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## 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)

### 2023 THIRD QUARTERLY REPORT

#### IMPORTANT NOTICE

1. The board of directors (the “**Board**”), the supervisory committee, and the directors, supervisors, and senior management of Nanjing Panda Electronics Company Limited (the “**Company**”) warrant that the information in this quarterly report is truthful, accurate and complete, and does not contain any misrepresentation, misleading statement, or material omission, and severally and jointly accept legal responsibility.
2. Mr. Hu Huichun, the responsible person of the Company, Mr. Hu Dali, the Chief Accountant, and Ms. Liu Xianfang, the head of Accounting Department (person in charge of accounting matters) of the Company have declared the truthfulness, accuracy and completeness of the financial statements contained in the quarterly report.
3. The Company’s financial statements for the third quarter were unaudited.

## I. MAJOR FINANCIAL DATA

### (I) Major accounting data and financial indicators (prepared in accordance with the PRC Accounting Standards for Business Enterprises, unaudited)

Unit: RMB (Yuan)

Items	For the reporting period	Changes for the reporting period as compared to the corresponding period of the previous year (%)	From the beginning of the year to the end of the reporting period	Changes from the beginning of the year to the end of the reporting period as compared to the corresponding period of the previous year (%)
Operating income	583,458,072.22	-36.34	1,946,323,717.96	-34.02
Net profit attributable to shareholders of the Company	-4,374,606.82	N/A	-31,714,993.75	-859.44
Net profit attributable to shareholders of the Company after extraordinary items	-6,791,342.76	N/A	-45,160,246.03	N/A
Net cash flows from operating activities	N/A	N/A	-82,289,172.30	-281.65
Basic earnings per share (yuan/share)	-0.0048	N/A	-0.0347	-859.33
Diluted earnings per share (yuan/share)	-0.0048	N/A	-0.0347	-859.33
Return on net assets (weighted average) (%)	-0.13	Increased by 0.09 percentage point	-0.90	Decreased by 1.02 percentage points
				Changes for the end of the reporting period as compared to the end of the previous year (%)
Total assets		As at the end of the reporting period	As at the end of the previous year	
Equity attributable to shareholders of the Company		5,642,297,452.92	5,863,034,744.88	-3.76
		3,510,243,556.71	3,554,025,351.32	-1.23

The reasons for the year-on-year decrease in operating income, net profit attributable to shareholders of the Company, net profit attributable to shareholders of the Company after extraordinary items, basic earnings per share and diluted earnings per share of the Company were mainly due to the adjustment of some of the Company's business segments, the overall market that was weaker than expectations and the adjustment of the delivery cycle of certain businesses which did not reach the settlement requirements, therefore resulting in year-on-year decrease in incomes and profit during the reporting period. The reasons for the decrease in net cash flows from operating activities were mainly due to the decrease in cash received from sales of goods and provision of services during the period.

## (II) Extraordinary items and amounts

Unit: RMB (Yuan)

Items	Amount for the reporting period	Amount from the beginning of the year to the end of the reporting period	Explanation
Profit and loss from disposal of non-current assets	-150,857.78	-192,596.34	
Government grants accounted for as current profit and loss (except for government grants which are closely related to normal business of the Company, conformed to requirements of State policy, and granted continuously according to certain standardised amounts or quotas)	2,617,922.24	8,416,395.01	
Apart from effective hedging instruments relating to the normal operations of the Company, profit or loss from change in fair value of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and investment income from disposal of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and other debt investment	1,803,471.00	5,977,540.97	
Reversal of provisions for impairment of accounts receivable and contract assets individually tested for impairment	3,748.12	202,762.22	
Non-operating income and expenses other than the aforesaid items	-1,201,562.58	441,074.69	
Other items of gain or loss in accordance with the definition of extraordinary profit and loss		267,350.61	Refund of service charges related to individual income tax
Less: Impact of income tax	224,167.35	912,692.43	
Impact of minority interest (after-tax)	431,817.71	754,582.45	
Total	<u>2,416,735.94</u>	<u>13,445,252.28</u>	

