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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)

SUMMARY OF 2024 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 2024 (the “**Reporting Period**”) is set out below. The financial statements contained in this report are unaudited. The summary of 2024 Interim Report is based on the full-length 2024 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 2024.

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 2024 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 2024)	At the end of last year (31 December 2023)	Change from the end of last year (%)
Net assets attributable to shareholders of the Company	3,235,012,557.40	3,303,235,992.24	-2.07
Total assets	5,316,028,626.35	5,540,955,892.33	-4.06
	Reporting Period (January – June 2024)	Corresponding period of last year (January – June 2023)	Change from corresponding period of last year (%)
Operating income	1,250,346,512.09	1,362,865,645.74	-8.26
Net profit attributable to shareholders of the Company	-68,198,110.51	-27,340,386.93	N/A
Net profit attributable to shareholders of the Company after deducting extraordinary profit and loss	-76,549,286.77	-38,368,903.27	N/A
Net cash flow from operating activities	-133,262,704.33	-129,525,399.05	N/A
Weighted average return on net assets (%)	-2.09	-0.77	Decreased by 1.32 percentage points
Basic earnings per share (RMB/share)	-0.0746	-0.0299	N/A
Diluted earnings per share (RMB/share)	-0.0746	-0.0299	N/A

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

The decreases in operating income, 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 fierce competition for existing customers in the market of LCD display panels segment of the green and service-oriented electronic manufacturing business, resulting in the year-on-year decrease in income and the expansion of new customers not reaching expectations; and the decrease in net cash flow from operating activities was mainly due to the year-on-year decrease in cash received from the sale of goods and rendering of services.

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	77,231
Total number of preferred shareholders with voting rights resumed as at the end of the Reporting Period	N/A

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	26.53	242,405,186	0	Unknown	
Panda Electronics Group Limited (“PEGL”)	State-owned legal person	23.05	210,661,444	0	Pledged	105,091,430
Nanjing Electronics Information Industrial Corporation (“NEIIC”)	State-owned legal person	3.93	35,888,611	0	Unknown	
Lu Ping (呂平)	Domestic natural person	1.14	10,450,156	0	Unknown	
China Asset Management Company Limited – National Social Security Fund 422 (華夏基金管理有限公 司 – 社保基金四二二組合)	Other	0.43	3,904,500	0	Unknown	
He Jiannan (何建南)	Domestic natural person	0.37	3,343,700	0	Unknown	
Zhang Zandi (張鏞棟)	Domestic natural person	0.35	3,165,600	0	Unknown	
Cai Fengyong (蔡豐永)	Domestic natural person	0.32	2,924,300	0	Unknown	
Zhao Zhixiang (趙志祥)	Domestic natural person	0.30	2,748,400	0	Unknown	
Qianhai Pengchengwanli Capital Management (Shenzhen) Co., Ltd.* – Value II Private Securities Investment Fund (前海鵬城萬裡資本管理(深圳)有限公司 – 鵬城萬裡價值貳號私募證券投資基金)	Other	0.23	2,122,108	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 242,405,186 shares (including 241,663,340 H shares and 741,846 A shares) of the Company on behalf of a number of clients, representing 26.53% 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 19 April 2024, 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 20 April 2024.

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 2024, the Company's overall operating results declined significantly due to the comprehensive impact of factors such as intensified customer market competition, shift in business model and adjustment of product and business structure in some business segments. During the Reporting Period, the Company recorded revenue of RMB1,250,346,500, total loss of RMB36,574,300 and net loss attributable to the parent company of RMB68,198,100.

During the Reporting Period, fierce competition for existing customers in the market of LCD display panels segment of the green and service-oriented electronic manufacturing business resulted in corresponding year-on-year decline in revenue and profit, and the expansion of new customers failed to meet expectations. In order to cope with changes in the market and customer demand, the Company actively adjusted its product structure to expand new customers in the field of automotive electronics and other areas, striving to achieve new breakthroughs. The Company's industrial internet and intelligent manufacturing business segment adjusted its product and business structure and has not yet reached the expected market scale, which had a certain impact on the net profit attributable to owners of the parent company.

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	1,250,346,512.09	1,362,865,645.74	-8.26
Operating costs	1,087,598,858.49	1,164,944,388.28	-6.64
Cost of sales	23,290,719.32	22,266,432.31	4.60
Administrative expenses	119,385,910.50	122,809,936.74	-2.79
Financial expenses	-7,823,878.43	-5,247,662.54	N/A
R&D expenses	109,855,250.05	97,087,795.96	13.15
Net cash flows from operating activities	-133,262,704.33	-129,525,399.05	N/A
Net cash flows from investing activities	115,436,141.90	165,528,840.46	-30.26
Net cash flows from financing activities	30,138,541.71	16,133,385.86	86.81
Gain from change in fair value	-1,481,275.69	-2,586,155.54	N/A
Asset impairment losses	-21,313.55	1,121,190.71	-101.90
Gains on disposal of assets	8,373.69	-20,702.97	N/A
Non-operating income	471,339.02	1,718,066.03	-72.57
Non-operating expenses	174,101.74	96,464.35	80.48

Reasons for change:

- (1) Reasons for the change in operating income: mainly due to the fierce competition for existing customers in the market of LCD display panels segment of the green and service-oriented electronic manufacturing business, resulting in the year-on-year decrease in income;
- (2) Reasons for the change in operating costs: mainly due to the fierce competition for existing customers in the market of LCD display panels segment of the green and service-oriented electronic manufacturing business, resulting in the year-on-year decrease in cost of income;
- (3) Reasons for the change in cost of sales: mainly due to the year-on-year increase in advertising and exhibition expenses;
- (4) Reasons for the change in administrative expenses: mainly due to the year-on-year decrease in depreciation and amortization;
- (5) Reasons for the change in financial expenses: mainly due to the changes in exchange gains and losses affected by the fluctuation of RMB exchange rate;
- (6) Reasons for the change in R&D expenses: mainly due to the increase in labor costs and entrusted R&D costs;
- (7) Reasons for the change in net cash flows from operating activities: mainly due to the year-on-year decrease in cash received from the sale of goods and rendering of services;
- (8) Reasons for the change in net cash flows from investing activities: mainly due to the year-on-year increase in the purchase of financial products during the period;
- (9) Reasons for the change in net cash flows from financing activities: mainly due to the year-on-year increase in the discounts on note receivable not terminated for recognition for the period;

- (10) Reasons for changes in gain on changes in fair value: mainly due to the year-on-year decrease in gains and losses recognized on changes in the fair value of financial products outstanding at the end of the previous year reversed for the period;
- (11) Reasons for changes in assets impairment losses: mainly due to the year-on-year decrease in the reversal of certain provision for decline in value of inventories for the period;
- (12) Reasons for changes in gain from the disposal of assets: mainly due to the gains on disposal of non-current assets in the period;
- (13) Reasons for changes in non-operating income: mainly due to the year-on-year decrease in amounts not required to be paid for the period;
- (14) Reasons for changes in non-operating expenses: mainly due to the year-on-year increase in relevant charges and other expenditures in 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	Change in the amount		Remarks
				Amount at the end of the previous period as a percentage of the total assets (%)	at the end of the period as compared to the amount at the end of the previous period (%)	
Monetary Funds	889,099,326.27	16.72	877,143,940.40	15.83	1.36	
Accounts receivable	1,154,368,139.24	21.71	1,169,980,610.79	21.12	-1.33	
Inventories	555,678,312.81	10.45	570,780,863.80	10.30	-2.65	
Contract assets	200,196,135.15	3.77	232,413,650.79	4.19	-13.86	
Investment property	187,038,955.26	3.52	189,381,629.96	3.42	-1.24	
Fixed assets	780,632,064.25	14.68	809,758,804.57	14.61	-3.60	
Construction in progress	5,535,920.80	0.10	991,937.24	0.02	458.09	Mainly due to certain items of construction in progress hadn't transferred to fixed assets yet
Right-of-use assets	10,636,643.50	0.20	12,873,600.15	0.23	-17.38	
Notes receivable	53,932,612.57	1.01	131,647,314.14	2.38	-59.03	Mainly due to the decrease in bank acceptance bills not derecognised at the end of the period and the decrease in commercial acceptance bills

