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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)

## **2015 FIRST QUARTERLY REPORT**

### **1. IMPORTANT NOTICE**

- 1.1 The board of directors (“the **Board**”), the supervisory committee, and the directors, supervisors, and senior management of Nanjing Panda Electronics Company Limited (the “**Company**”) confirm that the information in this quarterly report is truthful, accurate and complete, does not contain any misrepresentation, misleading statement, or material omission, and severally and jointly accept responsibility.
- 1.2 All directors of the Company attended the Board meeting to consider the quarterly report.
- 1.3 Mr. Xia Dechuan, the responsible person of the Company, Mr. Shen Jianlong, the Chief Accountant, and Ms. Liu Xianfang, the Manager of Finance Department of the Company have declared the truthfulness, accuracy and completeness of the financial statements contained in the quarterly report.
- 1.4 The Company’s financial statements for the first quarter were unaudited.

## 2. MAJOR FINANCIAL DATA AND CHANGE IN SHAREHOLDERS OF THE COMPANY

### 2.1 Major financial data (prepared in accordance with the PRC Accounting Standards for Business Enterprises, unaudited)

*Unit: RMB (Yuan)*

	As at the end of the reporting period (31 March 2015)	As at the end of the previous year (31 December 2014)	Changes from the end of the previous year (%)
Total assets	<b>4,852,401,935.94</b>	4,624,124,678.17	4.94
Net assets attributable to shareholders of the Company	<b>3,211,567,033.92</b>	3,178,952,959.93	1.03
	From the beginning of the year to the end of the reporting period (January–March 2015)	From the beginning of the previous year to the end of the reporting period of the previous year (January–March 2014)	Change as compared to the corresponding period of the previous year (%)
Net cash flow from operating activities	<b>-113,121,176.77</b>	49,300,799.03	-329.45
	From the beginning of the year to the end of the reporting period (January–March 2015)	From the beginning of the previous year to the end of the reporting period of the previous year (January–March 2014)	Change as compared to the corresponding period of the previous year (%)
Operating income	<b>876,132,360.65</b>	793,930,233.26	10.35
Net profit attributable to shareholders of the Company	<b>31,714,371.34</b>	27,417,142.90	15.67
Net profit attributable to shareholders of the Company after extraordinary items	<b>26,261,042.32</b>	23,085,208.75	13.76
Return on net assets (weighted average) (%)	<b>0.99</b>	0.87	Increased by 0.12 percentage point
Basic earnings per share (yuan/share)	<b>0.0347</b>	0.0300	15.67
Diluted earnings per share (yuan/share)	<b>0.0347</b>	0.0300	15.67

## Extraordinary items and amounts

Applicable       Not applicable

*Unit: RMB (Yuan)*

<b>Item</b>	<b>Amount for the period</b>	<b>Explanation</b>
Profit and loss from disposal of non-current assets	61,489.45	
Gain/loss from entrusted investment	5,538,896.08	
Non-operating income and expenses other than the aforesaid items	164,542.06	
Impact on minority interest (after-tax)	-234,530.62	
Impact on enterprise income tax	-77,067.95	
Total	<u>5,453,329.02</u>	

## 2.2 Total number of shareholders and shareholdings of the top ten shareholders and top ten shareholders of circulating shares (shareholders of tradable shares not subject to trading moratorium) at the end of the reporting period (as at 31 March 2015)

Unit: Share

Total number of shareholders 27,621

### Shareholdings of the top 10 shareholders

Full name of shareholders	Number of shares held as at the end of the reporting period	Percentage (%)	Total number of tradable shares held subject to trading moratorium	Pledged or frozen		Nature of shareholder
				Status of share	Number	
Panda Electronics Group Limited (“PEGL”)	334,715,000	36.63	0	Pledged	167,350,000	State-owned legal person
HKSCC (Nominees) Limited	241,237,569	26.40	0	Unknown		Overseas legal person
Nanjing Electronics Information Industrial Corporation (“NEIIC”)	39,215,686	4.29	39,215,686	Unknown		State-owned legal person
China Construction Bank — China AMC Dividend Mixed Open Securities Investment Fund (中國建設銀行 — 華夏紅利混合型開放式證券投資基金)	7,750,793	0.85	0	Unknown		Other
South Industry Assets Management Co., Ltd.	6,980,000	0.76	0	Unknown		State-owned legal person
New China Life — Profit sharing — Group Insurance Profit Sharing-018L-FH001 (Hu) (新華人壽保險股份有限公司 — 分紅 — 團體分紅-018L-FH001 滬)	6,512,019	0.71	0	Unknown		Other
Industrial and Commercial Bank of China (ICBC) — GF Jufeng Equity Securities Investment Fund (中國工商銀行 — 廣發聚豐股票型證券投資基金)	6,013,563	0.66	0	Unknown		Other
Dong Yizhou (東軼宙)	5,000,085	0.55	0	Unknown		Domestic natural person
Agriculture Bank of China — Huaxia Steady Growth Mixed Securities Investment Fund (中國農業銀行 — 華夏平穩增長混合型證券投資基金)	3,706,151	0.41	0	Unknown		Other
National Social Security Fund 103 Portfolio (全國社保基金一零三組合)	3,599,870	0.39	0	Unknown		Other