### (III) Changes in major accounting data and financial indicators and the reasons

Items	Percentage of change (%)	Major reason
Operating income _ From the beginning of the year to the end of the reporting period	-34.02	Mainly due to the adjustment of some of the Company's business segments, the overall market that was weaker than expectations and the adjustment of the delivery cycle of certain businesses which did not reach the settlement requirements, therefore resulting in year-on-year decrease in incomes
Operating income _ For the reporting period	-36.34	Mainly due to the adjustment of some of the Company's business segments, the overall market that was weaker than expectations and the adjustment of the delivery cycle of certain businesses which did not reach the settlement requirements, therefore resulting in year-on-year decrease in incomes
Net profit attributable to shareholders of the Company _ From the beginning of the year to the end of the reporting period	-859.44	Mainly due to the adjustment of some of the Company's business segments, the overall market that was weaker than expectations and the adjustment of the delivery cycle of certain businesses which did not reach the settlement requirements, therefore resulting in year-on-year decrease in incomes and profit
Net profit attributable to shareholders of the Company_ For the reporting period	N/A	Mainly due to the increase in investment income from associates during the period and the year-on-year decrease in exchange losses affected by the fluctuation of RMB exchange rate
Net profit attributable to shareholders of the Company after deducting extraordinary profit and loss_ From the beginning of the year to the end of the reporting period	N/A	Mainly due to the adjustment of some of the Company's business segments, the overall market that was weaker than expectations and the adjustment of the delivery cycle of certain businesses which did not reach the settlement requirements, therefore resulting in year-on-year decrease in incomes and profit
Net profit attributable to shareholders of the Company after deducting extraordinary profit and loss_ For the reporting period	N/A	Mainly due to the increase in investment income from associates during the period and the year-on-year decrease in exchange losses affected by the fluctuation of RMB exchange rate

Items	Percentage of change (%)	Major reason
Net cash flows from operating activities _ From the beginning of the year to the end of the reporting period	-281.65	Mainly due to the decrease in cash received from sales of goods and provision of services during the period
Basic earnings per share_ From the beginning of the year to the end of the reporting period	-859.33	Mainly due to the adjustment of some of the Company's business segments, the overall market that was weaker than expectations and the adjustment of the delivery cycle of certain businesses which did not reach the settlement requirements, therefore resulting in year-on-year decrease in incomes and profit
Basic earnings per share _ For the reporting period	N/A	Mainly due to the increase in investment income from associates during the period and the year-on-year decrease in exchange losses affected by the fluctuation of RMB exchange rate
Diluted earnings per share _ From the beginning of the year to the end of the reporting period	-859.33	Mainly due to the adjustment of some of the Company's business segments, the overall market that was weaker than expectations and the adjustment of the delivery cycle of certain businesses which did not reach the settlement requirements, therefore resulting in year-on-year decrease in incomes and profit
Diluted earnings per share _ For the reporting period	N/A	Mainly due to the increase in investment income from associates during the period and the year-on-year decrease in exchange losses affected by the fluctuation of RMB exchange rate
Financial assets held for trading _ The end of the reporting period	-42.13	Mainly due to the maturity of some bank wealth management products for the period which were not yet due at the beginning of the period
Notes receivable _ The end of the reporting period	-68.72	Mainly due to the maturity of some notes for the period which were not yet due at the beginning of the period

<b>Items</b>	<b>Percentage of change (%)</b>	<b>Major reason</b>
Advance payments _ The end of the reporting period	45.09	Mainly due to the increase in prepayments for purchase during the period
Contract assets _ The end of the reporting period	-44.17	Mainly due to the transfer of some contract assets recognised at the beginning of the period to accounts receivable during the period
Non-current assets due within one year _ The end of the reporting period	-30.69	Mainly due to the decrease in project guarantee deposit due within one year
Other current assets _ The end of the reporting period	99.15	Mainly due to the increase in certificates of deposit to be transferred within one year during the period
Construction in progress _ The end of the reporting period	-39.42	Mainly due to the transfer of certain items of construction in progress to long-term amortization during the period
Right-of-use assets _ The end of the reporting period	-35.36	Mainly due to the provision for depreciation and amortization of right-of-use assets in the period
Long-term expenses to be amortised _ The end of the reporting period	31.44	Mainly due to the increase in renovation projects during the period
Other non-current assets _ The end of the reporting period	43.29	Mainly due to the increase in project guarantee deposit of more than one year
Short-term loans _ The end of the reporting period	N/A	Increase in short-term loans mainly due to the amount received from the transfer of certain accounts receivable in respect of the factoring business with recourse during the period

