,004.43
Other payables	145,067,187.71	99,479,790.95
Reinsurance receivables		
Insurance contract reserves		
Security trading of agency		
Securities underwriting		
Liabilities held for sale		
Non-current liabilities due within one year	4,071,912.81	9,076,593.15
Other current liabilities	23,337,237.02	38,938,492.63
Total current liabilities	2,129,965,102.99	2,194,882,624.44

Consolidated Balance Sheet (Continued)*As at 30 June 2022*

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Liabilities and owners' equity	Closing balance	Opening balance
Non-current liabilities:		
Long-term loans		
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	2,410,358.52	3,586,641.07
Long-term payables		
Long-term staff salaries payables	9,836,844.73	11,837,677.44
Estimated liabilities		
Deferred income	41,302,681.07	44,917,830.69
Deferred income tax liabilities	122,023.97	396,709.26
Other non-current liabilities		
	<hr/>	<hr/>
Total non-current liabilities	53,671,908.29	60,738,858.46
	<hr/>	<hr/>
Total liabilities	2,183,637,011.28	2,255,621,482.90
	<hr/> <hr/>	<hr/> <hr/>

Consolidated Balance Sheet (Continued)*As at 30 June 2022*

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Liabilities and owners' equity	Closing balance	Opening balance
Owners' equity:		
Share capital	913,838,529.00	913,838,529.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	1,470,691,800.13	1,470,691,800.13
Less: treasury share		
Other comprehensive income	-156,518.13	-73,601.84
Special reserve	173,174.20	
Surplus reserve	276,018,152.13	276,018,152.13
General risk reserve		
Undistributed profits	<u>865,939,332.20</u>	<u>866,732,902.94</u>
Subtotal of equity attributable to the shareholders of the parent company	<u>3,526,504,469.53</u>	<u>3,527,207,782.36</u>
Minority interests	<u>236,264,205.89</u>	<u>275,153,486.92</u>
Total shareholders' equity	<u>3,762,768,675.42</u>	<u>3,802,361,269.28</u>
Total liabilities and shareholders' equity	<u>5,946,405,686.70</u>	<u>6,057,982,752.18</u>

Legal representative:
Hu Huichun

Chief Accountant:
Hu Dali

*Head of the Accounting
Department:*
Liu Xianfang

Consolidated Income Statement

January – June 2022

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Amount for the current period	Amount for corresponding period of last year
1. Total operating income	2,033,290,915.24	2,169,456,301.72
Including: Operating income	2,033,290,915.24	2,169,456,301.72
Interest income		
Premiums earned		
Fee and commission income		
2. Total operating cost	2,044,277,446.23	2,148,036,956.24
Including: Operating costs	1,783,237,901.63	1,907,128,831.84
Interest expenses		
Fee and commission expense		
Surrenders		
Net payment from indemnity		
Net provisions for insurance contract		
Insurance policy dividend paid		
Reinsurance cost		
Tax and surcharges	10,532,639.44	9,973,826.97
Selling expenses	19,195,793.89	21,434,870.13
Administrative expenses	116,077,148.70	118,753,604.90
R&D expenses	114,297,434.42	102,863,123.01
Financial expenses	936,528.15	-12,117,300.61
Including: Interest expense	209,404.12	339,134.13
Interest income	7,982,407.86	8,977,287.57
Add: Other gains	11,160,362.03	6,827,016.37
Investment income (losses are represented by “-”)	43,958,109.96	24,418,619.55
Including: Investment income from associates and joint ventures	37,273,948.13	18,923,489.74
Income on hedging the net exposure (losses are represented by “-”)		
Gains arising from changes in fair value (losses are represented by “-”)	-1,483,336.59	1,211,375.22

Consolidated Income Statement (Continued)

January – June 2022

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Amount for the current period	Amount for corresponding period of last year
Credit impairment loss (losses are represented by “-”)	-1,560,256.71	3,651,766.84
Asset impairment loss (losses are represented by “-”)	-8,169,906.19	-4,217,750.65
Gains on disposal of assets (losses are represented by “-”)	120,045.79	-652,003.85
Exchange gain (losses are represented by “-”)		
3. Operating profit (losses are represented by “-”)	33,038,487.30	52,658,368.96
Add: Non-operating income	972,116.26	973,536.29
Less: Non-operating expenses	144,390.35	208,592.65
4. Total profit (total losses are represented by “-”)	33,866,213.21	53,423,312.60
Less: Income tax expense	8,598,947.17	14,885,284.13
5. Net profit (net losses are represented by “-”)	25,267,266.04	38,538,028.47
(1) Classified by the business continuity		
1. Net profit for going concern (net losses are represented by “-”)	25,267,266.04	38,538,028.47
2. Net profit for discontinued operation (net losses are represented by “-”)		
(2) Classified by the attribution of the ownership		
1. Net profit attributable to the shareholders of the parent company	12,000,168.67	18,273,010.95
2. Minority interests	13,267,097.37	20,265,017.52

Consolidated Income Statement (Continued)

January – June 2022

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Amount for the current period	Amount for corresponding period of last year
6. Net other comprehensive income after tax	-82,916.29	400,466.34
Net other comprehensive income after tax attributable to the shareholders of the parent company	-82,916.29	400,466.34
(1) Other comprehensive income which will not be reclassified subsequently to profit and loss	-82,916.29	400,466.34
1. Changes as a result of remeasurement of defined benefit plan		
2. Other comprehensive income accounted for using equity method which will not be reclassified to profit and loss		
3. Changes in fair value of other equity instruments investment	-82,916.29	400,466.34
4. Changes in fair value of the enterprise's own credit risk		
(2) Other comprehensive income which will be reclassified to profit and loss		
1. Other comprehensive income accounted for using equity method which will be reclassified to profit and loss		
2. Gains or losses arising from changes in fair value of available-for-sale financial assets		
3. Gains or losses arising from reclassification of held-to-maturity investments as available-for-sale financial assets		
4. Changes in fair value of other debt investment		
5. Amount of financial assets reclassified to other comprehensive income		
6. Provision for credit impairment of other debt investment		

Consolidated Income Statement (Continued)

January – June 2022

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Amount for the current period	Amount for corresponding period of last year
7. Cash flow hedging reserve		
8. Translation difference of financial statements in foreign currencies		
9. Others		
Net other comprehensive income after tax attributable to minority shareholders		
7. Total comprehensive income	25,184,349.75	38,938,494.81
Total comprehensive income attributable to the equity holders of the parent company	11,917,252.38	18,673,477.29
Total comprehensive income attributable to minority shareholders	13,267,097.37	20,265,017.52
8. Earnings per share:		
(1) Basic earnings per share (RMB/share)	0.0131	0.0200
(2) Diluted earnings per share (RMB/share)	0.0131	0.0200

Legal representative:
Hu Huichun

Chief Accountant:
Hu Dali

Head of the Accounting
Department:
Liu Xianfang

Consolidated Statement of Changes in Shareholders' Equity January – June 2022

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Amount for the Period												
	Equity attributable to the shareholders of parent company												
	Share capital	Preference shares	Perpetual bonds	Others	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Minority interests	Total shareholders' equity
I. Balance at the end of prior year	913,838,529.00	-	-	-	1,470,691,800.13	-	-73,601.84	-	276,018,152.13	-	866,732,902.94	275,153,486.92	3,802,361,269.28
Add: Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-
Error correction of previous period	-	-	-	-	-	-	-	-	-	-	-	-	-
Business combination involving entities under common control	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Balance at the beginning of current year	913,838,529.00	-	-	-	1,470,691,800.13	-	-73,601.84	-	276,018,152.13	-	866,732,902.94	275,153,486.92	3,802,361,269.28
III. Changes of current year (decreases are represented by "-")	-	-	-	-	-	-	-82,916.29	173,174.20	-	-	-793,570.74	-38,889,281.03	-39,592,593.86
(I) Total comprehensive income	-	-	-	-	-	-	-82,916.29	-	-	-	12,000,168.67	13,267,097.37	25,184,349.75
(II) Share capital contributed or withdrawn by shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Share capital contributed by shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Capital contributed by holders of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Amount of share-based payment included in shareholders' equity	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-	-	-	-	-
(III) Profit distribution	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Appropriation of surplus reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Appropriation of general risk reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Appropriation of profit to shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-	-	-	-	-
(IV) Internal carry-over within shareholders' equity	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Transfer of capital reserve to share capital	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Transfer of surplus reserve to share capital	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Surplus reserve to cover losses	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Change in defined benefit plan carried over to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Other comprehensive income carried over to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-	-	-
(V) Appropriation and application of special reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Appropriation of special reserve in the period	-	-	-	-	-	-	-	173,174.20	-	-	-	-	173,174.20
2. Application of special reserve in the period	-	-	-	-	-	-	-	1,053,033.71	-	-	-	-	1,053,033.71
(VI) Others	-	-	-	-	-	-	-	879,859.51	-	-	-	-	879,859.51
IV. Balance at the end of the year	913,838,529.00	-	-	-	1,470,691,800.13	-	-156,518.13	173,174.20	276,018,152.13	-	865,939,332.20	236,264,205.89	3,762,768,675.42