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
Financing receivables	51,304,717.26	0.97	25,415,043.86	0.46	101.87	The increase in bank acceptance bills of high credit ratings in the end of the period, held by the Company mainly for the purpose of endorsement or discounting, which the Company classified as financing receivables
Non-current assets due within one year	13,443,638.55	0.25	26,864,239.67	0.48	-49.96	Mainly due to the expiry of the quality guarantee of certain projects during the period
Long-term equity investments	450,850,059.94	8.48	469,854,173.02	8.48	-4.04	
Short-term loans	37,713,978.67	0.71	70,113,510.72	1.27	N/A	Mainly due to the decrease in discounted notes not derecognised and the maturity and derecognition of factored accounts receivable as at the end of the period
Receipts in advance	931,856.13	0.02	201,635.72	0.00	362.15	Mainly the trademark royalties and rent in advance
Employee compensation payable	23,651,634.22	0.44	52,328,572.83	0.94	-54.80	Mainly the payment of salaries, bonuses and fringe benefit 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
Contract liabilities	105,160,087.69	1.98	90,217,009.26	1.63	16.56	
Lease liabilities	6,652,062.03	0.13	9,101,840.09	0.16	-26.92	
Estimated liabilities			512,434.50	0.01	-100.00	Mainly due to the payment of litigation costs during the period for the previous period

3.2 Analysis of investments

3.2.1 Overall analysis of equity investment

In the first half of 2024, 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 2024, the Company endeavored to work on the development of its three main businesses and spared no effort to develop markets, with its major subsidiaries operating in an orderly manner. Electronics Equipment Company is undergoing operating loss due to the adjustment of product and business structure and has not yet reached the expected market scale, but the amount of loss has been narrowed compared with the same period of the previous year. Communication Technology Company is in a loss position during the period due to increased R&D investment and product structure adjustment. The Company will optimise and iterate the existing technology of industrial Internet and intelligent manufacturing and other businesses, combined with practical applications and user needs, dynamically adjust the product direction, and continue to develop in the new energy, military technological reform and other fields based on the advantages of the industry, and strive to make new breakthroughs in the smart instrument assembly automation industry, warehousing and logistics industry, and actively expand the market of information technology application innovation. The current operating results of Electronic Manufacture Company and Chengdu Electronic Technology have been greatly affected due to fierce competition for existing customers in the market of LCD display panels segment, resulting in the year-on-year decrease in income and the expansion of new customers not reaching expectations. The Company will endeavour to maintain the stability of the existing business, and actively respond to changes in the market and customer demand, and actively adjust the product structure to expand new customers in the field of automotive electronics and other areas, striving to achieve new breakthroughs. The overview of major subsidiaries is set out below:

Unit: 0'000 Currency: RMB

Subsidiary	Major products or services	30 June 2024			January to June 2024		
		Registered capital	Percentage of shareholding	Total assets	Net assets	Operating income	Net profit
Nanjing Panda Electronics Equipment Company Limited	Manufacture and sale of automatic transmission equipment and industrial robots	19,000.00	100%	37,865	-3,708	5,886	-4,089

Subsidiary	Major products or services	30 June 2024			January to June 2024		
		Registered capital	Percentage of shareholding	Total assets	Net assets	Operating income	Net profit
Nanjing Panda Information Industry Company Limited	Production and sale of AFC and ACC systems and equipment of railway transit, building intellectualization and system integration	21,681.4228	100%	153,151	40,345	38,788	2,479
Nanjing Panda Electronic Manufacture Company Limited	EMS services	USD2,000	75%	71,552	22,364	26,098	-1,789
Nanjing Panda Communications Technology Company Limited	Manufacture and sale of mobile communication, digital communication and network communication systems and products	10,000.00	100%	31,557	16,228	4,515	-2,156
Nanjing Panda Xinxing Industrial Company Limited	Property and catering services	2,000.00	100%	5,958	4,432	3,299	53
Shenzhen Jingwah Electronics Company Limited	Research and development, manufacturing and sales of communication equipment and digital products	11,507.00	43.34%	62,622	46,794	38,594	3,976
Chengdu Panda Electronic Technology Company Limited	Electronic manufacturing service	5,000	100%	16,315	10,266	4,513	-1,789

(2) *Information of major investee companies (January to June 2024)*

- Nanjing Ericsson Panda Communication Co., Ltd.

ENC was set up on 15 September 1992 with a business term of 30 years, 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 CETC Asset Management 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, and 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. In August 2022, shareholders decided to extend the business term of ENC for three years, ending on 14 September 2025. On 1 September 2022, ENC applied for a new business license.

In the Company's Estimated Annual Results for 2023, the Company provided a risk warning on the ENC special tax adjustment as an uncertainty affecting the estimated results, and in the reply to the Shanghai Stock Exchange's regulatory work letter on matters relating to the Company's estimated results, the Company provided a detailed explanation on the ENC special tax adjustment. In the section headed "Analysis of major invested companies" in the 2023 Annual Report, the Company has given a detailed explanation of its contacts, communications and meetings with the management of ENC, the Swedish director of ENC and the representatives of EAB during the period from January 2024 to the date of disclosure in the 2023 Annual Report, and has explained the accounting treatment of the Company in respect of this matter. The Company has once again affirmed its consistent position that it will take all necessary measures to appropriately deal with the impact of the ENC special tax adjustment and related matters on the Company, and will do its utmost to safeguard the legitimate rights and interests of the Company and its shareholders. In reply to the Shanghai Stock Exchange's regulatory work letter on matters relating to the Company's 2023 annual report information disclosure, the Company provided supplementary explanations on issues relating to the ENC special tax adjustment and its related matters, and the accountants expressed their opinions on the relevant issues. For details, please refer to the relevant announcements (Lin. 2024-003, 2024-004 and 2024-024) dated 31 January, 29 February, 29 March and 4 June 2024 respectively published on the website of the Shanghai Stock Exchange and the 2023 annual report of the Company.

At present, the Company is still in continuous communication with EAB.

- 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
LG Panda Appliances	348,307.34	16,908.35	30%	4,101.52

LG Panda Appliances was established on 21 December 1995 with a registered capital of USD35.70 million. The Company holds 30%, LG Electronics Co., Ltd. holds 50%, 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 2024, the operating income of LG Panda Appliances amounted to RMB3,483,073,400, representing a year-on-year increase of 65.67%; net profit amounted to RMB169,083,500, representing a year-on-year increase of 44.42%. Reasons for changes in the main indicators: growth in export orders for washing machines and a year-on-year decline in financial expenses due to foreign exchange gains and losses.

(3) *Other*

- Reference is made to the Announcement of Nanjing Panda on the Completion of Registration Procedures for the Absorption and Merger of Wholly-owned Subsidiary (Lin. 2024-001) published on the website of the Shanghai Stock Exchange on 9 January 2024, in which the Company completed the relevant registration procedures involving the absorption and merger of its wholly-owned subsidiary, Nanjing Panda Electronic Technology Development Co., Ltd.. The absorption and merger will not affect the net assets and current profit in the consolidated statement of the Company. This absorption and merger does not involve any change in the basic information of the company such as name, residence and registered capital, nor does it involve any change in the composition of the board of directors, the supervisory committee and the senior management.
- In December 2023, the Company entered into an equity transfer agreement with its wholly-owned subsidiary, Galant Limited (佳恒興業有限公司), pursuant to which, Galant Limited transferred 18% equity interest in Information Industry Company to the Company at nil cost, Information Industry Company became a wholly-owned subsidiary of the Company after the transfer, and the industrial and commercial record and registration for the change of the ownership of such equity interest was completed on 2 April 2024.

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 2024.

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 2023 was considered and approved at the twenty-fourth meeting of the tenth session of the Board of the Company and the 2023 annual general meeting of the Company. After audit, the net loss of the Company attributable to shareholders of the listed company for the year 2023 amounted to RMB237,862,230.10. In order to safeguard the sustainable and stable operation of the Company and the long-term interests of all shareholders, after taking into account the Company's business plan and capital requirements for 2024, and in accordance with "Supervisory Guideline for Listed Companies No. 3 – Cash Dividends for Listed Companies", the Articles of Association, "Shareholders' Return Plan (2022–2024)" and relevant regulations, the Company has formulated the 2023 profit distribution plan as follows: no profit distribution, nor capitalization of capital surplus or other forms of distribution. For details, please refer to the announcements published by the Company in China Securities Journal and Shanghai Securities News on 29 March 2024 and 22 June 2024, 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 2024, the Company's gearing ratio (the ratio of total liabilities to total assets) was 33.64%; current liabilities amounted to RMB1.735 billion; liquidity ratio was 2.15; quick ratio was 1.80; bank deposits and cash amounted to RMB889 million; and short-term bank and other loans amounted to RMB38 million.