Items	Percentage of change (%)	Major reason
Notes payable _ The end of the reporting period	-32.40	Mainly due to the decrease in bank acceptance bills payable during the period
Receipts in advance _ The end of the reporting period	131.70	Mainly due to the increase in rentals received in advance during the period
Contract liabilities _ The end of the reporting period	63.53	Mainly due to the increase in advance receipts from customers during the period
Salaries payable _ The end of the reporting period	-49.59	Mainly due to the payment of salaries, bonuses and salary expenses during the period
Taxes payable _ The end of the reporting period	-35.89	Mainly due to the decrease in value-added tax and enterprise income tax payable at the end of the period
Lease liabilities _ The end of the reporting period	-58.55	Mainly due to the decrease in lease liabilities as a result of the payment of corresponding lease expenses in the period
Estimated liabilities _ The end of the reporting period	N/A	Increase in estimated liabilities mainly due to the provision for estimated liabilities based on the litigation judgment in the period
Deferred income tax liabilities _ The end of the reporting period	31.20	Mainly due to the change in accounting policy in accordance with the “Interpretation No. 16 of Accounting Standards for Business Enterprises” (Cai Kuai [2022] No. 31) released by the Ministry of Finance, the Company recognized deferred income tax assets and deferred income tax liabilities for leasing transactions respectively
Operating cost _ From the beginning of the year to the end of the reporting period	-35.75	Mainly due to the adjustment of some of the Company’s business segments, the overall market that was weaker than expectations and the adjustment of the delivery cycle of certain businesses which did not reach the settlement requirements, therefore resulting in year-on-year decrease in cost

Items	Percentage of change (%)	Major reason
Financial expenses _ From the beginning of the year to the end of the reporting period	-229.60	Mainly due to the year-on-year decrease in exchange losses affected by the fluctuation of RMB exchange rate
Investment income _ From the beginning of the year to the end of the reporting period	60.32	Mainly due to the increase in investment income from associates during the period
Other gain _ From the beginning of the year to the end of the reporting period	-38.92	Mainly due to the decrease in government grants related to operations during the period
Loss in credit impairment _ From the beginning of the year to the end of the reporting period	-104.28	Mainly due to the decrease in the reversal of the provision for bad debts for accounts receivable during the period as compared to the previous period
Loss in assets impairment _ From the beginning of the year to the end of the reporting period	N/A	Decrease in loss in assets impairment mainly due to the reversal of certain provision for decline in value of inventories during the period
Gains on disposal of assets _ From the beginning of the year to the end of the reporting period	N/A	Decrease in gains on disposal of assets mainly due to the increase in loss on non-current assets during the period
Non-operating income _ From the beginning of the year to the end of the reporting period	75.07	Mainly due to the increase in the amount not needed to pay during the period
Non-operating expenses _ From the beginning of the year to the end of the reporting period	648.59	Mainly due to the provision for estimated liabilities based on the litigation judgment during the period
Net cash flows from investing activities _ From the beginning of the year to the end of the reporting period	93.51	Mainly due to the decrease in the purchase of financial products during the period
Net cash flows from financing activities _ From the beginning of the year to the end of the reporting period	-65.95	Mainly due to the decrease in payment of dividends during the period to some minority shareholders as compared to the previous period

## II. INFORMATION ON SHAREHOLDERS

### (I) Total number of shareholders of ordinary shares and the number of holders of preference shares with restored voting rights and shareholdings of the top ten shareholders

*Unit: Share*

Total number of ordinary shareholders as at the end of the reporting period	36,751	Total number of shareholders of preference shares with restored voting rights as at the end of the reporting period (if any)	0
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### Shareholdings of the top 10 shareholders