Consolidated Statement of Changes in Shareholders' Equity (Continued)

January – June 2022

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Amount for the corresponding period of last year												
	Equity attributable to the shareholders of parent company												
	Other equity instrument												
	Share capital	Preference shares	Perpetual bonds	Others	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Minority interests	Total shareholders' equity
I. Balance at the end of prior year.	913,838,529.00				1,470,691,800.13		318,704.84		267,682,027.88		856,899,656.12	236,949,342.69	3,746,380,060.66
Add: Changes in accounting policies													
Error correction of previous period													
Business combination involving entities under common control													
Others													
II. Balance at the beginning of current year	913,838,529.00				1,470,691,800.13		318,704.84		267,682,027.88		856,899,656.12	236,949,342.69	3,746,380,060.66
III. Changes of current year (decreases are represented by "-")													
(I) Total comprehensive income							400,466.34	647,163.27			-5,486,161.16	20,265,017.52	15,826,485.97
(II) Share capital contributed or withdrawn by shareholders							400,466.34				18,273,010.95	20,265,017.52	38,958,494.81
1. Share capital contributed by shareholders													
2. Capital contributed by holders of other equity instruments													
3. Amount of share-based payment included in shareholders' equity													
4. Others													
(III) Profit distribution													
1. Appropriation of surplus reserve													
2. Appropriation of general risk reserve													
3. Appropriation of profit to shareholders													
4. Others													
(IV) Internal carry-over within shareholders' equity													
1. Transfer of capital reserve to share capital													
2. Transfer of surplus reserve to share capital													
3. Surplus reserve to cover losses													
4. Carry-over changes arising from remeasurement of net liabilities or net assets under defined benefit plan													
5. Others													
(V) Appropriation and application of special reserve													
1. Appropriation of special reserve in the period								647,163.27					647,163.27
2. Application of special reserve in the period								922,826.23					922,826.23
Others								275,662.96					275,662.96
IV. Balance at the end of the year	913,838,529.00				1,470,691,800.13		719,171.18	647,163.27	267,682,027.88		851,413,494.96	257,214,360.21	3,762,206,546.63

Legal representative:
Hu Huichun

Chief Accountant:
Hu Dali

Head of the Accounting Department:
Liu Xianfang

Consolidated Cash Flow Statement

January – June 2022

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Amount for the current period	Amount for corresponding period of last year
1. Cash flows from operating activities		
Cash received from the sale of goods and rendering of services	2,219,145,838.54	2,371,804,297.88
Net increase in deposits and placements from financial institutions		
Net increase in borrowings due to central bank		
Net increase in loans from other financial institutions		
Cash received from premiums of original insurance contract		
Net cash amount of reinsurance business		
Net increase in deposits of the insured and investment		
Net increase in disposal of financial assets at fair value through profit or loss		
Cash received from interests, fees and commissions		
Net increase in placements from banks and other financial institutions		
Net increase in repurchasing		
Refunds of taxes	27,439,959.03	32,013,024.29
Cash received relating to other operating activities	153,106,543.93	125,890,264.32
Sub-total of cash inflows from operating activities	2,399,692,341.50	2,529,707,586.49
Cash paid on purchase of goods and services received	1,738,728,564.01	2,070,447,777.91
Net increase in loans and advances		
Net increase in deposits in the Central Bank and other financial institutions		
Cash paid for claim settlements on original insurance contract		
Cash paid for interest, fees and commissions		
Cash paid for policy dividends		
Cash paid to and on behalf of employees	343,210,495.88	229,020,147.96
Cash paid for all types of taxes	64,955,659.45	67,289,992.30
Cash paid relating to other operating activities	159,734,450.97	208,383,805.63
Sub-total of cash outflows from operating activities	2,306,629,170.31	2,575,141,723.80
Net cash flows generated from operating activities	93,063,171.19	-45,434,137.31

Consolidated Cash Flow Statement (Continued)

January – June 2022

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Amount for the current period	Amount for corresponding period of last year
2. Cash flows from investing activities:		
Cash received from disposal of investments		
Cash received from return on investments	67,071,091.21	5,998,618.74
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets	1,830,151.34	214,565.00
Net cash received from disposal of subsidiaries and other operating entities		
Cash received relating to other investing activities	680,000,000.00	910,000,000.00
Sub-total of cash inflows from investing activities	748,901,242.55	916,213,183.74
Cash paid on purchase of fixed assets, intangible assets and other long-term assets	12,981,732.32	24,290,545.40
Cash paid for investments		
Net increase in secured loans		
Net cash paid on acquisition of subsidiaries and other operating entities		
Cash paid relating to other investing activities	700,000,000.00	884,381,086.02
Sub-total of cash outflows from investing activities	712,981,732.32	908,671,631.42
Net cash flows generated from investing activities	35,919,510.23	7,541,552.32
3. Cash flows from financing activities:		
Cash received from investment		
Including: Cash received by subsidiaries from minority shareholders' investment		
Cash received from borrowings		
Cash received from issuing bonds		
Cash received relating to other financing activities		11,836,055.52
Sub-total of cash inflows from financing activities		11,836,055.52

Consolidated Cash Flow Statement (Continued)

January – June 2022

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Amount for the current period	Amount for corresponding period of last year
Cash paid on repayment of borrowings		
Cash paid on distribution of dividends or profits, or interests expenses	25,810,923.64	
Including: dividend and profit paid to minority shareholders by subsidiaries	25,810,923.64	
Cash paid on other financing activities	6,337,347.85	1,572,470.34
Sub-total of cash outflows from financing activities	32,148,271.49	1,572,470.34
Net cash flows generated from financing activities	-32,148,271.49	10,263,585.18
4. Effect of fluctuations in exchange rates on cash and cash equivalents	977,150.93	-368,153.23
5. Net increase in cash and cash equivalents	97,811,560.86	-27,997,153.04
Add: balance of cash and cash equivalents at the beginning of the period	848,233,503.66	1,149,052,807.58
6. Balance of cash and cash equivalents at the end of the period	946,045,064.52	1,121,055,654.54

Legal representative:

Hu Huichun

Chief Accountant:

Hu Dali

Head of the Accounting

Department:

Liu Xianfang

Balance Sheet
As at 30 June 2022

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Assets	Closing balance	Opening balance
Current assets:		
Monetary funds	52,607,061.04	39,216,173.73
Financial assets measured at fair value through profit and loss		
Financial assets held for trading	110,022,241.10	150,014,383.56
Derivative financial assets		
Notes receivables	4,100,000.00	2,638,210.00
Accounts receivable	101,606,521.75	101,272,967.72
Financing receivables		
Prepayments	4,752,819.41	9,386,848.03
Other receivables	249,204,334.62	216,727,244.80
Inventories	52,558,998.55	40,103,355.09
Contract assets		
Held-for-sale assets		
Non-current assets due within one year		
Other current assets		32,241.15
Total current assets	<u>574,851,976.47</u>	<u>559,391,424.08</u>