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 2024, the LPR for 1-year was 3.45%, and the LPR for more than 5-year was 3.95%; as of 20 August 2024, the LPR for 1-year was 3.35%, and the LPR for more than 5-year was 3.85%.

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.

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 of 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 28 March 2024 to review 2023 financial report of the Company and the summary report on audit work in 2023 performed by WUYIGE Certified Public Accountants LLP and agreed to submit the same to the Board for review. The appointment of WUYIGE Certified Public Accountants LLP as the Company's international, domestic and internal control auditors for 2024 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 2024, 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.

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 2024

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

ASSETS	Closing balance	Opening balance
Current assets:		
Cash and cash equivalents	889,099,326.27	877,143,940.40
Settlement provisions		
Placements with banks and other financial institutions		
Financial assets held for trading	460,979,136.99	485,158,212.68
Derivative financial assets		
Notes receivable	53,932,612.57	131,647,314.14
Accounts receivable	1,154,368,139.24	1,169,980,610.79
Receivables financing	51,304,717.26	25,415,043.86
Advance to suppliers	41,338,604.60	35,470,548.75
Premiums receivable		
Reinsurance receivable		
Reinsurance contract reserve receivable		
Other receivables	30,161,128.79	31,490,701.86
Financial assets held under resale agreements		
Inventories	555,678,312.81	570,780,863.80
Contract assets	200,196,135.15	232,413,650.79
Held-for-sale assets		
Non-current assets due within one year	13,443,638.55	26,864,239.67
Other current assets	278,163,307.27	318,086,623.04
Total current assets	<u>3,728,665,059.50</u>	<u>3,904,451,749.78</u>

Consolidated Balance Sheet (Continued)

As at 30 June 2024

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

ASSETS	Closing balance	Opening balance
Non-current assets:		
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	450,850,059.94	469,854,173.02
Other equity instruments investments		
Other non-current financial assets		
Investment properties	187,038,955.26	189,381,629.96
Fixed assets	780,632,064.25	809,758,804.57
Construction in progress	5,535,920.80	991,937.24
Biological assets for production		
Fuel assets		
Right-of-use assets	10,636,643.50	12,873,600.15
Intangible assets	104,711,114.48	112,250,461.87
Development expenses		
Goodwill		
Long-term expenses to be amortised	18,449,944.85	18,654,129.54
Deferred income tax assets	21,546,657.08	21,270,332.26
Other non-current assets	7,962,206.69	1,469,073.94
Total non-current assets	1,587,363,566.85	1,636,504,142.55
Total assets	5,316,028,626.35	5,540,955,892.33

Legal representative:
Hu Huichun

Chief Accountant:
Hu Shoujun

Head of the
Accounting Department:
Xue Gang

Consolidated Balance Sheet (Continued)

As at 30 June 2024

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Liabilities and owners' equity	Closing balance	Opening balance
Current liabilities:		
Short-term borrowings	37,713,978.67	70,113,510.72
Borrowings from central bank		
Customer deposits and deposits from banks and other financial institutions		
Placements from banks and other financial institutions		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable	61,706,104.90	79,035,160.29
Accounts payable	1,335,399,923.50	1,438,956,161.93
Advance receipts from customers	931,856.13	201,635.72
Contract liabilities	105,160,087.69	90,217,009.26
Financial assets sold under repurchase agreements		
Bank charges and commissions due		
Staff salaries payable	23,651,634.22	52,328,572.83
Taxes payable	33,488,766.97	32,725,506.34
Other payables	101,028,297.56	97,124,968.36
Reinsurers due		
Security trading of agency		
Securities underwriting		
Liabilities held for sale		
Non-current liabilities due within one year	4,924,996.61	4,088,888.95
Other current liabilities	31,294,735.21	36,882,036.51
Total current liabilities	<u>1,735,300,381.46</u>	<u>1,901,673,450.91</u>

Consolidated Balance Sheet (Continued)

As at 30 June 2024

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Liabilities and owners' equity	Closing balance	Opening balance
Non-current liabilities:		
Long-term loan		
Bonds payables		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	6,652,062.03	9,101,840.09
Long-term payables		
Long-term staff salaries payables	4,554,999.51	5,934,601.09
Estimated liabilities		512,434.50
Deferred income	36,805,499.30	40,343,225.17
Deferred income tax liabilities	5,222,666.13	6,353,834.23
Other non-current liabilities		
	<hr/>	<hr/>
Total non-current liabilities	53,235,226.97	62,245,935.08
	<hr/>	<hr/>
Total liabilities	1,788,535,608.43	1,963,919,385.99
	<hr/> <hr/>	<hr/> <hr/>

Consolidated Balance Sheet (Continued)

As at 30 June 2024

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 shares		
Other comprehensive income		
Special reserve	337,071.16	362,395.49
Surplus reserve	309,500,586.70	309,500,586.70
General risk reserve		
Undistributed profit	540,644,570.41	608,842,680.92
Subtotal of equity attributable to the shareholders of the parent company	3,235,012,557.40	3,303,235,992.24
Minority interests	292,480,460.52	273,800,514.10
Total shareholders' equity	3,527,493,017.92	3,577,036,506.34
Total liabilities and shareholders' equity	5,316,028,626.35	5,540,955,892.33

Legal representative:
Hu Huichun

Chief Accountant:
Hu Shoujun

Head of the
Accounting Department:
Xue Gang

Consolidated Income Statement

January – June 2024

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Amount for the current period	Amount for corresponding period of last year
1. Revenue	1,250,346,512.09	1,362,865,645.74
Including: Operating income	1,250,346,512.09	1,362,865,645.74
Interest income		
Premiums earned		
Fee and commission income		
2. Total operating cost	1,341,161,134.03	1,413,123,794.72
Including: Operating costs	1,087,598,858.49	1,164,944,388.28
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	8,854,274.10	11,262,903.97
Selling expenses	23,290,719.32	22,266,432.31
Administrative expenses	119,385,910.50	122,809,936.74
R&D costs	109,855,250.05	97,087,795.96
Financial expenses	-7,823,878.43	-5,247,662.54
Including: Interest expense	273,880.18	230,894.62
Interest income	6,807,445.97	6,843,795.85

Consolidated Income Statement (Continued)

January – June 2024

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Amount for the current period	Amount for corresponding period of last year
Add: Other gains	9,675,893.79	7,589,937.04
Investment income (losses are represented by “-”)	50,007,896.97	49,111,183.90
Including: Investment income of associates and joint ventures	40,995,886.92	39,861,504.94
Income on hedging the net exposure (losses are represented by “-”)		
Gains arising from changes in fair value (losses are represented by “-”)	-1,481,275.69	-2,586,155.54
Credit impairment loss (losses are represented by “-”)	-4,246,517.83	-4,912,421.80
Asset impairment loss (losses are represented by “-”)	-21,313.55	1,121,190.71
Gains on disposal of assets (losses are represented by “-”)	8,373.69	-20,702.97
Exchange gain (losses are represented by “-”)		
3. Operating profit (losses are represented by “-”)	-36,871,564.56	44,882.36
Add: Non-operating income	471,339.02	1,718,066.03
Less: Non-operating expenses	174,101.74	96,464.35
4. Total profit (total losses are represented by “-”)	-36,574,327.28	1,666,484.04
Less: Income tax expense	7,243,836.81	7,604,131.78

Consolidated Income Statement (Continued)

January – June 2024

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Amount for the current period	Amount for corresponding period of last year
5. Net profit (net losses are represented by “-”)	-43,818,164.09	-5,937,647.74
(1) Classified by the business continuity		
1. Net profit for going concern (net losses are represented by “-”)	-43,818,164.09	-5,937,647.74
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	-68,198,110.51	-27,340,386.93
2. Minority interest	24,379,946.42	21,402,739.19
6. Net other comprehensive income after tax		
Net other comprehensive income after tax attributable to the shareholders of the parent company		
(1) Other comprehensive income which will not be reclassified subsequently to profit and loss		
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		
4. Changes in fair value of the enterprise’s own credit risk		

Consolidated Income Statement (Continued)

January – June 2024

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Amount for the current period	Amount for corresponding period of last year
(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 debt 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 shareholders		
7. Total comprehensive income	-43,818,164.09	-5,937,647.74
Total comprehensive income attributable to the equity holders of the parent company	-68,198,110.51	-27,340,386.93
Total comprehensive income attributable to minority shareholders	24,379,946.42	21,402,739.19
8. Earnings per share:		
(1) Basic earnings per share (RMB/share)	-0.0746	-0.0299
(2) Diluted earnings per share (RMB/share)	-0.0746	-0.0299