Name of shareholders	Nature of shareholder	Number of shares held	Percentage (%)	Number of shares held subject to trading moratorium	Status of share	Pledged, marked or frozen Number
HKSCC (Nominees) Limited	Overseas legal person	246,247,587	26.95	0	Unknown	
Panda Electronics Group Limited	State-owned legal person	210,661,444	23.05	0	Pledged	105,091,430
Nanjing Electronics Information Industrial Corporation	State-owned legal person	35,888,611	3.93	0	Unknown	
CITIC Securities – China Huarong Asset Management Company Limited – CITIC Securities – Yunfan Single Asset Management Plan (雲帆單一資產管理計劃)	Other	26,249,351	2.87	0	Unknown	
Lv Ping (呂平)	Domestic natural person	7,642,600	0.83	0	Unknown	
Chen Linfa (陳林法)	Domestic natural person	3,976,500	0.43	0	Unknown	
Tang Jun (唐俊)	Domestic natural person	2,998,500	0.33	0	Unknown	
Beijing Friendly Asset Management Co., Ltd. – Fortune 1 Securities Investment Fund (富潤1期證券投資基金)	Other	2,902,700	0.32	0	Unknown	
Jinzhou Beifa Investment Co., Ltd. (錦州北發投資有限責任公司)	Other	2,740,000	0.30	0	Unknown	
Chen Hui (陳輝)	Domestic natural person	2,495,500	0.27	0	Unknown	

## Shareholdings of the top 10 holders of shares not subject to trading moratorium

Name of shareholders	Number of shares held not subject to trading moratorium	Class and number of shares	
		Class	Number
HKSCC (Nominees) Limited	246,247,587	Overseas listed foreign shares	241,673,450
		RMB denominated ordinary shares	4,574,137
Panda Electronics Group Limited (“PEGL”)	210,661,444	RMB denominated ordinary shares	210,661,444
Nanjing Electronics Information Industrial Corporation (“NEIIC”)	35,888,611	RMB denominated ordinary shares	22,120,611
		Overseas listed foreign shares	13,768,000
CITIC Securities – China Huarong Asset Management Company Limited – CITIC Securities – Yunfan Single Asset Management Plan (雲帆單一資產管理計劃)	26,249,351	RMB denominated ordinary shares	26,249,351
Lv Ping (呂平)	7,642,600	RMB denominated ordinary shares	7,642,600
Chen Linfa (陳林法)	3,976,500	RMB denominated ordinary shares	3,976,500
Tang Jun (唐俊)	2,998,500	RMB denominated ordinary shares	2,998,500
Beijing Friendly Asset Management Co., Ltd. – Fortune 1 Securities Investment Fund (富潤1期證券投資基金)	2,902,700	RMB denominated ordinary shares	2,902,700
Jinzhou Beifa Investment Co., Ltd. (錦州北發投資有限責任公司)	2,740,000	RMB denominated ordinary shares	2,740,000
Chen Hui (陳輝)	2,495,500	RMB denominated ordinary shares	2,495,500

Description of the 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% of the shares of the Company. CEIEC (H.K.) Limited (華電有限公司), a wholly-owned subsidiary of China Electronics Corporation (hereinafter referred to as “CEC”), holds 27,414,000 H shares of the Company, representing 3% of the total 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 the above, the Company is not aware of any connected relationship or party acting in concert among other shareholders.

Description of the participation in margin financing and securities lending and margin and securities refinancing business by the top 10 shareholders and the top 10 holders of shares not subject to trading moratorium (If any)

As of the end of the reporting period, among the top 10 shareholders and the top 10 holders of shares not subject to trading moratorium, Lv Ping (呂平) held 7,642,600 shares through credit securities account, Tang Jun (唐俊) held 2,998,500 shares through credit securities account, Beijing Friendly Asset Management Co., Ltd. – Fortune 1 Securities Investment Fund (富潤1期證券投資基金) held 2,902,700 shares through credit securities account, and Jinzhou Beifa Investment Co., Ltd. (錦州北發投資有限責任公司) held 2,740,000 shares through credit securities account.

*Notes:*

- (1) As at the end of the reporting period, HKSCC (Nominees) Limited held 246,247,587 shares (in particular: 241,673,450 H shares, 4,574,137 A shares) of the Company on behalf of several clients, representing 26.95% of the issued share capital of the Company, including 13,768,000 H shares held by NEIIC in the Company, 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 other individual client holding more than 5% of the issued share capital of the Company.
- (2) The Company received the notice from PEGL, the controlling shareholder of the Company on 2 August 2021, which mentioned that part of the shares of the Company held by PEGL has been pledged. PEGL pledged 105,091,430 shares of the Company, representing 49.89% of the total shares of the Company held by it and 11.50% of the total share capital of the Company. For details of this matter, please refer to the relevant announcements published by the Company on the China Securities Journal, Shanghai Securities News, the website of Shanghai Stock Exchange on 3 August 2021 and on the website of the Hong Kong Stock Exchange on 2 August 2021.