Balance Sheet (Continued)
As at 30 June 2022

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Assets	Closing balance	Opening balance
Non-current assets:		
Available-for-sale financial assets		
Held-to-maturity investments		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	2,113,701,872.80	2,136,346,559.46
Other equity instruments investments	3,441,309.15	3,551,864.21
Other non-current financial assets		
Investment properties	344,586,747.84	351,618,473.50
Fixed assets	70,119,392.42	72,878,467.62
Construction in progress	6,075,345.93	1,229,570.87
Biological assets for production		
Fuel assets		
Right-of-use assets		
Intangible assets	12,949,164.05	13,518,024.69
Development expenses		
Goodwill		
Long-term expenses to be amortised	4,973,928.52	5,733,798.58
Deferred income tax assets	52,172.72	24,533.95
Other non-current assets		
Total non-current assets	2,555,899,933.43	2,584,901,292.88
Total assets	3,130,751,909.90	3,144,292,716.96

Balance Sheet (Continued)
As at 30 June 2022

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Liabilities and shareholders' equity	Closing balance	Opening balance
Current liabilities:		
Short-term borrowings		
Financial liabilities measured at fair value through profit or loss		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payables	14,805,217.28	17,724,476.13
Accounts payable	53,822,286.93	43,620,736.29
Advance receipts from customers	371,545.68	353,853.03
Contract liabilities	1,441,796.48	2,907,435.18
Staff salaries payable	1,502,774.60	1,581,358.40
Taxes payable	10,200,165.52	9,935,276.08
Other payables	111,063,037.34	217,265,134.58
Liabilities held for sale		
Non-current liabilities due within one year		
Other current liabilities	2,287,433.53	1,977,966.57
Total current liabilities	195,494,257.36	295,366,236.26
Non-current liabilities:		
Long-term loans		
Bonds payables		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long term staff salaries payable	1,443,967.08	1,730,963.79
Estimated liabilities		
Deferred income		
Deferred income tax liabilities	5,560.28	3,595.89
Other non-current liabilities		
Total non-current liabilities	1,449,527.36	1,734,559.68
Total liabilities	196,943,784.72	297,100,795.94

Balance Sheet (Continued)
As at 30 June 2022

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Liabilities and shareholders' equity	Closing balance	Opening balance
Owners' equity:		
Share capital	913,838,529.00	913,838,529.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	1,434,870,834.28	1,434,870,834.28
Less: Treasury shares		
Other comprehensive income	-156,518.13	-73,601.84
Special reserve		
Surplus reserve	276,018,152.13	276,018,152.13
Undistributed profits	309,237,127.90	222,538,007.45
Total shareholders' equity	<u>2,933,808,125.18</u>	<u>2,847,191,921.02</u>
Total liabilities and shareholders' equity	<u><u>3,130,751,909.90</u></u>	<u><u>3,144,292,716.96</u></u>

Legal representative:
Hu Huichun

Chief Accountant:
Hu Dali

*Head of the Accounting
Department:*
Liu Xianfang

Income Statement
January – June 2022

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Amount for the current period	Amount for corresponding period of last year
1. Total operating income	61,037,754.88	56,344,343.50
Less: Operating costs	38,296,670.41	30,743,369.84
Business taxes and surcharge	2,173,507.10	2,912,004.66
Selling expenses	2,901,671.52	2,630,746.96
Administrative expenses	47,063,438.60	48,261,335.11
R&D expenses	15,338,398.62	11,367,927.71
Financial expenses	-3,794,397.03	-3,926,151.22
Including: Interest expense		
Interest income	216,335.52	1,915,403.92
Add: Other gains	80,186.39	706,187.16
Investment income (losses are represented by “-”)	140,283,123.62	60,107,759.18
Including: Investment income of associates and joint ventures	37,355,313.34	18,729,997.68
Income on hedging the net exposure (losses are represented by “-”)		
Income from change in fair value (losses are represented by “-”)	7,857.54	-63,100.08
Credit impairment loss	-24,392.00	-166,784.70
Assets impairment loss		
Gains on disposal of assets (losses are represented by “-”)		
2. Operating profit (losses are represented by “-”)	99,405,241.21	24,939,172.00
Add: Non-operating income	89,583.04	19,277.73
Less: Non-operating expenses		2,156.54
3. Total profit (total losses are represented by “-”)	99,494,824.25	24,956,293.19
Less: Income tax expense	1,964.39	-16,243.05

Income Statement (Continued)

January – June 2022

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Amount for the current period	Amount for corresponding period of last year
4. Net profit (net losses are represented by “-”)	99,492,859.86	24,972,536.24
(1) Net profit for going concern (net losses are represented by “-”)	99,492,859.86	24,972,536.24
(2) Net profit for discontinued operation (net losses are represented by “-”)		
5. Net other comprehensive income after tax	-82,916.29	400,466.34
(1) Other comprehensive income which will not be reclassified subsequently to profit and loss	-82,916.29	400,466.34
1. Changes as a result of remeasurement of defined benefit plan		
2. Other comprehensive income accounted for using equity method which will not be reclassified to profit and loss		
3. Changes in fair value of other equity instruments investment	-82,916.29	400,466.34
4. Changes in fair value of the enterprise’s own credit risk		
(2) Other comprehensive income which will be reclassified to profit and loss		
1. Other comprehensive income accounted for using equity method which will be reclassified to profit and loss		
2. Gains or losses arising from changes in fair value of available-for-sale financial assets		
3. Gains or losses arising from reclassification of held-to-maturity investments as available-for-sale financial assets		
4. Changes in fair value of other debt investment		
5. Amount of financial assets reclassified to other comprehensive income		

Income Statement (Continued)*January – June 2022*

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Amount for the current period	Amount for corresponding period of last year
6. Provision for credit impairment of other debt investment		
7. Cash flow hedging reserve		
8. Translation difference of financial statements in foreign currencies		
9. Others		
Net other comprehensive income after tax attributable to minority shareholders		
6. Total comprehensive income	99,409,943.57	25,373,002.58
7. Earnings per share:		
(1) Basic earnings per share		
(2) Diluted earnings per share		

Legal representative:
Hu Huichun

Chief Accountant:
Hu Dali

*Head of the Accounting
Department:*
Liu Xianfang

Statement of Changes in Shareholders' Equity

January – June 2022

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Other equity instrument						Amount for the current period						Total shareholders' equity
	Share capital	Preference shares	Perpetual bonds	Others	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit		
I. Balance at the end of prior year	913,838,529.00				1,434,870,834.28		-73,601.84		276,018,152.13		222,538,007.45	2,847,191,921.02	
Add: Changes in accounting policies													
Error correction of previous period													
Others													
II. Balance at the beginning of current year	913,838,529.00				1,434,870,834.28		-73,601.84		276,018,152.13		222,538,007.45	2,847,191,921.02	
III. Changes of current year (decreases are represented by “-”)													
(I) Total comprehensive income													
(II) Share capital contributed or withdrawn by shareholders													
1. Share capital contributed by shareholders													
2. Capital contributed by holders of other equity instruments													
3. Amount of share-based payment included in shareholders' equity													
4. Others													
(III) Profit distribution													
1. Appropriation of surplus reserve													
2. Appropriation of general risk reserve													
3. Appropriation of profit to shareholders													
4. Others													
(IV) Internal carry-over within shareholders' equity													
1. Transfer of capital reserve to share capital													
2. Transfer of surplus reserve to share capital													
3. Surplus reserve to cover losses													
4. Change in defined benefit plan carried over to retained earnings													
5. Other comprehensive income carried over to retained earnings													
6. Others													
(V) Appropriation and application of special reserve													
1. Appropriation of special reserve in the period													
2. Application of special reserve in the period													
(VI) Others													
IV. Balance at the end of the year	913,838,529.00				1,434,870,834.28		-156,518.13		276,018,152.13		309,237,127.90	2,933,808,125.18	