Legal representative:
Hu Huichun

Chief Accountant:
Hu Shoujun

Head of the
Accounting Department:
Xue Gang

Consolidated Statement of Changes in Shareholders' Equity (Continued)
January – June 2024

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	Minority interests		
(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 for the current period															
2. Application for the current period															
(VI) Others															
IV. Balance at the end of the year	913,838,529.00				1,470,691,800.13			337,071.16	309,500,586.70	540,644,570.41	292,480,460.52	3,527,493,017.92	-25,324.33	69,950.31	95,274.64

Legal representative:
Hu Huichun

Chief Accountant:
Hu Shoujun

Head of the Accounting Department:
Xue Gang

Consolidated Statement of Changes in Shareholders' Equity (Continued)
January – June 2024

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Other equity instrument				Amount for corresponding period of last year						Total shareholders' equity
	Share capital	Preference shares	Perpetual bonds	Others	Equity attributable to the shareholders of parent company						
					Capital reserve	Less: treasury shares	Other comprehensive income	Surplus reserve	General risk reserve	Undistributed profit	
I.	913,838,529.00	-	-	-	1,470,691,800.13	-948,055.10	286,530,634.83	883,845,917.89	256,289,204.75	3,810,248,031.50	
Add: Changes in accounting policies	-	-	-	-							
Error correction of previous period	-	-	-	-							
Business combination involving entities under common control	-	-	-	-							
Others	-	-	-	-							
II.	913,838,529.00				1,470,691,800.13	-948,055.10	286,530,634.83	883,845,917.89	256,289,204.75	3,810,248,031.50	
Balance at the beginning of current year											
Changes of current year (decreases are represented by "-")											
(I) Total comprehensive income						864,952.00				-17,866,435.15	
(II) Share capital contributed or withdrawn by shareholders										-5,937,647.74	
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								-12,793,739.41		-12,793,739.41	
1. Appropriation of surplus reserve											
2. Appropriation of general risk reserve											
3. Appropriation of profit to shareholders											
4. Others											

Consolidated Statement of Changes in Shareholders' Equity (Continued)
January – June 2024

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Other equity instrument				Amount for corresponding period of last year						Total shareholders' equity		
	Share capital	Preference shares	Perpetual bonds	Others	Equity attributable to the shareholders of parent company	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve		Undistributed profit	Minority interests
(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 for the current period													
2. Application for the current period													
(VI) Others													
IV. Balance at the end of the year	913,838,529.00				1,470,691,800.13		-948,055.10	864,952.00	286,530,634.83	843,711,791.55	277,691,943.94	3,792,381,396.35	

Legal representative:
Hu Huichun

Chief Accountant:
Hu Shoujun

Head of the Accounting Department:
Xue Gang

Consolidated Statement of Cash Flows

January – June 2024

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	1,337,151,133.02	1,520,841,111.80
Net increase in deposits and placements from financial institutions		
Net increase in borrowings due to central bank		
Net increase in loans from banks and other financial institutions		
Cash received from premiums of original insurance contract		
Net amount of 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	23,019,884.21	15,766,440.80
Cash received relating to other operating activities	53,441,890.77	58,106,044.74
Sub-total of cash inflows from operating activities	<u>1,413,612,908.00</u>	<u>1,594,713,597.34</u>

Consolidated Statement of Cash Flows (Continued)

January – June 2024

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	1,098,949,430.50	1,215,783,083.41
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 other financial institutions		
Cash paid for interests, fees and commissions		
Cash paid for policy dividends		
Cash paid to and on behalf of employees	321,672,262.70	325,749,316.85
Cash paid for all types of taxes	41,895,275.29	82,127,989.05
Cash paid relating to other operating activities	84,358,643.84	100,578,607.08
Sub-total of cash outflows from operating activities	1,546,875,612.33	1,724,238,996.39
Net cash flows generated from operating activities	-133,262,704.33	-129,525,399.05

Consolidated Statement of Cash Flows (Continued)

January – June 2024

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	68,634,650.88	69,049,539.06
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets	854,903.00	127,820.00
Net cash received from disposal of subsidiaries and other operating entities		
Cash received relating to other investing activities	931,697,800.00	610,000,000.00
Sub-total of cash inflows from investing activities	1,001,187,353.88	679,177,359.06
Cash paid on purchase of fixed assets, intangible assets and other long-term assets	16,251,211.98	3,648,518.60
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	869,500,000.00	510,000,000.00
Sub-total of cash outflows from investing activities	885,751,211.98	513,648,518.60
Net cash flows generated from investing activities	115,436,141.90	165,528,840.46

Consolidated Statement of Cash Flows (Continued)

January – June 2024

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 fluctuation in exchange rate on cash and cash equivalents	2,973,582.05	2,127,635.84
5. Net increase in cash and cash equivalents	15,285,561.33	54,264,463.11
Add: balance of cash and cash equivalents at the beginning of the period	798,419,753.09	954,544,289.85
6. Balance of cash and cash equivalents at the end of the period	813,705,314.42	1,008,808,752.96

Legal representative:
Hu Huichun

Chief Accountant:
Hu Shoujun

Head of the
Accounting Department:
Xue Gang

Balance Sheet

As at 30 June 2024

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

ASSETS	Closing balance	Opening balance
Current assets:		
Cash and cash equivalents	58,768,740.59	101,558,320.19
Financial assets held for trading	120,250,890.41	125,077,197.49
Derivative financial assets		
Notes receivable	3,737,320.00	42,381,374.05
Accounts receivable	155,069,707.73	129,453,241.78
Receivables financing	217,300.00	
Prepayments	8,975,108.71	5,882,210.43
Other receivables	727,516,987.84	694,373,358.80
Inventories	31,327,796.94	34,630,399.64
Contract assets		
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	30,108,299.69	
Total current assets	<u>1,135,972,151.91</u>	<u>1,133,356,102.38</u>

Balance Sheet (Continued)*As at 30 June 2024*

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	1,254,368,425.94	1,233,582,803.06
Other equity instruments investments		
Other non-current financial assets		
Investment properties	515,920,240.27	552,152,625.45
Fixed assets	231,179,536.79	214,522,666.20
Construction in progress	162,274.48	194,185.98
Biological assets for production		
Fuel assets		
Right-of-use assets		
Intangible assets	68,330,694.61	69,062,325.08
Development expenses		
Goodwill		
Long-term expenses to be amortised	17,029,682.66	17,048,756.12
Deferred income tax assets		
Other non-current assets		
Total non-current assets	<u>2,086,990,854.75</u>	<u>2,086,563,361.89</u>
Total assets	<u>3,222,963,006.66</u>	<u>3,219,919,464.27</u>

Legal representative:
Hu Huichun

Chief Accountant:
Hu Shoujun

*Head of the Accounting
Department:*
Xue Gang

Balance Sheet (Continued)*As at 30 June 2024*

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Liabilities and shareholders' equity	Closing balance	Opening balance
Current liabilities:		
Short-term borrowings		
Financial liabilities held for trading		
Derivative financial liabilities		
Note payables	18,891,361.08	9,488,517.75
Accounts payable	49,733,919.73	52,711,076.19
Advance receipts from customers	904,889.41	
Contract liabilities	248,560.54	1,298,382.38
Staff salaries payable	1,104,825.66	1,150,698.49
Taxes payable	12,633,000.82	12,314,604.05
Other payables	106,388,876.97	134,375,321.26
Liabilities held for sale		
Non-current liabilities due within one year		
Other current liabilities	<u>1,232,312.87</u>	<u>5,033,246.76</u>
Total current liabilities	<u>191,137,747.08</u>	<u>216,371,846.88</u>

Balance Sheet (Continued)*As at 30 June 2024*

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Liabilities and shareholders' equity	Closing balance	Opening balance
Non-current liabilities:		
Long-term loans		
Bonds payables		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term staff salaries payables	719,956.74	861,981.02
Estimated liabilities		512,434.50
Deferred income		
Deferred income tax liabilities	62,722.61	19,299.38
Other non-current liabilities		
	<hr/>	<hr/>
Total non-current liabilities	782,679.35	1,393,714.90
	<hr/>	<hr/>
Total liabilities	191,920,426.43	217,765,561.78
	<hr/> <hr/>	<hr/> <hr/>