### **III. OTHER REMINDERS**

Not applicable

#### IV. QUARTERLY FINANCIAL STATEMENTS

(I) **2023 third quarterly financial statements (prepared in accordance with the PRC Accounting Standards for Business Enterprises, unaudited)**

**Consolidated Balance Sheet**

*30 September 2023*

Prepared by: Nanjing Panda Electronics Company Limited *Unit: RMB  
(Yuan)*

<b>Assets</b>	<b>30 September 2023</b>	31 December 2022
<b>Current assets:</b>		
Monetary Funds	<b>1,095,025,680.65</b>	1,059,391,006.10
Settlement provisions		
Placement		
Financial assets held for trading	<b>291,548,105.48</b>	503,810,792.61
Derivative financial assets		
Notes receivable	<b>23,164,175.56</b>	74,058,103.09
Accounts receivable	<b>1,160,267,737.54</b>	1,184,902,988.01
Financing receivables	<b>39,747,319.28</b>	53,346,403.19
Advance payments	<b>65,144,108.66</b>	44,898,734.03
Premiums receivable		
Reinsurance receivable		
Reinsurance contract reserve receivable		
Other receivables	<b>54,366,665.80</b>	44,370,789.73
Financial assets purchased for resale		
Including: Interest receivable		
Dividend receivable	<b>5,401,680.62</b>	5,338,779.34
Inventories	<b>640,395,494.71</b>	601,451,915.31
Contract assets	<b>107,748,864.49</b>	192,997,877.85
Held-for-sale assets		
Non-current assets due within one year	<b>1,211,244.12</b>	1,747,508.96
Other current assets	<b>242,461,854.30</b>	121,751,216.36
<b>Total current assets</b>	<b><u>3,721,081,250.59</u></b>	<b><u>3,882,727,335.24</u></b>

<b>Assets</b>	<b>30 September 2023</b>	31 December 2022
<b>Non-current assets:</b>		
Loans and advances to customers		
Available-for-sale financial assets		
Held-to-maturity investments		
Debenture investments		
Other debenture investments		
Long-term receivables		
Long-term equity investments	<b>723,712,744.45</b>	717,388,041.95
Other equity instruments investments	<b>2,385,926.53</b>	2,385,926.53
Other non-current financial assets		
Investment properties	<b>192,651,455.72</b>	215,564,833.38
Fixed assets	<b>819,200,263.51</b>	854,263,641.46
Construction in progress	<b>738,248.15</b>	1,218,625.66
Biological assets for production		
Fuel assets		
Right-of-use assets	<b>7,599,868.00</b>	11,757,911.22
Intangible assets	<b>116,470,009.37</b>	130,570,044.29
Development expenses		
Goodwill		
Long-term expenses to be amortised	<b>14,436,179.23</b>	10,982,839.77
Deferred income tax assets	<b>20,106,096.74</b>	19,485,070.35
Other non-current assets	<b>23,915,410.63</b>	16,690,475.03
	<hr/>	<hr/>
<b>Total non-current assets</b>	<b><u>1,921,216,202.33</u></b>	<b><u>1,980,307,409.64</u></b>
	<hr/>	<hr/>
<b>Total assets</b>	<b><u>5,642,297,452.92</u></b>	<b><u>5,863,034,744.88</u></b>

<i>Head of the Company:</i>	<i>Chief Accountant:</i>	<i>Head of the Accounting Department:</i>
<b>Hu Huichun</b>	<b>Hu Dali</b>	<b>Liu Xianfang</b>