Statement of Changes in Shareholders' Equity January – June 2022

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Amount for corresponding period of last year											
	Share capital	Preference shares	Perpetual bonds	Others	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Total shareholders' equity
I. Balance at the end of prior year	913,838,529.00			1,434,870,834.28			318,704.84	267,682,027.88	171,272,061.28			2,787,982,157.28
Add: Changes in accounting policies												-
Error correction of previous period												-
Others												-
II. Balance at the beginning of current year	913,838,529.00			1,434,870,834.28			318,704.84	267,682,027.88	171,272,061.28			2,787,982,157.28
III. Changes of current year (decreases are represented by "-")												
(I) Total comprehensive income												
(II) Share capital contributed or withdrawn by shareholders												
1. Share capital contributed by shareholders												1,213,364.13
2. Capital contributed by holders of other equity instruments												24,972,536.24
3. Amount of share-based payment included in shareholders' equity												-
4. Others												-
(III) Profit distribution												
1. Appropriation of surplus reserve												-23,759,172.11
2. Appropriation of general risk reserve												-
3. Appropriation of profit to shareholders												-23,759,801.75
4. Others												629.64
(IV) Internal carry-over within shareholders' equity												
1. Transfer of capital reserve to share capital												-
2. Transfer of surplus reserve to share capital												-
3. Surplus reserve to cover losses												-
4. Change in defined benefit plan carried over to retained earnings												-
5. Other comprehensive income carried over to retained earnings												-
6. Others												-
(V) Appropriation and application of special reserve												
1. Appropriation of special reserve in the period												-
2. Application of special reserve in the period												-
(VI) Others												
IV. Balance at the end of the year	913,838,529.00			1,434,870,834.28			719,171.18	267,682,027.88	172,485,425.41			2,789,595,987.75

Legal representative:
Hu Huichun

Chief Accountant:
Hu Dali

Head of the Accounting Department:
Liu Xianfang

Cash Flow Statement

January – June 2022

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Amount for the current period	Amount for corresponding period of last year
1. Cash flows from operating activities:		
Cash received from the sale of goods and rendering of services	53,640,146.21	34,825,380.75
Net increase in deposits and placements from financial institutions		
Net increase in borrowings due to central bank		
Net increase in loans from other financial institutions		
Cash received from premiums of original insurance contract		
Net cash amount of reinsurance business		
Net increase in deposits of the insured and investment		
Net increase in disposal of financial assets held for trading		
Cash received from interests, fees and commissions		
Net increase in placements from banks and other financial institutions		
Net increase in repurchasing		
Refunds of taxes		
Cash received relating to other operating activities	86,695,521.37	67,674,690.11
Sub-total of cash inflows from operating activities	140,335,667.58	102,500,070.86

Cash Flow Statement (Continued)

January – June 2022

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Amount for the current period	Amount for corresponding period of last year
Cash paid on purchase of goods and services received	31,251,911.53	24,730,561.60
Net increase in loans and advances		
Net increase in deposits in the Central Bank and other financial institutions		
Cash paid for claim settlements on original insurance contract		
Cash paid for interest, fees and commissions		
Cash paid for policy dividends		
Cash paid to and on behalf of employees	52,757,389.29	53,604,168.10
Cash paid for all types of taxes	3,480,258.47	5,695,518.07
Cash paid relating to other operating activities	219,905,290.07	51,748,793.22
Sub-total of cash outflows from operating activities	307,394,849.36	135,779,040.99
Net cash flows generated from operating activities	-167,059,181.78	-33,278,970.13
2. Cash flows from investing activities:		
Cash received from disposal of investments		
Cash received from return on investments	143,001,772.87	1,634,208.34
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets	100,800.00	29,700.00
Net cash received from disposal of subsidiaries and other operating entities		
Cash received relating to other investing activities	150,000,000.00	210,000,000.00
Sub-total of cash inflows from investing activities	293,102,572.87	211,663,908.34

Cash Flow Statement (Continued)

January – June 2022

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Amount for the current period	Amount for corresponding period of last year
Cash paid on purchase of fixed assets, intangible assets and other long-term assets	4,630,643.50	1,235,829.55
Cash paid for investments		
Net cash paid on acquisition of subsidiaries and other operating entities		
Cash paid relating to other investing activities	<u>110,000,000.00</u>	<u>220,000,000.00</u>
Sub-total of cash outflows from investing activities	<u>114,630,643.50</u>	<u>221,235,829.55</u>
Net cash flows generated from investing activities	<u>178,471,929.37</u>	<u>-9,571,921.21</u>
3. Cash flows from financing activities:		
Cash received from investment		
Including: Cash received by subsidiaries from minority shareholders' investment		
Cash received from borrowings		
Cash received from issuing bonds		
Cash received relating to other financing activities		<u>11,836,055.52</u>
Sub-total of cash inflows from financing activities		<u>11,836,055.52</u>
Cash paid on repayment of borrowings		
Cash paid on distribution of dividends or profits, or interests expenses		
Including: dividend and profit paid to minority shareholders by subsidiaries		
Cash paid on other financing activities		
Sub-total of cash outflows from financing activities		
Net cash flows from financing activities		<u>11,836,055.52</u>

Cash Flow Statement (Continued)

January – June 2022

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Amount for the current period	Amount for corresponding period of last year
4. Effect of fluctuations in exchange rates on cash and cash equivalents	265.94	-55.01
5. Net increase in cash and cash equivalents	11,413,013.53	-31,014,890.83
Add: balance of cash and cash equivalents at the beginning of the period	<u>33,601,208.20</u>	<u>178,878,717.22</u>
6. Balance of cash and cash equivalents at the end of the period	<u>45,014,221.73</u>	<u>147,863,826.39</u>

Legal representative:
Hu Huichun

Chief Accountant:
Hu Dali

Head of the Accounting
Department:
Liu Xianfang

The following is only the financial part:

Unless otherwise specified, the monetary unit is RMB

Current period refers to: January to June 2022

Prior period refers to: January to June 2021

The closing balance/beginning balance of the previous year refers to: 31 December 2021

Closing balance refers to: 30 June 2022

Notes:

1. Basis of preparation

Based on going concern and actual transactions and events, the Company prepared financial statements in accordance with the basic and specific standards of the Accounting Standards for Business Enterprises, the Application Guidance for Accounting Standard for Business Enterprises, interpretations of the Accounting Standards for Business Enterprises and other relevant regulations issued by the Ministry of Finance (hereinafter collectively referred to as “CAS”), and the disclosure requirements in the Preparation Convention of Information Disclosure by Companies Offering Securities to the Public No. 15 – General Provisions on Financial Reporting issued by the China Securities Regulatory Commission.

2. Going concern

For the 12 months since the end of the Reporting Period, the Company has ability to continue as a going concern and there is no significant risk affecting its ability to continue as a going concern.

3. Segment information

The Company established 4 reportable segments on the basis of the internal organisational structure, management requirement and internal report system, namely, smart transportation and safe city, green and service-oriented electronic manufacturing, industrial internet and intelligent manufacturing and others. Each segment provides different products and service, or engages in business operations from different areas. Due to the different demands of each segment for different technology and marketing strategy, the Company’s management monitor the different segments in respect of their business activities separately, and evaluate the operating results on a regular basis in order to allocate resources and evaluate its performance.

The transfer price between different segments is based on the actual transaction price, and the costs which shall be jointly assumed by each segment is allocated in proportion. Assets are allocated in accordance with business operations of various segments and the location where such assets are situated. Segment liabilities includes the liabilities incurred for business activities of a segment which shall be assumed on its own. If the costs related to a joint liability involving certain operating segments, the liability and relevant costs would be allocated to such segments in proportion.

Non-current assets are classified according to the areas where the assets belong. All the non-current assets of the Company are located in the China Mainland.