Balance Sheet (Continued)*As at 30 June 2024*

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	1,474,641,301.72	1,434,870,834.28
Less: Treasury shares		
Other comprehensive income		
Special reserve		
Surplus reserve	309,500,586.70	309,500,586.70
Undistributed profit	333,062,162.81	343,943,952.51
Total shareholders' equity	<u>3,031,042,580.23</u>	<u>3,002,153,902.49</u>
Total liabilities and shareholders' equity	<u>3,222,963,006.66</u>	<u>3,219,919,464.27</u>

Legal representative:
Hu Huichun

Chief Accountant:
Hu Shoujun

*Head of the Accounting
Department:*
Xue Gang

Income Statement
January – June 2024

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	79,075,272.74	80,747,179.50
Less: Operating costs	50,963,666.19	60,288,936.11
Business taxes and surcharges	5,787,310.20	2,382,154.63
Selling expenses	2,252,430.20	2,142,202.33
Administrative expenses	57,566,774.75	48,872,301.03
R&D expenses	16,504,005.40	13,920,379.13
Financial expenses	-963,314.73	-3,097,215.64
Including: Interest expense		
Interest income	576,910.03	670,997.61
Add: Other gains	65,278.69	59,332.90
Investment income (losses are represented by “-”)	41,578,959.57	78,737,481.00
Including: Investment income of associates and joint ventures	41,015,155.44	39,861,640.99
Income on hedging the net exposure (losses are represented by “-”)		
Income from changes in fair value (losses are represented by “-”)	173,692.92	-402,041.10
Credit impairment loss	354,992.67	25,346.50
Asset impairment loss		
Gains on disposal of assets (losses are represented by “-”)	-13,197.01	
2. Operating profit (losses are represented by “-”)	-10,875,872.43	34,658,541.21
Add: Non-operating income	48,940.46	22,146.87
Less: Non-operating expenses	11,434.50	857.80
3. Total profit (total losses are represented by “-”)	-10,838,366.47	34,679,830.28
Less: Income tax expense	43,423.23	-100,510.27
4. Net profit (net losses are represented by “-”)	-10,881,789.70	34,780,340.55
(1) Net profit for going concern (net losses are represented by “-”)	-10,881,789.70	34,780,340.55
(2) Net profit for discontinued operation (net losses are represented by “-”)		

Income Statement (Continued)

January – June 2024

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Amount for the current period	Amount for corresponding period of last year
5. Net other comprehensive income after tax		
(1) Other comprehensive income which will not be reclassified subsequently to profit and loss		
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		
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		
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		

Income Statement (Continued)

January – June 2024

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Amount for the current period	Amount for corresponding period of last year
6. Total comprehensive income	-10,881,789.70	34,780,340.55
7. Earnings per share:		
(1) Basic earnings per share		
(2) Diluted earnings per share		

Legal representative:
Hu Huichun

Chief Accountant:
Hu Shoujun

*Head of the Accounting
Department:*
Xue Gang

Statement of Changes in Shareholders' Equity
January – June 2024

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	-	-	-	309,500,586.70	-	343,943,952.51	3,002,153,902.49
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	-	-	-	309,500,586.70	-	343,943,952.51	3,002,153,902.49
III. Changes of current year												
(I) Total comprehensive income	-	-	-	-	39,770,467.44	-	-	-	-	-	-10,881,789.70	28,888,677.74
(II) Share capital contributed or withdrawn by shareholders	-	-	-	-	-	-	-	-	-	-	-10,881,789.70	-10,881,789.70
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												

Statement of Changes in Shareholders' Equity (Continued)
January – June 2024

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
(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	-	-	-	39,770,467.44	-	-	-	309,500,586.70	-	333,062,162.81	39,770,467.44
					1,474,641,301.72							3,031,042,580.23

Legal representative:
Hu Huichun

Chief Accountant:
Hu Shoujun

Head of the Accounting Department:
Xue Gang

Statement of Changes in Shareholders' Equity (Continued)
January – June 2024

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Amount for corresponding period of last year							Total shareholders' equity			
	Share capital	Preference shares	Perpetual bonds	Others	Capital reserve	Less: treasury shares	Other comprehensive income		Surplus reserve	General risk reserve	Undistributed profit
I. Balance at the end of prior year	913,838,529.00				1,434,870,834.28		-948,055.10	286,530,634.83	304,356,612.37	2,938,648,555.38	
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		-948,055.10	286,530,634.83	304,356,612.37	2,938,648,555.38	
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											

Statement of Changes in Shareholders' Equity (Continued)
January – June 2024

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Other equity instrument					Amount for corresponding period of last year					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
(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		-948,055.10		286,530,634.83		326,343,213.51	2,960,635,156.52

Legal representative:
Hu Huichun

Chief Accountant:
Hu Shoujun

Head of the Accounting Department:
Xue Gang

Statement of Cash Flows

January – June 2024

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	89,472,664.63	60,147,933.26
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	911,038.81	777,704.39
Cash received relating to other operating activities	7,100,372.99	15,979,806.96
Sub-total of cash inflows from operating activities	97,484,076.43	76,905,444.61

Statement of Cash Flows (Continued)

January – June 2024

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	26,116,244.01	33,664,401.63
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 interests, fees and commissions		
Cash paid for policy dividends		
Cash paid to and on behalf of employees	54,383,250.49	59,253,148.64
Cash paid for all types of taxes	7,930,991.19	7,294,781.30
Cash paid relating to other operating activities	21,976,129.42	23,020,726.59
Sub-total of cash outflows from operating activities	110,406,615.11	123,233,058.16
Net cash flows generated from operating activities	-12,922,538.68	-46,327,613.55

Statement of Cash Flows (Continued)

January – June 2024

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	60,597,632.38	73,048,390.41
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets	8,000.00	16,000.00
Net cash received from disposal of subsidiaries and other operating entities		
Cash received relating to other investing activities	190,000,000.00	262,000,000.00
Sub-total of cash inflows from investing activities	250,605,632.38	335,064,390.41
Cash paid on purchase of fixed assets, intangible assets and other long-term assets	4,623,904.33	1,222,880.58
Cash paid for investments		
Net cash paid on acquisition of subsidiaries and other operating entities		
Cash paid relating to other investing activities	247,000,000.00	299,000,000.00
Sub-total of cash outflows from investing activities	251,623,904.33	300,222,880.58
Net cash flows generated from investing activities	-1,018,271.95	34,841,509.83

Statement of Cash Flows (Continued)

January – June 2024

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Amount for the current period	Amount for corresponding period of last year
3. Cash flows generated 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>169,000,000.00</u>	<u>285,000,000.00</u>
Sub-total of cash inflows from financing activities	<u>169,000,000.00</u>	<u>285,000,000.00</u>
Cash paid on repayment of borrowings		
Cash paid on distribution of dividends or profits, or interest expenses		
Including: dividend and profit paid to minority shareholders by subsidiaries		
Cash paid relating to other financing activities	<u>199,000,000.00</u>	<u>300,000,000.00</u>
Sub-total of cash outflows from financing activities	<u>199,000,000.00</u>	<u>300,000,000.00</u>
Net cash flows generated from financing activities	<u><u>-30,000,000.00</u></u>	<u><u>-15,000,000.00</u></u>

Statement of Cash Flows (Continued)

January – June 2024

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	37.51	206.06
5. Net increase in cash and cash equivalents	-43,940,773.12	-26,485,897.66
Add: balance of cash and cash equivalents at the beginning of the year	101,341,164.10	119,425,285.13
6. Balance of cash and cash equivalents at the end of the year	57,400,390.98	92,939,387.47

Legal representative:
Hu Huichun

Chief Accountant:
Hu Shoujun

Head of the Accounting
Department:
Xue Gang

The following is the account section only:

Unless otherwise stated, the amounts are denominated in RMB

Amount in the current period covers: January to June 2024

Amount in the corresponding period of last year covers: January to June 2023

Balance as at the end of last year/Opening balance relates to: 31 December 2023

Closing balance relates to: 30 June 2024

NOTES:

(I) Basis of preparation

The financial statements have been prepared 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. In addition, the financial statements comply with the applicable disclosure provisions of the rules governing the listing of securities issued by The Stock Exchange of Hong Kong Limited and with the applicable disclosure provisions of the Hong Kong Companies Ordinance.

(II) Going concern

This financial statement is prepared on a going concern basis.