**Consolidated Balance Sheet (Continued)***30 September 2023*

Prepared by: Nanjing Panda Electronics Company Limited

*Unit: RMB  
(Yuan)*

	<b>30 September 2023</b>	31 December 2022
<b>Liabilities and owners' equity</b>		
<b>Current liabilities:</b>		
Short-term loans	<b>18,113,510.72</b>	
Borrowing from PBOC		
Customer and interbank deposits		
Placements from banks and non-bank financial institutions		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable	<b>94,850,879.62</b>	140,306,918.37
Accounts payable	<b>1,385,836,798.54</b>	1,533,543,158.65
Receipts in advance	<b>292,410.73</b>	126,201.33
Contract liabilities	<b>110,612,879.86</b>	67,641,115.11
Financial assets sold under repurchase agreements		
Bank charges and commissions due		
Salaries payable	<b>27,526,924.93</b>	54,607,592.56
Taxes payable	<b>33,382,291.60</b>	52,072,391.92
Other payables	<b>105,032,826.13</b>	105,899,337.51
Reinsurers due		
Customers' deposits held for securities brokerage		
Securities underwriting		
Liabilities held for sale		
Non-current liabilities due within one year	<b>5,742,581.96</b>	6,117,127.14
Other current liabilities	<b>30,714,346.04</b>	27,520,425.14
<b>Total current liabilities</b>	<b><u>1,812,105,450.13</u></b>	<b><u>1,987,834,267.73</u></b>

<b>Liabilities and owners' equity</b>	<b>30 September 2023</b>	31 December 2022
<b>Non-current liabilities:</b>		
Long-term loans		
Bonds payables		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	<b>2,154,015.24</b>	5,196,356.93
Long-term payables		
Long-term staff salaries payable	<b>6,884,585.34</b>	8,729,912.08
Estimated liabilities	<b>1,246,788.66</b>	
Deferred income	<b>41,554,475.36</b>	46,537,325.13
Deferred income tax liabilities	<b>5,802,622.32</b>	4,422,747.53
Other non-current liabilities		
	<hr/>	<hr/>
<b>Total non-current liabilities</b>	<b><u>57,642,486.92</u></b>	<b><u>64,886,341.67</u></b>
<b>Total liabilities</b>	<b><u>1,869,747,937.05</u></b>	<b><u>2,052,720,609.40</u></b>
<b>Owners' equity:</b>		
Share capital	<b>913,838,529.00</b>	913,838,529.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	<b>1,470,691,800.13</b>	1,470,691,800.13
Less: treasury share		
Other comprehensive income	<b>-948,055.10</b>	-948,055.10
Special reserve	<b>793,463.11</b>	
Surplus reserve	<b>286,530,634.83</b>	286,530,634.83
General risk reserve		
Undistributed profits	<b><u>839,337,184.74</u></b>	<u>883,912,442.46</u>
Sub-total shareholders' equity attributable to the parent company	<b><u>3,510,243,556.71</u></b>	3,554,025,351.32
Minority interests	<b><u>262,305,959.16</u></b>	<u>256,288,784.16</u>
<b>Total owners' equity</b>	<b><u>3,772,549,515.87</u></b>	<b><u>3,810,314,135.48</u></b>
<b>Total liabilities and owners' equity</b>	<b><u>5,642,297,452.92</u></b>	<b><u>5,863,034,744.88</u></b>

*Head of the Company:*  
**Hu Huichun**

*Chief Accountant:*  
**Hu Dali**

*Head of the Accounting  
Department:*  
**Liu Xianfang**

## Consolidated Income Statement

January–September 2023

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB  
(Yuan)

Items	First three quarters of 2023 (January– September)	First three quarters of 2022 (January– September)
<b>1. Total operating income</b>	<b>1,946,323,717.96</b>	2,949,790,880.79
Including: Operating income	<b>1,946,323,717.96</b>	2,949,790,880.79
Interests income		
Premiums earned		
Income from bank charges and commissions		
<b>2. Total operating cost</b>	<b>2,022,103,120.16</b>	2,962,046,125.59
Including: Operating cost	<b>1,646,864,663.97</b>	2,563,058,956.69
Interests expenses		
Bank charges and commissions expenses		
Insurance withdrawal payment		
Net payment from indemnity		
Net provisions for insurance contract		
Insurance policy dividend paid		
Reinsurance cost		
Business taxes and surcharge	<b>17,903,954.13</b>	15,873,210.75
Selling expenses	<b>35,904,566.76</b>	32,384,275.37
Administrative expenses	<b>184,742,883.78</b>	174,952,452.85
R&D costs	<b>146,238,070.05</b>	168,407,686.54
Financial expenses	<b>-9,551,018.53</b>	7,369,543.39
Including: Interest expense	<b>313,367.36</b>	259,779.16
Interest incomes	<b>11,577,420.04</b>	11,001,959.80
Add: Other gain	<b>10,315,979.03</b>	16,888,013.93
Investment income (losses are represented by “-”)	<b>78,838,364.84</b>	49,175,015.85
Including: Investment income of associates and joint ventures	<b>66,324,702.50</b>	39,916,154.16