Items	Smart transportation and safe city	Green and service-oriented electronic manufacturing	Industrial internet and Intelligent Manufacturing	Others	Undistributed amount	Offset	Total
Revenue from external transactions	634,950,107.64	1,269,906,170.51	116,795,042.26	11,639,594.83			2,033,290,915.24
Income from intersegment transactions	63,343,760.57	16,963,009.97	9,541,040.42	12,550,571.05		-102,398,382.01	
Investment income from associated enterprises and joint ventures	-81,365.21				37,355,313.34		37,273,948.13
Impairment losses on assets	236,753.68	7,933,152.51					8,169,906.19
Credit impairment losses	1,502,079.38	-47,214.67	-100,848.00		206,240.00		1,560,256.71
Depreciation and amortisation charges	8,807,265.37	17,809,121.29	10,554,967.65	13,130,413.71	7,549,059.02		57,850,827.04
Total profit	43,422,128.71	27,098,671.06	-35,075,228.85	-11,506,167.99	110,905,155.23	-100,978,344.95	33,866,213.21
Income tax expense	10,673,645.77	-1,355,559.93			1,964.39	-721,103.06	8,598,947.17
Net profit	32,748,482.94	28,454,230.99	-35,075,228.85	-11,506,167.99	110,903,190.84	-100,257,241.89	25,267,266.04
Total assets	2,137,914,617.31	1,669,741,070.02	534,695,212.38	660,880,840.99	3,123,271,395.75	-2,180,097,449.75	5,946,405,686.70
Total liabilities	1,229,451,781.61	884,265,335.70	385,045,522.88	68,371,796.31	128,058,427.79	-511,555,853.01	2,183,637,011.28
Non-cash expenses other than depreciation and amortisation charges							
Long-term equity investments in associates and joint ventures	1,933,263.59				677,916,326.44		679,849,590.03
Increase in non-current assets other than long-term equity investments	-8,143,480.35	-13,578,432.72	-10,588,365.50	-9,568,167.74	-9,558,467.79	2,361,338.10	-49,075,576.00

(IV) Accounts receivable

1. Accounts receivable shown by aging

Aging	Closing balance	Balance at the end of last year
Within 1 year (including 1 year)	1,027,903,492.77	963,053,846.96
Including: 0–6 months	790,901,307.60	824,920,636.97
7–12 months	237,002,185.17	138,133,209.99
1–2 years	149,277,576.01	137,185,027.25
2–3 years	61,256,613.39	60,714,351.08
3–4 years	17,513,968.41	20,708,222.28
4–5 years	7,858,925.53	7,666,847.23
Over 5 years	13,600,152.49	12,874,370.77
Subtotal	1,277,410,728.60	1,202,202,665.57
Less: bad debt provision	52,498,913.83	51,281,921.92
Total	<u>1,224,911,814.77</u>	<u>1,150,920,743.65</u>

2. Accounts receivable shown by classification of bad debt provisions

Type	Carrying Amount		Closing balance		Carrying Value	Balance at the end of last year		Carrying Value		
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)			
Accounts receivable accruing bad debt provision in individual portfolio	16,507,210.47	1.29	13,684,844.83	82.90	2,822,365.64	17,646,054.83	1.47	14,028,109.63	79.5	3,617,945.20
Accounts receivable accruing bad debt provision in credit risk characteristic portfolio	1,260,903,518.13	98.71	38,814,069.00	3.08	1,222,089,449.13	1,184,556,610.74	98.53	37,253,812.29	3.14	1,147,302,798.45
Among which: Aging Portfolio	846,115,768.29	66.24	38,797,854.57	4.59	807,317,913.72	853,191,303.78	70.97	37,237,597.86	4.36	815,953,705.92
Others portfolio	414,787,749.84	32.47	16,214.43		414,771,535.41	331,365,306.96	27.56	16,214.43		331,349,092.53
Total	<u>1,277,410,728.60</u>	<u>100.00</u>	<u>52,498,913.83</u>		<u>1,224,911,814.77</u>	<u>1,202,202,665.57</u>	<u>100</u>	<u>51,281,921.92</u>		<u>1,150,920,743.65</u>

Individual Provision for bad debts:

Name	Carrying Amount	Closing balance		Reasons
		Provision for bad debts	Proportion of provision (%)	
Jiangsu Zhongshi Environmental Technology Co., Ltd	6,500,000.00	6,500,000.00	100.00	Not expected to be recovered
Jiangsu cable network development Co., Ltd. Sihong branch	3,584,000.00	1,570,500.00	43.82	Expect part of it cannot be recovered
Information Technology Department of a military command	2,023,000.00	2,023,000.00	100.00	Not expected to be recovered
Zhejiang Bajun Plastic Industry Co., Ltd	1,600,000.00	1,600,000.00	100.00	Not expected to be recovered
Beijing Zhonghua Original Technology Co., Ltd	995,000.00	995,000.00	100.00	Not expected to be recovered
Baweitong Technology Co., Ltd	907,879.74	99,014.10	10.91	Expect part of it cannot be recovered
Lianyungang Yintai Real Estate Development Co., Ltd	424,000.00	424,000.00	100.00	Not expected to be recovered
China Cable Television Network Co., Ltd. Hainan Branch	256,176.00	256,176.00	100.00	Not expected to be recovered
Sichuan Dongfang Ruicheng Technology Co., Ltd	99,003.25	99,003.25	100.00	Not expected to be recovered
Huaibei Tianli Materials Co., Ltd	66,582.39	66,582.39	100.00	Not expected to be recovered
Subtotal of other petty amount	51,569.09	51,569.09	100.00	Not expected to be recovered
Total	<u>16,507,210.47</u>	<u>13,684,844.83</u>		

Bad debt provision by portfolio:

Provision by portfolio: Aging portfolio:

Name	Accounts receivable	Closing balance provision for bad debts	Proportion (%)
Within 1 year (inclusive)	622,487,531.89		
Including: 0–6 months	497,281,843.91		
7–12 months	127,205,687.98	6,360,284.39	5.00
1–2 years	143,140,199.68	14,314,019.97	10.00
2–3 years	55,852,896.17	8,377,934.43	15.00
3–4 years	16,582,244.74	4,974,673.42	30.00
4–5 years	2,563,906.90	1,281,953.45	50.00
Over 5 years	3,488,988.91	3,488,988.91	100.00
Total	<u>846,115,768.29</u>	<u>38,797,854.57</u>	

Provision by portfolio: Other combinations

Name	Accounts receivable	Closing balance Provision for bad debts	Proportion (%)
The portfolio of related parties	<u>414,787,749.84</u>	<u>16,214.43</u>	
Total	<u>414,787,749.84</u>	<u>16,214.43</u>	

3. *Accrual, reversal and recovery of bad debts in the period*

Type	Balance at the end of last year	Changes during the period			Closing balance
		Accrual	Reversal or recovery	Transfer or written off	
Single item of bad debt provision	14,028,109.63	0.00	343,264.80		13,684,844.83
Receivables with bad debt provision on credit risk	37,253,812.29	5,338,450.52	3,778,193.81		38,814,069.00
Among them: Aging group	37,237,597.86	5,338,450.52	3,778,193.81		38,797,854.57
Related party portfolio	16,214.43	0.00	0.00		16,214.43
Total	51,281,921.92	5,338,450.52	4,121,458.61		52,498,913.83

The significant amount of provision reversal or recovery of bad debts during the period:

Name of debtors	Amount reversed or recovered	Reason for bad debt provision and the rationality	Reason for reversal or recovery	Approach
Nanjing Pukou New City Development and Construction Co., Ltd.	1,405,275.37	Aging portfolio	Debt collection	Cash and Bank
Nanjing Construction Engineering Group Co., Ltd. Olympic Sports Park Project Management Department	843,575.87	Aging portfolio	Debt collection	Cash and Bank
Nanjing Runtai Commercial Management Group Co., Ltd.	357,272.84	Aging portfolio	Debt collection	Cash and Bank
China Cable Television Network Limited Hainan Branch	343,264.80	Single item	Debt collection	Cash and Bank
Anhui Radio & TV Wireless Media Co., Ltd.	180,498.00	Aging portfolio	Debt collection	Cash and Bank
Nanjing Daming Industrial Development Co., Ltd	150,000.00	Aging portfolio	Debt collection	Cash and Bank
Nanjing Rail Transit Systems Co., Ltd	144,479.01	Aging portfolio	Debt collection	Cash and Bank