(III) Segment information

The Company established 3 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. 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 monitors 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 their 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 are allocated in proportion. Assets are allocated in accordance with business operations of various segments and the location where such assets are situated. Segment liabilities include 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	Undistributed amount	Offset	Total
Revenue from external transactions	589,804,507.18	609,878,763.78	50,663,241.13			1,250,346,512.09
Income from intersegment transactions	11,715,424.42	24,762,875.94	8,194,767.41		-44,673,067.77	
Investment income from associated enterprises and joint ventures	-19,268.52			41,015,155.44		40,995,886.92
Impairment losses on assets		-21,313.55				-21,313.55
Credit impairment losses	-4,267,115.37	20,597.54				-4,246,517.83
Depreciation and amortisation charges	8,252,848.75	14,594,665.90	10,545,034.26	22,749,427.84	-748,850.08	55,393,126.67
Total profit (Total loss)	31,533,572.39	-24,341,047.71	-40,887,522.41	-2,939,256.18	59,926.63	-36,574,327.28
Income tax expense	8,125,408.79	-1,012,490.52		95,499.29	35,419.25	7,243,836.81
Net profit (Net loss)	23,408,163.60	-23,328,557.19	-40,887,522.41	-3,034,755.47	24,507.38	-43,818,164.09
Total assets	2,414,894,920.34	1,266,239,983.74	378,855,266.58	3,278,129,988.58	-2,022,091,532.89	5,316,028,626.35
Total liabilities	1,442,552,320.21	714,019,587.77	415,936,844.29	258,908,634.69	-1,042,881,778.53	1,788,535,608.43
Long-term equity investments in associates and joint ventures	2,037,647.80			448,812,412.14		450,850,059.94
Increase in non-current assets other than long-term equity investments	-2,933,467.70	-4,827,739.55	-5,817,053.19	-19,411,976.56	2,853,774.38	-30,136,462.62

(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)	880,302,710.21	898,726,719.36
Including: 0-6 months	600,391,418.09	752,931,027.42
7-12 months	279,911,292.12	145,795,691.94
1-2 years	181,218,956.80	163,727,528.96
2-3 years	73,115,622.09	90,351,481.81
3-4 years	53,073,308.19	49,445,567.73
4-5 years	31,065,437.80	29,122,261.07
Over 5 years	20,902,842.35	19,751,573.64
Subtotal	1,239,678,877.44	1,251,125,132.57
Less: bad debt provision	85,310,738.20	81,144,521.78
	<u>1,154,368,139.24</u>	<u>1,169,980,610.79</u>
Total	<u>1,154,368,139.24</u>	<u>1,169,980,610.79</u>

2. Accounts receivable shown by classification of bad debt provisions

Type	Closing balance					Balance at the end of last year				
	Carrying Amount		Provision for bad debts		Carrying Value	Carrying Amount		Provision for bad debts		Carrying Value
Amount	Proportion (%)	Amount	ECL rate (%)	Amount		Proportion (%)	Amount	ECL rate (%)		
Accounts receivable accruing bad debt provision in individual portfolio	46,066,076.09	3.72	34,769,501.09	75.48	11,296,575.00	46,148,319.89	3.69	34,851,744.89	75.52	11,296,575.00
Accounts receivable accruing bad debt provision by portfolio	1,193,612,801.35	96.28	50,541,237.11	4.23	1,143,071,564.24	1,204,976,812.68	96.31	46,292,776.89	3.84	1,158,684,035.79
Among which: Aging portfolio	854,618,360.28	68.94	50,380,206.38	5.90	774,281,894.60	750,440,954.95	59.98	46,126,559.46	6.15	704,314,395.49
Other portfolio	338,994,441.07	27.34	161,030.73	0.05	368,789,669.64	454,535,857.73	36.33	166,217.43	0.04	454,369,640.30
Total	<u>1,239,678,877.44</u>	<u>100.00</u>	<u>85,310,738.20</u>	<u>6.88</u>	<u>1,154,368,139.24</u>	<u>1,251,125,132.57</u>	<u>100.00</u>	<u>81,144,521.78</u>	<u>6.49</u>	<u>1,169,980,610.79</u>

Individual Provision for bad debts:

Name	Carrying Amount	Provision for bad debts	Closing balance	
			Proportion of provision (%)	Reasons
Jiangsu Jinmao Robot Technology Co., Ltd.	22,593,150.00	11,296,575.00	50	Expected part cannot be recovered
Xuzhou Suning Real Estate Co., Ltd.	6,611,197.07	6,611,197.07	100	Expected cannot be recovered
Jiangsu Zhongshi Environment Technology Co., Ltd.	6,500,000.00	6,500,000.00	100	Expected cannot be recovered
Nanchang Shuntang Green Power Technology Co., Ltd.	2,553,482.35	2,553,482.35	100	Expected cannot be recovered
Wenzhou Zhongdian Xingxin Intelligent Technology Co., Ltd.	2,040,000.00	2,040,000.00	100	Expected cannot be recovered
Information technology department of a military region	2,023,000.00	2,023,000.00	100	Expected cannot be recovered
Zhejiang Bajun Plastics Co., Ltd.	1,600,000.00	1,600,000.00	100	Expected cannot be recovered
Other unimportant totals	2,145,246.67	2,145,246.67	100	Expected cannot be recovered
Total	<u>46,066,076.09</u>	<u>34,769,501.09</u>		

Bad debt provision by portfolio:

Provision by portfolio: Aging portfolio:

Name	Carrying Amount	Closing balance	
		ECL rate (%)	Provision for bad debts
Within 1 year (inclusive)	634,503,810.49		7,246,238.15
Including: 0-6 months	489,579,047.50		
7-12 months	144,924,762.99	5.00	7,246,238.15
1-2 years	101,681,157.09	10.00	10,168,115.71
2-3 years	60,284,769.45	15.00	9,042,715.42
3-4 years	44,828,921.71	30.00	13,448,676.51
4-5 years	5,690,481.90	50.00	2,845,240.95
Over 5 years	7,629,219.64	100.00	7,629,219.64
Total	<u>854,618,360.28</u>	<u> </u>	<u>50,380,206.38</u>

Provision by portfolio: Other combinations

Name	Carrying Amount	Closing balance	
		Proportion (%)	Provision for bad debts
The portfolio of related parties	<u>338,994,441.07</u>	<u>0.05</u>	<u>161,030.73</u>
Total	<u>338,994,441.07</u>	<u>0.05</u>	<u>161,030.73</u>

3. Provision for bad debts

Type	Opening Balance	Changes during the period			Closing balance
		Accrual	Reversal or recovery	Written off	
Individual Provision for bad debts	34,851,744.89		82,243.80		34,769,501.09
Bad debt provision based on credit risk characteristics	46,292,776.89	4,248,460.22			50,541,237.11
Total	81,144,521.78	4,248,460.22	82,243.80		85,310,738.20

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 and contract assets

Name	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Proportion in total accounts receivable and contract assets (%)	Closing balance of bad debt provision
Nanjing Metro Group Co., Ltd.	175,939,427.15	37,273,954.05	213,213,381.20	14.81	3,342,454.42
Nanjing Panda Handa Technology Co., Ltd.	177,705,530.43		177,705,530.43	12.34	
Nanjing BOE Display Technology Co., Ltd.	51,350,521.50		51,350,521.50	3.57	94,106.84
Huai'an Financial Center Investment and Construction Co., Ltd.		40,141,919.11	40,141,919.11	2.79	
CEC Defense Technology Co., Ltd.	35,668,067.74		35,668,067.74	2.48	
Total	440,663,546.82	77,415,873.16	518,079,419.98	35.98	3,436,561.26

6. Overdue receivables at the end of the period

Item	Carrying value
Accounts not overdue and not impaired	1,020,344,855.39
Overdue but not impaired amount	
– within 3 months	68,648,579.48
Overdue but not impaired	
– over 3 months	<u>65,374,704.37</u>
 Total	 <u><u>1,154,368,139.24</u></u>

(V) Contract assets

1. Contract assets by categories

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	197,406,135.15		197,406,135.15	229,623,650.79		229,623,650.79
Industrial Internet and Intelligent Manufacturing	<u>2,790,000.00</u>		<u>2,790,000.00</u>	<u>2,790,000.00</u>		<u>2,790,000.00</u>
 Total	 <u><u>200,196,135.15</u></u>		 <u><u>200,196,135.15</u></u>	 <u><u>232,413,650.79</u></u>		 <u><u>232,413,650.79</u></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	-32,217,515.64	Receivables transferred from contract assets confirmed at the beginning of the year

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

Contract assets that are assessed impairment on grouping basis

Item	Closing balance		Opening balance		Provision for impairment
	Carrying Amount	ECL rate (%)	Carrying Amount	ECL rate (%)	
Aging portfolio	193,150,603.00		224,923,025.51		
Other portfolio	<u>7,045,532.15</u>		<u>7,490,625.28</u>		
Total	<u><u>200,196,135.15</u></u>		<u><u>232,413,650.79</u></u>		

(1) Aging portfolio

Aging	Contract Assets	Closing balance Provision for impairment	Proportion of provision (%)
0-6 months	<u>193,150,603.00</u>		
Total	<u><u>193,150,603.00</u></u>		

(2) Other portfolio

Item	Contract Assets	Closing balance Provision for impairment	Proportion of provision (%)
Related party portfolio	<u>7,045,532.15</u>		
Total	<u><u>7,045,532.15</u></u>		

(VI) 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)	1,064,978,112.27	1,105,513,436.73
1-2 years (including 2 years)	135,682,889.77	182,500,176.61
2-3 years (including 3 years)	50,460,714.00	75,863,171.08
Over 3 years	84,278,207.46	75,079,377.51
Total	<u>1,335,399,923.50</u>	<u>1,438,956,161.93</u>

Note: The aging of the accounts payable is disclosed based on the aging on the date of entry.