Items	First three quarters of 2023 (January– September)	First three quarters of 2022 (January– September)
Income on hedging the net exposure (losses are represented by “-”)		
Income from change in fair value (losses are represented by “-”)	<b>-2,262,687.13</b>	-2,804,069.12
Loss in credit impairment (losses are represented by “-”)	<b>-15,168.14</b>	354,764.29
Loss in assets impairment (losses are represented by “-”)	<b>3,150,813.96</b>	-12,707,295.57
Gains on disposal of assets (losses are represented by “-”)	<b>-153,010.01</b>	225,915.30
Exchange gain (losses are represented by “-”)		
<b>3. Operating profit (losses are represented by “-”)</b>	<b>14,094,890.35</b>	38,877,099.88
Add: Non-operating income	<b>1,778,584.21</b>	1,015,941.45
Less: Non-operating expenses	<b>1,377,095.85</b>	183,959.53
<b>4. Total Profit (total losses are represented by “-”)</b>	<b>14,496,378.71</b>	39,709,081.80
Less: Income tax expense	<b>14,116,428.85</b>	11,369,246.17
<b>5. Net Profit (net losses are represented by “-”)</b>	<b>379,949.86</b>	28,339,835.63
(1) Classified by the business continuity		
1. Net profit for going concern (net losses are represented by “-”)	<b>379,949.86</b>	28,339,835.63
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 equity shareholders of the parent company	<b>-31,714,993.75</b>	4,176,079.58
2. Minority interests	<b>32,094,943.61</b>	24,163,756.05

<b>Items</b>	<b>First three quarters of 2023 (January– September)</b>	First three quarters of 2022 (January– September)
<b>6. Net other comprehensive income after tax</b>		-184,824.81
Net other comprehensive income after tax attributable to shareholders of the parent company		-184,824.81
(1) Other comprehensive income which will not be reclassified subsequently to profit and loss		-184,824.81
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		-184,824.81
4. Changes in fair value of the enterprise's own credit risk		

<b>Items</b>	<b>First three quarters of 2023 (January– September)</b>	First three quarters of 2022 (January– September)
(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. Changes in fair value of other debt investment		
3. Amount of financial assets reclassified to other comprehensive income		
4. Provision for credit impairment of other debenture investment		
5. Cash flow hedging reserve		
6. Translation difference of financial statements in foreign currencies		
7. Others		
Net other comprehensive income after tax attributable to minority interests		

<b>Items</b>	<b>First three quarters of 2023 (January– September)</b>	First three quarters of 2022 (January– September)
<b>7. Total comprehensive income</b>	<b>379,949.86</b>	28,155,010.82
Total comprehensive income attributable to the equity holders of the parent company	<b>-31,714,993.75</b>	3,991,254.77
Total comprehensive income attributable to minority shareholders	<b>32,094,943.61</b>	24,163,756.05
<b>8. Earnings per share:</b>		
(1) Basic earnings per share <i>(RMB/share)</i>	<b>-0.0347</b>	0.0046
(2) Diluted earnings per share <i>(RMB/share)</i>	<b>-0.0347</b>	0.0046

<i>Head of the Company:</i> <b>Hu Huichun</b>	<i>Chief Accountant:</i> <b>Hu Dali</b>	<i>Head of the Accounting Department:</i> <b>Liu Xianfang</b>
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**Consolidated Cash Flow Statement**  
*January–September 2023*

Prepared by: Nanjing Panda Electronics Company Limited

*Unit: RMB  
(Yuan)*

<b>Items</b>	<b>First three quarters of 2023 (January– September)</b>	First three quarters of 2022 (January– September)
<b>1. Cash flows from operating activities:</b>		
Cash received from the sale of goods and rendering of services	<b>2,325,498,003.29</b>	3,260,477,428.81
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 received from reinsurance business		
Net increase in deposits of the insured and investment		
Cash received from interests, fees and commissions		
Net increase in placements from banks and other financial institutions		
Net increase in repurchasing		
Refunds of taxes	<b>21,428,762.81</b>	34,132,496.77
Cash received relating to other operating activities	<b>70,251,056.64</b>	257,854,156.71
<b>Sub-total of cash inflows from operating activities</b>	<b><u>2,417,177,822.74</u></b>	<b><u>3,552,464,082.29</u></b>