Name of debtors	Amount reversed or recovered	Reason for bad debt provision and the rationality	Reason for reversal or recovery	Approach
Lai'an Jinpeng innovation and Innovation Industrial Park Management Co., Ltd	117,581.85	Aging portfolio	Debt collection	Cash and Bank
Quantum Intelligent Control (Shenzhen) Technology Co., Ltd.	100,848.00	Aging portfolio	Debt collection	Cash and Bank
Nanjing Future Technology City Economic Development Co., Ltd	100,221.22	Aging portfolio	Debt collection	Cash and Bank
Shanghai Jiaya Technology Co., Ltd.	75,279.92	Aging portfolio	Debt collection	Cash and Bank
Nanjing Smart New City Engineering Management Co., Ltd.	53,527.27	Aging portfolio	Debt collection	Cash and Bank
emz-Hanauer GmbH & Co. KGaA	30,861.83	Aging portfolio	Debt collection	Cash and Bank
Shenyang Emergency Center	27,955.86	Aging portfolio	Debt collection	Cash and Bank
Fuzhou Wanda Commercial Property Management Co., Ltd. Cangshan Branch	27,000.00	Aging portfolio	Debt collection	Cash and Bank
Anhui Science and Technology University	21,900.00	Aging portfolio	Debt collection	Cash and Bank
Nanjing Aoti Construction Development Co., Ltd.	13,013.87	Aging portfolio	Debt collection	Cash and Bank
Hefei New City Wuyue Real Estate Development Co., Ltd.	10,708.16	Aging portfolio	Debt collection	Cash and Bank
Subtotal of other petty amount	<u>118,194.74</u>	Aging portfolio	Debt collection	Cash and Bank
Total	<u><u>4,121,458.61</u></u>			

4. There were no accounts receivable effectively written off in the period

5. Status of top five debtors in the closing balance of accounts receivable

Name	Accounts receivable	Closing balance Proportion in total accounts receivable (%)	Provision for bad debts
Chengdu CEC Panda Display Technology Co., Ltd.	164,372,508.15	12.87	
CEC Defense Technology Co Ltd	156,836,525.94	12.28	
Jiangsu Ningju Rail Transit Co., Ltd.	78,320,750.82	6.13	3,916,037.54
Nanjing Metro Group Co., Ltd.	77,482,200.74	6.07	
Chengdu Rail Transit Group Co, Ltd.	56,088,114.31	4.39	3,536,876.90
Total	<u>533,100,099.96</u>	<u>41.74</u>	<u>7,452,914.44</u>

6. At the end of the period, the Company had no derecognized accounts receivable due to the transfer of financial assets

7. At the end of the period, the Company had no assets or liabilities resulting from its continuing involvement in receivables transferred

8. Overdue receivables at the end of the period

Item	Closing balance
Accounts not overdue and not impaired	912,069,593.75
Overdue but not impaired amount	
– within 3 months	91,710,699.58
Overdue but not impaired	
– over 3 months	<u>221,131,521.43</u>
Total	<u><u>1,224,911,814.77</u></u>

(V) Other equity instrument investments

1. Details of other equity instruments

Item	Closing balance	Opening balance
Jiangsu Urban Rail Transit Research and Design Institute Co., Ltd.	<u>3,441,309.15</u>	<u>3,551,864.21</u>
Total	<u><u>3,441,309.15</u></u>	<u><u>3,551,864.21</u></u>

2. Details of significant non-trading equity instrument investment at the end of the period

Item	Dividend income recognized in current period	Accumulated profits	Accumulated losses	The amount of other comprehensive income transferred into retained earning	The reason of targeting as financial assets at fair value through comprehensive income	The reason of other comprehensive income transferred into retained earning
Jiangsu Urban Rail Transit Research and Design Institute Co., Ltd.				208,690.85	Non-transactional equity instrument investment	

(VI) Contract assets

1. Details of contract assets

Item	Carrying Amount	Closing balance		Balance at the end of last year		
		Provision for impairment	Carrying Value	Carrying Amount	Provision for impairment	Carrying value
Smart Transportation and Safe City	23,319,633.36		23,319,633.36	116,803,704.30		116,803,704.30
Industrial Internet and Intelligent Manufacturing				233,407.63		233,407.63
Total	<u>23,319,633.36</u>		<u>23,319,633.36</u>	<u>117,037,111.93</u>		<u>117,037,111.93</u>

2. Amount and reasons: Significant changes in carrying value during the reporting period

Project	Amount of change	Reason of change
Smart Transportation and Safe City	-93,484,070.94	Receivables transferred from contract assets confirmed at the beginning of the year
Industrial Internet and Intelligent Manufacturing	<u>-233,407.63</u>	Receivables transferred from contract assets confirmed at the beginning of the year
Total	<u><u>-93,717,478.57</u></u>	

3. Contract assets classified and disclosed by provision of impairment losses

Type	Carrying Amount		Closing balance			Carrying Amount		Balance at the end of last year		
	Amount	Proportion	Provision for impairment		Carrying Value	Amount	Proportion	Provision for impairment		Carrying Value
			Amount	Proportion				Amount	Proportion	
Provision for bad debts by individual accrual										
Provision for impairment by portfolio	23,319,633.36	100.00			23,319,633.36	117,037,111.93	100.00			117,037,111.93
Among them aging portfolio	<u>23,319,633.36</u>	<u>100.00</u>			<u>23,319,633.36</u>	<u>117,037,111.93</u>	<u>100.00</u>			<u>117,037,111.93</u>
Total	<u>23,319,633.36</u>	<u>100.00</u>			<u>23,319,633.36</u>	<u>117,037,111.93</u>	<u>100.00</u>			<u>117,037,111.93</u>

(VII) Accounts payable

1. *List of accounts payable*

Classified by aging based on their recording dates:

Item	Closing balance	Balance at the end of last year
Within 1 year (inclusive)	1,383,885,227.56	1,304,678,337.31
1–2 years (including 2 years)	160,909,674.14	223,319,706.48
2–3 years (including 3 years)	40,319,345.32	34,203,539.57
Over 3 years	40,164,041.36	45,459,070.73
Total	<u>1,625,278,288.38</u>	<u>1,607,660,654.09</u>

Classified by business nature:

Item	Closing balance	Balance at the end of last year
Payment for goods	1,113,795,409.61	1,099,393,184.48
Project funds	464,537,146.93	471,939,918.62
Processing and maintenance funds	21,879,803.21	18,877,335.93
Logistics warehousing funds	3,689,427.71	3,282,621.58
Others	21,376,500.92	14,167,593.48
Total	<u>1,625,278,288.38</u>	<u>1,607,660,654.09</u>

2. Significant account payables aged over 1 year

Item	Closing balance	Reasons for unsettled or carried forward
Nanjing Ke'an Electronics Co., Ltd.	11,498,411.04	Not settled
Suzhou RS Technology Co., Ltd.	9,210,929.87	Not settled
Beijing Addsun Technology Co., Ltd.	7,704,315.30	Not settled
Nanjing Sun Asia Electronics Co., Ltd.	7,374,809.55	Not settled
Nanjing Youzhijie Technology Information Co., Ltd.	7,050,000.00	Not settled
XCMG Hanyun Technology Co., Ltd. (formerly known as Jiangsu XCMG Information Technology Co., Ltd.)	7,047,872.28	Not settled
GRG Banking Intelligent Technology Co., Ltd.	6,841,651.90	Not settled
Motorola Solutions (China) Co., Ltd.	5,702,658.71	Not settled
Jiangsu Yunsai Information Engineering Co., Ltd.	5,219,854.74	Not settled
Guangzhou Victel Technology Co., Ltd.	4,310,258.15	Not settled
Jiangsu Gaocheng Electronic Technology Co., Ltd.	4,183,420.67	Not settled
Jiangsu Zhengjie Construction Labor Service Co., Ltd.	4,103,378.81	Not settled
Wo moldboard Industries Co., Ltd.	3,748,293.73	Not settled
CRSC Communication & Information Corporation Shanghai Co., Ltd.	3,399,463.87	Not settled
Nanjing Longwei Construction Service Co., Ltd.	3,200,000.00	Not settled
Mitsubishi Electric Automation (China) Limited	3,199,000.00	Not settled
Jiangsu Chuangwensi Intelligent Technology Co., Ltd.	3,185,587.20	Not settled
Suzhou Zetong Automation Equipment Co., Ltd.	3,008,849.56	Not settled
Nanjing Cloud Rail Information Technology Co., Ltd.	2,940,031.20	Not settled
Nanjing Yingnuowei Information Technology Co., Ltd.	2,926,890.00	Not settled
Total	<u><u>105,855,676.58</u></u>	