2. Significant account payables aged over 1 year

Creditor	Closing balance	Reasons for unsettled
Jiangsu Zhengjie Construction Labor Service Co., Ltd.	27,094,520.82	Not settled
China Railway Signal & Communication Shanghai Engineering Bureau Group Co., Ltd.	26,328,581.37	Not settled
Nanjing Ke'an Electronics Co., Ltd.	26,121,721.68	Not settled
Nanjing Guochuang Mechanical and Electrical Engineering Co., Ltd.	17,923,363.54	Not settled
Nanjing Changxin Technology Co., Ltd.	15,940,879.19	Not settled
Southwest Institute of Applied Magnetics (Ninth Research Institute of China Electronics Technology Group Corporation)	14,120,640.44	Not settled
Beijing Quanlu Communication and Signal Research and Design Institute Group Co., Ltd.	13,961,971.13	Not settled
Guangzhou Radio and Television Yuntong Intelligent Technology Co., Ltd.	11,818,893.90	Not settled
Nanjing Metro Resource Development Co., Ltd.	11,522,926.79	Not settled
Nanjing Kongchi Technology Co., Ltd.	10,541,317.70	Not settled
Nanjing Shengye Kunwei Electronics Co., Ltd.	5,316,199.00	Not settled
Beijing Addsun Technology Co., Ltd.	4,094,678.54	Not settled
Xiamen Honggeng Navigation Technology Co., Ltd.	3,563,619.48	Not settled
Total	<u>188,349,313.58</u>	

(VII) Contract liabilities

Item	Closing balance	Opening balance
Smart Transportation and Safe City	25,639,400.05	49,541,036.72
Industrial Internet and Intelligent Manufacturing	43,551,058.14	28,390,183.47
Green and Service-oriented Electronic Manufacturing	35,969,629.50	12,285,789.07
Total	<u>105,160,087.69</u>	<u>90,217,009.26</u>

Significant changes in book value during the Reporting Period and reasons

Item	Amount of change	Reasons for change
Smart Transportation and Safe City	-23,901,636.67	Contract liabilities at the beginning of the period was recognized as revenue in current period
Industrial Internet and Intelligent Manufacturing	15,160,874.67	Amounts increased due to receipt of cash
Green and Service-oriented Electronic Manufacturing	23,683,840.43	Amounts increased due to receipt of cash

(VIII) Operating income and operating cost***1. Operating income and operating cost***

Item	Current period		Last period	
	Income	Cost	Income	Cost
Principal business	1,235,445,114.04	1,079,384,627.77	1,350,426,863.77	1,157,181,913.78
Other business	14,901,398.05	8,214,230.72	12,438,781.97	7,762,474.50
Total	<u>1,250,346,512.09</u>	<u>1,087,598,858.49</u>	<u>1,362,865,645.74</u>	<u>1,164,944,388.28</u>

2. Breakdown information of operating income and operating costs

Income categories	Industrial Internet and Intelligent Manufacturing		Smart Transportation and Safe City		Green and Service-oriented Electronic Manufacturing		Eliminations		Total	
	Operating income	Operating cost	Operating income	Operating cost	Operating income	Operating cost	Operating income	Operating cost	Operating income	Operating cost
Categorized by business type										
Income from customer contracts	58,858,008.54	66,526,357.42	537,087,765.38	440,004,969.90	634,641,639.72	609,853,641.89	-35,121,936.05	-36,239,893.61	1,195,465,477.59	1,080,145,075.60
Rental income – operating leases			64,432,166.22	12,018,224.71			-9,551,131.72	-4,564,441.82	54,881,034.50	7,453,782.89
Total	58,858,008.54	66,526,357.42	601,519,931.60	452,023,194.61	634,641,639.72	609,853,641.89	-44,673,067.77	-40,804,335.43	1,250,346,512.09	1,087,598,858.49
Categorized by operating region										
Nanjing	58,858,008.54	66,526,357.42	517,759,956.83	415,368,383.84	260,630,255.56	252,341,895.32	-17,971,811.45	-14,458,880.02	819,276,409.48	719,777,756.56
Shenzhen			83,759,974.77	36,654,810.77	328,881,738.75	298,464,848.10	-26,701,256.32	-26,345,455.41	385,940,457.20	308,774,203.46
Chengdu					45,129,645.41	59,046,898.47			45,129,645.41	59,046,898.47
Total	58,858,008.54	66,526,357.42	601,519,931.60	452,023,194.61	634,641,639.72	609,853,641.89	-44,673,067.77	-40,804,335.43	1,250,346,512.09	1,087,598,858.49
Categorized by the time of transfer of goods:										
At a certain point in time	58,858,008.54	66,526,357.42	213,638,464.10	133,589,097.66	634,641,639.72	609,853,641.89	-44,618,547.59	-40,762,863.41	862,519,564.77	769,206,233.56
Within a certain period of time			387,881,467.50	318,434,096.95			-54,520.18	-41,472.02	387,826,947.32	318,392,624.93
Total	58,858,008.54	66,526,357.42	601,519,931.60	452,023,194.61	634,641,639.72	609,853,641.89	-44,673,067.77	-40,804,335.43	1,250,346,512.09	1,087,598,858.49

(IX) Income tax expenses

1. List of income tax expenses

Item	Current period	Last period
Current income tax expense calculated according to tax laws and relevant laws	8,651,329.72	8,507,948.15
Deferred income tax	<u>-1,407,492.91</u>	<u>-903,816.37</u>
Total	<u><u>7,243,836.81</u></u>	<u><u>7,604,131.78</u></u>

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

Item	Amount
Total profit	-36,574,327.28
Income tax expenses calculated at the statutory or applicable tax rate	-9,143,581.82
Different tax rate of subsidiaries	5,730,638.12
Adjustment on previous income tax	-3,940,033.19
Income not subject to tax	-10,248,971.73
Costs, expenses and losses not deductible for tax purposes	345,054.55
Utilisation of the deductible temporary differences or 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	27,383,726.15
The impact of additional deductions	-2,882,995.27
Income tax expenses	7,243,836.81

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 Communications 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
Shenzhen Jingyu Electronics 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 Health Technology Co., Ltd.	20.00
Shenzhen Jingjia Property Management Co., Ltd.	20.00
JWD Trading (HK) Co., Ltd.	16.50

1. Nanjing Panda Electronic Manufacture Co., Ltd., a second-level subsidiary of the Company, was re-identified as a high-tech enterprise on 6 November 2023, and obtained the High-tech Enterprise Certificate (certificate number GR202332007734) issued by Jiangsu Provincial Science and Technology Department. The certificate is valid for 3 years. During such period, Nanjing Panda Electronic Manufacture Co., Ltd. shall pay enterprise income tax at 15% of the taxable income.
2. Nanjing Panda Communications Technology Co., Ltd., a second-level subsidiary of the Company, passed the re-assessment for high-tech enterprise recognition on 3 December 2023, and obtained the High-tech Enterprise Certificate (certificate number GR202332012721) issued by Jiangsu Provincial Science and Technology Department. The certificate is valid for 3 years. During such period, Nanjing Panda Communications Technology Co., Ltd. shall pay enterprise 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 a high-tech enterprise on 13 December 2023, and obtained the High-tech Enterprise Certificate (certificate number GR202032006058) issued by Jiangsu Provincial Science and Technology Department. The certificate is valid for 3 years. During such period, Nanjing Huage Appliance and Plastic Industrial Co., Ltd. shall pay enterprise income tax at 15% of the taxable income.
4. Nanjing Panda Information Industry Co., Ltd., a second-level subsidiary of the Company, passed the re-assessment for high-tech enterprise recognition 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. During such period, Nanjing Panda Information Industry Co., Ltd. shall pay enterprise income tax at 15% of the taxable income.
5. Nanjing Panda Mechatronics Instrument Technology Co., Ltd., a third-level subsidiary of the Company, passed the re-assessment for high-tech enterprise recognition 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. During such period, Nanjing Panda Mechatronics Instrument Technology Co., Ltd. shall pay enterprise income tax at 15% of the taxable income.
6. Shenzhen Jinghua Information Technology Co., Ltd., a third-level subsidiary of the Company, passed the re-assessment for high-tech enterprise recognition 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. During such period, Shenzhen Jinghua Information Technology Co., Ltd. shall pay enterprise income tax at 15% of the taxable income.