<b>Items</b>	<b>First three quarters of 2023 (January– September)</b>	<b>First three quarters of 2022 (January– September)</b>
Cash paid for purchase of goods and services received	<b>1,754,215,025.85</b>	2,657,847,789.69
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		
Net increase in placements with banks and non-bank financial institutions		
Cash paid for interests, fees and commissions		
Cash paid for policy dividends		
Cash paid to and on behalf of employees	<b>468,469,469.08</b>	498,052,229.82
Cash paid for all types of taxes	<b>122,648,464.54</b>	99,502,370.62
Cash paid relating to other operating activities	<u><b>154,134,035.57</b></u>	<u>251,760,558.29</u>
<b>Sub-total of cash outflows from operating activities</b>	<u><b>2,499,466,995.04</b></u>	<u>3,507,162,948.42</u>
<b>Net cash flows from operating activities</b>	<u><b>-82,289,172.30</b></u>	<u>45,301,133.87</u>
<b>2. Cash flows from investing activities:</b>		
Cash received from disposal of investments		
Cash received from return on investments	<b>71,570,541.76</b>	69,737,467.74
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	<b>171,620.00</b>	1,941,751.34
Net cash received from disposal of subsidiaries and other operating entities		
Cash received relating to other investment activities	<u><b>820,000,000.00</b></u>	<u>900,000,000.00</u>
<b>Sub-total of cash inflows from investing activities</b>	<u><b>891,742,161.76</b></u>	<u>971,679,219.08</u>

Items	First three quarters of 2023 (January– September)	First three quarters of 2022 (January– September)
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	6,220,103.38	16,143,663.93
Cash paid for investments		
Net increase in secured loans		
Net cash paid for acquisition of subsidiaries and other operating entities		
Cash paid on other investment activities	<u>720,000,000.00</u>	<u>870,000,000.00</u>
<b>Sub-total of cash outflows from investing activities</b>	<b><u>726,220,103.38</u></b>	<b><u>886,143,663.93</u></b>
<b>Net cash flows from investing activities</b>	<b><u>165,522,058.38</u></b>	<b><u>85,535,555.15</u></b>
<b>3. Cash flows from financing activities:</b>		
Cash received from investments		
Including: Cash received by subsidiaries from minority shareholders' investment		
Cash received from borrowings	18,113,510.72	
Cash received from issuing bonds		
Cash received from other financing activities		
<b>Sub-total of cash inflows from financing activities</b>	<b><u>18,113,510.72</u></b>	
Cash paid on repayment of borrowings		
Cash paid on distribution of dividends or profits, or interest expenses	38,809,027.32	72,006,978.96
Including: Dividend and profit paid to minority shareholders by subsidiaries	26,015,287.92	59,213,239.56
Cash paid on other financing activities	<u>3,823,082.76</u>	
<b>Sub-total of cash outflows from financing activities</b>	<b><u>42,632,110.08</u></b>	<b><u>72,006,978.96</u></b>

Items	First three quarters of 2023 (January– September)	First three quarters of 2022 (January– September)
Net cash flows from financing activities	<u>-24,518,599.36</u>	<u>-72,006,978.96</u>
4. Effect of fluctuations in exchange rates on cash and cash equivalents	<u>2,196,822.11</u>	<u>4,353,614.44</u>
5. Net increase in cash and cash equivalents	60,911,108.83	63,183,324.50
Add: Balance of cash and cash equivalents at the beginning of the period	<u>954,544,289.85</u>	<u>848,233,503.66</u>
6. Balance of cash and cash equivalents at the end of the period	<u>1,015,455,398.68</u>	<u>911,416,828.16</u>

<i>Head of the Company:</i> <b>Hu Huichun</b>	<i>Chief Accountant:</i> <b>Hu Dali</b>	<i>Head of the Accounting Department:</i> <b>Liu Xianfang</b>
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By Order of the Board  
**Nanjing Panda Electronics Company Limited**  
**Xia Dechuan**  
*Chairman*

Nanjing, the People's Republic of China  
30 October 2023

*As at the date of this announcement, the Board comprises Executive Directors: Mr. Xia Dechuan and Mr. Hu Huichun; Non-executive Directors: Mr. Liu Jianfeng, 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.*