(VIII) Contract liabilities

1. Breakdown of contract liabilities

Item	Closing balance	Balance at the end of last year
Smart Transportation and Safe City	102,071,338.16	101,824,364.70
Green and Service-oriented Electronic Manufacturing	10,875,386.23	38,911,798.89
Industrial Internet and Intelligent Manufacturing	6,952,206.37	12,353,309.50
Total	<u>119,898,930.76</u>	<u>153,089,473.09</u>

2. Significant changes in book value during the Reporting Period and reasons

Item	Amount of change	Reasons for change
Smart Transportation and Safe City	246,973.46	Amounts increased due to receipt of cash
Green and Service-oriented Electronic Manufacturing	-28,036,412.66	Contract liabilities at the beginning of the period was recognized as revenue in current period
Industrial Internet and Intelligent Manufacturing	-5,401,103.13	Contract liabilities at the beginning of the period was recognized as revenue in current period
Total	<u>-33,190,542.33</u>	

(IX) Operating income and operating cost

1. Operating income and operating cost

Item	Current period		Last period	
	Income	Cost	Income	Cost
Principal business	2,020,978,306.55	1,773,262,772.44	2,154,419,472.42	1,899,445,547.00
Other business	<u>12,312,608.69</u>	<u>9,975,129.19</u>	<u>15,036,829.30</u>	<u>7,683,284.84</u>
Total	<u>2,033,290,915.24</u>	<u>1,783,237,901.63</u>	<u>2,169,456,301.72</u>	<u>1,907,128,831.84</u>

Details of operating income:

Item	Amount for current period	Amount for last period
Smart Transportation and Safe City	634,950,107.64	1,006,371,261.97
Green and Service-oriented Electronic Manufacturing	1,269,906,170.51	1,055,311,890.99
Industrial Internet and Intelligent Manufacturing	116,795,042.26	94,233,559.83
Others	<u>11,639,594.83</u>	<u>13,539,588.93</u>
Total	<u>2,033,290,915.24</u>	<u>2,169,456,301.72</u>

2. Breakdown of income from contracts

The breakdown of income for the period is as follows:

Category of contract	Smart Transportation and Safe City	Green and Service-oriented Electronic Manufacturing	Industrial Internet and Intelligent Manufacturing	Others	Elimination among segments	Total
Categorized by operating region:						
Nanjing	620,699,778.41	697,942,858.56	126,336,082.68	24,190,165.88	-102,027,630.01	1,367,141,255.52
Shenzhen	77,594,089.80	311,064,647.74				388,658,737.54
Chengdu		277,861,674.18			-370,752.00	277,490,922.18
Total	<u>698,293,868.21</u>	<u>1,286,869,180.48</u>	<u>126,336,082.68</u>	<u>24,190,165.88</u>	<u>-102,398,382.01</u>	<u>2,033,290,915.24</u>
Categorized by transfer time of commodities:						
Recognized by a certain point of time	266,181,500.73	1,286,869,180.48	32,916,204.94	24,190,165.88	-96,519,658.29	1,513,637,393.74
Recognized during a certain period	<u>432,112,367.48</u>		<u>93,419,877.74</u>		<u>-5,878,723.72</u>	<u>519,653,521.50</u>
Total	<u>698,293,868.21</u>	<u>1,286,869,180.48</u>	<u>126,336,082.68</u>	<u>24,190,165.88</u>	<u>-102,398,382.01</u>	<u>2,033,290,915.24</u>

(X) Income tax expenses

1. List of income tax expenses

Item	Current period	Last period
Current income tax	8,604,119.30	14,511,754.95
Deferred income tax	-5,172.13	373,529.18
Total	<u>8,598,947.17</u>	<u>14,885,284.13</u>

2. Explanation of the relationship of income tax expenses and accounting profit

Item	Current period
Total profit	33,866,213.21
Income tax expenses calculated at the statutory (or applicable) tax rate	8,466,553.30
Different tax rate of subsidiaries	-2,975,863.37
Adjustment on previous income tax	484,071.33
Income not subject to tax	-9,318,487.03
Costs, expenses and losses not deductible for tax purposes	
Utilisation of the deductible losses related to deferred income tax assets unrecognized in previous periods	
Deductible temporary differences or deductible losses from deferred income tax assets unrecognized in the current period	11,942,672.94
Effect of additional deductible cost under tax law	
Income tax expenses	8,598,947.17

Companies subject to different income tax rates are disclosed as follows:

Name of the enterprise	Income tax rate
Nanjing Panda Electronic Manufacture Co., Ltd.	15.00%
Nanjing Panda Communication Technology Co., Ltd.	15.00%
Nanjing Huage Appliance and Plastic Industrial Co., Ltd.	15.00%
Nanjing Panda Information Industry Co., Ltd.	15.00%
Nanjing Panda Mechatronics Instrument Technology Co., Ltd.	15.00%
Shenzhen Jinghua Information Technology Co., Ltd.	15.00%
Nanjing Panda Electronic Equipment Co., Ltd.	15.00%
Chengdu Panda Electronic Technology Co., Ltd.	15.00%
Shenzhen Jinghua Property Management Co., Ltd.	20.00%
Jingwah Digital Technology Co., Ltd.	20.00%
Shenzhen Jinghua Media Technology Co., Ltd.	20.00%
Shenzhen Jingjia Property Management Co., Ltd.	20.00%
Galant Limited	16.50%
JWD Trading (HK) Co., Ltd.	16.50%

1. Nanjing Panda Electronic Manufacture Co., Ltd., a second-level subsidiary of the Company, passed the re-assessment for high-tech enterprise recognition on 2 December 2020, and obtained the High-tech Enterprise Certificate (certificate number GR202032007426) jointly issued by Jiangsu Provincial Science and Technology Department and other government bodies. The certificate is valid for 3 years, commencing from 2 December 2020 and ending on 2 December 2023. During such period, Nanjing Panda Electronic Manufacture Co., Ltd. shall pay income tax at 15% of the taxable income.
2. Nanjing Panda Communications Technology Co., Ltd., a second-level subsidiary of the Company, was re-identified as high-tech enterprise on 2 December 2020, and obtained the High-tech Enterprise Certificate (certificate number GR202032006826) jointly issued by Jiangsu Provincial Science and Technology Department and other government bodies. The certificate is valid for 3 years, commencing from 2 December 2020 and ending on 2 December 2023. During such period, Nanjing Panda Communications Technology Co., Ltd. shall pay income tax at 15% of the taxable income.
3. Nanjing Huage Appliance and Plastic Industrial Co., Ltd., a third-level subsidiary of the Company, was re-identified as high-tech enterprise on 2 December 2020, and obtained the High-tech Enterprise Certificate (certificate number GR202032006058) jointly issued by Jiangsu Provincial Science and Technology Department and other government bodies. The certificate is valid for 3 years, commencing from 2 December 2020 and ending on 2 December 2023. During such period, Nanjing Huage Appliance and Plastic Industrial Co., Ltd. shall pay income tax at 15% of the taxable income.
4. Nanjing Panda Information Industry Co., Ltd., a second-level subsidiary of the Company, was re-identified as high-tech enterprise on 30 November 2021, and obtained the High-tech Enterprise Certificate (certificate number GR202132006189) jointly issued by Jiangsu Provincial Science and Technology Department and other government bodies. The certificate is valid for 3 years, commencing from 30 November 2021 and ending on 30 November 2024. During such period, Nanjing Panda Information Industry Co., Ltd. shall pay income tax at 15% of the taxable income.
5. Nanjing Panda Electromechanical Instrument Technology Co., Ltd., a third-level subsidiary of the Company, was re-identified as high-tech enterprise on 30 November 2021, and obtained the High-tech Enterprise Certificate (certificate number GR202132007415) jointly issued by Jiangsu Provincial Science and Technology Department and other government bodies. The certificate is valid for 3 years, commencing from 30 November 2021 and ending on 30 November 2024. During such period, Nanjing Panda Electromechanical Instrument Technology Co., Ltd. shall pay income tax at 15% of the taxable income.