7. Nanjing Panda Electronic Equipment Co., Ltd., a second-level subsidiary of the Company, passed the re-assessment for high-tech enterprise recognition 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. During such period, Nanjing Panda Electronic Equipment Co., Ltd. shall pay enterprise income tax at 15% of the taxable income.
8. Shenzhen Jingyu Electronics Co., Ltd., the third-level subsidiary of the Company, was recognized as a high-tech enterprise on 23 December 2021, and obtained the High-tech Enterprise Certificate (certificate number GR202144201989) jointly issued by the Shenzhen Municipal Science and Technology Innovation Committee and other government bodies, with a validity period of 3 years. During this period, Shenzhen Jingyu Electronics Co., Ltd. paid enterprise income tax at 15% of the taxable income.
9. According to Announcement on the Continuation of the Enterprise Income Tax Policy for the Development of the Western Region of the Ministry of Finance and the State Administration of Taxation and the National Development and Reform Commission (Announcement No. 23 of 2020 of the Ministry of Finance and the State Administration of Taxation and the National Development and Reform Commission), from 1 January 2021 to 31 December 2030, enterprises in encouraged industries located in the western region will be taxed at a reduced rate of 15% of the taxable income. 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.

10. Shenzhen Jingjia Property Management Co., Ltd., Shenzhen Jinghua Property Management Co., Ltd., Jingwah Digital Technology Co., Ltd., Shenzhen Jinghua Health Technology Co., Ltd., and Shenzhen Jingyu Electronics Co., Ltd. all being third-level subsidiaries of the Company, were recognized as low-profit small enterprises in the current period. According to Article 3 of the Announcement of the Ministry of Finance and the State Administration of Taxation on Further Supporting the Development of Small and Micro Enterprises and Individually-owned Industrial and Commercial Households (No. 12 of 2023), the policy of small and micro enterprises paying the enterprise income tax shall be calculated at the rate of 20% based on the amount of taxable income being reduced to 25% thereof, and will be extended until 31 December 2027.
11. The profits tax rate for JWD Trading (HK) Co., Ltd, a fourth-level subsidiary registered in Hong Kong, is 16.5%.
12. 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, including Nanjing Panda Electronic Equipment Co., Ltd., Nanjing Panda Information Industry Co., Ltd., Nanjing Panda Electronic Manufacture Co., Ltd., Nanjing Panda Communications Technology Co., Ltd., Chengdu Panda Electronic Technology Co., Ltd., and the third-level subsidiaries of the Company, including Nanjing Panda Mechatronics Instrument Technology Co., Ltd., Nanjing Huage Appliance and Plastic Industrial Co., Ltd., Shenzhen Jinghua Information Technology Co., Ltd. and Shenzhen Jingyu Electronics Co., Ltd. enjoy the tax preference of additional deduction as 100% of the actual amount of R&D expenses before tax.

13. Galant Limited, a second-level subsidiary of the Company, Shenzhen Jingjia Real Estate Management Co., Ltd., Shenzhen Jinghua Real Estate Management Co., Ltd., parking lot of Shenzhen Jinghua Electronics Co., Ltd., Jingwah Digital Technology Co., Ltd., Shenzhen Jinghua Health Technology Co., Ltd. and Shenzhen Jingyu Electronics Co., Ltd., the third-level subsidiaries of the Company, in accordance with the Announcement of the Ministry of Finance and the State Administration of Taxation on Further Supporting the Development of Small and Micro Enterprises and Individual Industrial and Commercial Households on Tax Policies (No. 12 [2023]) Article 2: From 1 January 2023 to 31 December 2027, small-scale VAT taxpayers and small low-profit enterprises will be charged half of the urban maintenance and construction tax, stamp duty (excluding stamp duty on securities transactions), education surcharge, and local education surcharge.
14. Nanjing Panda Xinxing Industrial Co., Ltd., a second-level subsidiary of the Company, and Shenzhen Jinghua Property Management Co., Ltd, a third-level subsidiary of the Company, in accordance with the Announcement of the State Administration of Taxation on Matters Concerning the Collection and Administration of VAT Reduction and Exemption Policies for Small-scale VAT Taxpayers (Announcement No. 1 [2023] of the State Administration of Taxation), from 1 January 2023 to 31 December 2023, comply with the Announcement of the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs on Policies Concerning Deepening the VAT Reform (No. 39 [2019]) and Announcement No. 1 of the producer service industry, and are subject to the 5% additional deduction policy.
15. According to Taxation on Value-added Tax Policies for Software Products (Cai Shui [2011] No. 100), 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 Communications Technology Co., Ltd., could enjoy this preferential policy.

16. Shenzhen Jingjia Real Estate Management Co., Ltd., a third-level subsidiary of the Company, in accordance with the Announcement of the Ministry of Finance and the State Administration of Taxation on the VAT Reduction and Exemption Policy for Small-scale VAT Taxpayers (Cai Shui [2023] No. 19), enjoys the taxable sales income of Shenzhen Municipality applicable to small-scale VAT taxpayers at a rate of 3%, and the VAT is levied at a reduced rate of 1% until 31 December 2027.
17. The second-level subsidiaries of the Company, Nanjing Panda Electronic Equipment Co., Ltd., Nanjing Panda Information Industry Co., Ltd., Nanjing Panda Electronic Manufacture Co., Ltd., Nanjing Panda Communications Technology Co., Ltd., and the Company's third-level subsidiaries, Nanjing Panda Mechatronics Industrial Technology Co., Ltd., Nanjing Huage Appliance and Plastic Industrial Co., Ltd., Shenzhen Jingwah Information Technology Co., Ltd., and Shenzhen Jingyu Electronics Co., Ltd., in accordance with the provisions of the Announcement of the Ministry of Finance and the State Administration of Taxation on the Value-added Tax Deduction Policy for Advanced Manufacturing Enterprises (Ministry of Finance Announcement No. 43 [2023] of the State Administration of Taxation), were allowed to deduct the VAT payable according to the deductible input tax of the current period plus 5% as advanced manufacturing enterprises from 1 January 2023 to 31 December 2027.

(X) Return on net assets and earnings per share

Profits of the Reporting Period	Earnings per Share					
	Weighted average return on net assets (%)		Basic earnings per Share		Diluted earnings per Share	
	Current period	Last period	Current period	Last period	Current period	Last period
Net profit attributable to ordinary shareholders of the Company	-2.09	-0.77	-0.0746	-0.0299	-0.0746	-0.0299
Net profit attributable to ordinary shareholders of the Company after deducting extraordinary profit and loss	-2.34	-1.08	-0.0838	-0.0420	-0.0838	-0.0420

(XI) 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.

(XII) Miscellaneous

As at 30 June 2024, the aggregate amount of guarantees provided by the Company for its subsidiaries was RMB27,532,033.62, of which: RMB19,792,262.74 is guaranteed in the form of bank acceptance bills and RMB7,739,770.88 is guaranteed in the form of letters of guarantee (30 June 2023: the aggregate amount of guarantees provided by the Company for its subsidiaries amounted to RMB55,212,178.94, of which: RMB46,030,600.91 is guaranteed in the form of bank acceptance bills and RMB9,181,578.03 is guaranteed in the form of letters of guarantee).

By order of the Board
Nanjing Panda Electronics Company Limited
Xia Dechuan
Chairman

Nanjing, the People's Republic of China
27 August 2024

As at the date of this announcement, the Board comprises Executive Directors: Mr. Xia Dechuan, Mr. Hu Huichun; Non-executive Directors: Mr. Liu Jianfeng, Mr. Hu Jin, Mr. Yi Guofu and Mr. Lv Song; and Independent Non-executive Directors: Mr. Dai Keqin, Ms. Xiong Yanren and Mr. Chu Wai Tsun, Baggio.

* *For illustration purpose only*