6. Shenzhen Jinghua Information Technology Co., Ltd., a third-level subsidiary of the Company, was re-identified as high-tech enterprise on 23 December 2021, and obtained the High-tech Enterprise Certificate (certificate number GR202144202917) jointly issued by Shenzhen Municipal Science and Technology Innovation Committee and other government bodies. The certificate is valid for 3 years, commencing from 23 December 2021 and ending on 23 December 2024. During such period, Shenzhen Jinghua Information Technology Co., Ltd. shall pay income tax at 15% of the taxable income.
7. Nanjing Panda Electronic Equipment Co., Ltd., a second-level subsidiary of the Company, was re-identified as high-tech enterprise on 30 November 2021, and obtained the High-tech Enterprise Certificate (certificate number GR202132008673) jointly issued by Jiangsu Provincial Science and Technology Department and other government bodies. The certificate is valid for 3 years, commencing from 30 November 2021 and ending on 30 November 2024. During such period, Nanjing Panda Electronic Equipment Co., Ltd. shall pay income tax at 15% of the taxable income.
8. Chengdu Panda Electronics Technology Co., Ltd., a second-level subsidiary of the Company, satisfied the requirements for those enterprises qualified for preferential tax rate as stated in the Catalogue of Encouraged Industries in the Western Region implemented by the State Administration of Taxation, which stipulates that an enterprise, with its location in the western region, shall engage in a principal activity included in the State's encouraged industrial projects and record a revenue from such principal activity of more than 60% of its total revenue for the year of assessment. Chengdu Panda Electronics Technology Co., Ltd. is entitled to the enterprise tax rate of 15% in accordance with the provisions of the administrative measures for enterprises to make their own applications, not subject to review and confirmation by the tax authorities, and the relevant information is kept by the company for future inspection.

9. Shenzhen Jingjia Property Management Co., Ltd., Shenzhen Jinghua Property Management Co., Ltd. and Parking lot of Shenzhen Jingwah Electronics Co., Ltd., Jingwah Digital Technology Co., Ltd., Shenzhen Jinghua Media Technology Co., Ltd. all being third-level subsidiaries of the Company, were recognized as low-profit small enterprises in the current period. According to articles 1 and 2 of the announcement of the Ministry of Finance and the State Administration of Taxation on the Implementation of Preferential Income Tax Policies for Small and Micro Profit Enterprises and Self-Employed Individuals (Announcement No. 12 of the Ministry of Finance and the State Administration of Taxation, 2021) and the Announcement of the Ministry of Finance and the State Administration of Taxation on Further Implementing the Preferential Income Tax Policies for Small and Micro Enterprises (Announcement of MOF and SAT [2022] No. 13) for the low-profit small enterprises' annual taxable income which not exceeding RMB1 million, in addition to enterprise income tax calculated at the rate of 20% based on the amount of taxable income being reduced to 25% thereof, an exemption of half of the resulted tax payables shall be granted; and for the part of the annual taxable income exceeding RMB1 million but not more than RMB3 million, the enterprise income tax shall be calculated at the rate of 20% based on the amount of taxable income being reduced to 25% thereof.
10. The profits tax rate of Galant Limited and JWD Trading (HK) Co., Ltd registered in Hong Kong is 16.5%.
11. According to the announcement of the Ministry of Finance and the State Administration of Taxation on “Further Improving the Policy of Pre-Tax Addition and Deduction of R&D Expenses” (Announcement No. 13 of the Ministry of Finance and the State Administration of Taxation in 2021), if the R&D expenses actually incurred in the R&D activities of manufacturing enterprises do not form intangible assets and are included in the current profit and loss, additional deduction as 100% of the actual amount shall be deducted from taxable income, since 1 January 2021; If intangible assets are formed, intangible assets shall be amortized before tax according to 200% of the cost, since 1 January 2021. The second-level subsidiaries of the company include Nanjing Panda Electronic Equipment Co., Ltd., Nanjing Panda Information Industry Co., Ltd., Nanjing Panda Electronic Manufacturing Co., Ltd., Nanjing Panda Communication Technology Co., Ltd., Chengdu Panda Electronic Technology Co., Ltd., and the third-level subsidiaries of the company include Nanjing Panda electromechanical instrument technology Co., Ltd., Nanjing Huage electric automobile and plastic industry Co., Ltd. and Shenzhen Jinghua Information Technology Co., Ltd. enjoys the tax preference of additional deduction as 100% of the actual amount of R&D expenses before tax.

12. Nanjing Panda Xinxing Industrial Co., Ltd., a second-level subsidiary of the Company, enjoys the preferential policy of 15% of the VAT deduction from 1 January 2022 to 30 June 2022 according to the Announcement on Value-Added Tax Policies Relating to the Relief and Development of Difficult Industries in the Service Sector (Announcement No. 11 of the Ministry of Finance and the State Administration of Taxation, 2022).
13. Shenzhen Jinghua Property Management Co., Ltd, a third-level subsidiary of the Company, shall enjoy the preferential policy of 15% VAT deduction 1 January 2022 to 30 June 2022 according to the Announcement on Value-Added Tax Policies Relating to the Relief and Development of Difficult Industries in the Service Sector (Announcement No. 11 of the Ministry of Finance and the State Administration of Taxation, 2022).
14. The Parking lot of Shenzhen Jinghua Electronic Co., Ltd, a third-level subsidiary of the company, enjoys the preferential policy for small-scale VAT taxpayers, “six taxes and two fees” reduced by 50% according to the “Announcement on Further Implementation of the Policy of Reducing and Waiving ‘Six Local Taxes and Two Fees’ for Small and Micro Businesses” ([2022] No.10 of Finance and Taxation).
15. According to “Taxation on Value-added Tax Policies for Software Products” (Cai Shui [2011] No. 110), if general VAT taxpayers sell self-developed and produced software products or sell the imported software products after localization, after VAT has been collected at a tax rate of 13%, the refund-upon-collection policy shall be applied to the part of actual VAT burden in excess of 3%. A second-level subsidiary of the company, Nanjing Panda Communication Technology Co., Ltd. could enjoy this preferential policy.

(XI) Return on net assets and earnings per share

Profits of the reporting period	Weighted average return on net assets (%)	Earnings per share (RMB)	
		Basic	Diluted
Net profit attributable to ordinary shareholders of the Company	0.34	0.0131	0.0131
Net profit attributable to ordinary shareholders of the Company after deducting extraordinary profit and loss	<u>0.03</u>	<u>0.0010</u>	<u>0.0010</u>

(XII) Distribution of profits

According to the profit distribution plan for the year 2021 which was considered and approved at the sixth meeting of the tenth session of the Board of Directors of the Company and the 2021 annual general meeting, the distribution will be made on the basis of the total share capital of the Company of 913,838,529.00 shares. A cash dividend of RMB0.14 (including tax) will be distributed for every 10 shares, totaling RMB12,793,739.41.

(XIII) Changes in Significant Accounting Policies and Accounting Estimates

1. Changes in significant accounting policies

There was no change in significant accounting policies for the reporting period.

2. Changes in significant accounting estimates

There was no change in significant accounting estimates for the Reporting Period.

(XIV) **Miscellaneous**

As at 30 June 2022, the aggregate amount of guarantees provided by the Company for its subsidiaries was RMB113,719,486.21 of which: RMB78,410,345.98 is guaranteed in the form of bank acceptance bills and RMB35,309,140.23 is guaranteed in the form of letters of guarantee (30 June 2021: the aggregate amount of guarantees provided by the Company for its subsidiaries amounting to RMB188,493,487.99, of which: RMB86,478,695.31 is guaranteed in the form of bank acceptance bill, RMB102,014,792.68 is guaranteed in the form of letter of guarantee, RMB0.00 is guaranteed in the form of guaranteed loan and RMB0.00 is guaranteed in the form of letter of credit).

By order of the Board
Nanjing Panda Electronics Company Limited
Zhou Guixiang
Chairman

Nanjing, the People's Republic of China
30 August 2022

As at the date of this announcement, the Board comprises Executive Directors: Mr. Zhou Guixiang, Mr. Xia Dechuan; Non-executive Directors: Mr. Shen Jianlong, Mr. Deng Weiming and Mr. Yi Guofu; and Independent Non-executive Directors: Mr. Dai Keqin, Ms. Xiong Yanren and Mr. Chu Wai Tsun, Baggio.

* *For illustration purpose only*