**Shareholdings of the top ten holders of  
shares not subject to trading moratorium**

Name of shareholders	Class and number of shares		
	Number of shares held not subject to trading moratorium	Class	Number
Panda Electronics Group Limited	334,715,000	RMB denominated ordinary shares	334,715,000
HKSCC (Nominees) Limited	241,237,569	Overseas listed foreign shares	241,237,569
China Construction Bank — China AMC Dividend Mixed Open Securities Investment Fund (中國建設銀行 — 華夏紅利混合型開放式證券投資基金)	7,750,793	RMB denominated ordinary shares	7,750,793
South Industry Assets Management Co., Ltd.	6,980,000	RMB denominated ordinary shares	6,980,000
New China Life — Profit sharing — Group Insurance Profit Sharing-018L-FH001 (Hu) (新華人壽保險股份有限公司 — 分紅 — 團體分紅-018L-FH001滬)	6,512,019	RMB denominated ordinary shares	6,512,019
Industrial and Commercial Bank of China (ICBC) — GF Jufeng Equity Securities Investment Fund (中國工商銀行 — 廣發聚豐股票型證券投資基金)	6,013,563	RMB denominated ordinary shares	6,013,563
Dong Yizhou (東軼宙)	5,000,085	RMB denominated ordinary shares	5,000,085
Agriculture Bank of China — Huaxia Steady Growth Mixed Securities Investment Fund (中國農業銀行 — 華夏平穩增長混合型證券投資基金)	3,706,151	RMB denominated ordinary shares	3,706,151
National Social Security Fund 103 Portfolio (全國社保基金一零三組合)	3,599,870	RMB denominated ordinary shares	3,599,870
Li Na (李娜)	2,654,113	RMB denominated ordinary shares	2,654,113

Description of the connected relationship or party acting in concert among the aforesaid shareholders

NEIIC holds 56.85% equity interest in PEGL, the controlling shareholder of the Company, and directly holds 39,215,686 shares of the Company, representing 4.29% of the total number of shares. NEIIC directly and indirectly holds 40.92% of the shares of the Company. There is no connected relationship or party acting in concert between the Company and other shareholders and the Company is not aware of any connected relationship or party acting in concert among other shareholders.

### 2.3 Total number of holders of preference shares, top 10 holders of preference shares and top 10 holders of preference shares (not subject to trading moratorium) as at the end of the reporting period

Applicable  Not applicable

## 3. SIGNIFICANT EVENTS

### 3.1 Significant changes in items in the principal financial statements and financial indicators of the Company and the reasons

Applicable  Not applicable

*Unit: RMB (Yuan)*

#### (1) Major changes in items of balance sheet:

Items	31 March 2015	31 December 2014	Changes (%)	Reasons
Bills receivable	<b>120,516,257.00</b>	195,887,244.86	-38.48	Mainly due to the decrease in bills receivable from sales of commodities in the period
Prepayments	<b>206,578,539.06</b>	149,271,039.10	38.39	Mainly due to the increase in advance payments for purchase of materials

Development expenses	<b>23,292,827.35</b>	17,592,455.22	32.40	Mainly due to the increase in expenses that can be capitalized to form the costs of intangible assets in the process of development of intangible assets in the period
Short-term loans	<b>110,000,000.00</b>	30,000,000.00	266.67	Mainly due to the increase in short-term loans as required by operation in the period
Salaries payable	<b>24,895,987.86</b>	37,436,284.69	-33.50	Mainly due to the payment of salary and bonus as scheduled
Taxes Payable	<b>11,039,927.49</b>	20,861,633.84	-47.08	Mainly due to the payment of corporate income tax as scheduled by the Company and export rebates
Interest payable	<b>124,444.44</b>	0.00	N/A	Mainly due to the increase in interest of short-term loans accrued in the end of the period

**(2) Major changes in items of income statement:***Unit: RMB (Yuan)*

<b>Items</b>	<b>January- March 2015</b>	<b>January- March 2014</b>	<b>Changes (%)</b>	<b>Reasons</b>
Business taxes and surcharge	<b>9,995,320.63</b>	6,278,764.09	59.19	Mainly due to a large increase in business taxes paid as a result of an increase in income from construction and installation services in the period
Financial expenses	<b>-1,811,799.00</b>	-2,880,584.40	N/A	Mainly due to a decrease in average cash and bank balance in the period as compared with that of the previous period
Loss in assets impairment	<b>547,117.69</b>	2,412,232.10	-77.32	Mainly due to a decrease in provision for bad debts and diminution in value of inventories by the Company in the period as compared with the previous period
Non-operating income	<b>3,327,961.87</b>	1,642,886.80	102.57	Mainly due to the increase in tax rebate received in the period
Non-operating expenses	<b>1,323,770.02</b>	270,977.96	388.52	Mainly due to disposal of fixed assets in the period
Income tax expenses	<b>7,460,322.23</b>	4,980,532.42	49.79	Mainly due to the increase in income tax payable in the period

### (3) Major changes in items of cash flow statement:

Unit: RMB (Yuan)

Items	January- March 2015	January- March 2014	Changes (%)	Reasons
Net cash flows from operating activities	<b>-113,121,176.77</b>	49,300,799.03	-329.45	Mainly due to the increase in taxes and various deposits paid in the period
Net cash flows from investment activities	<b>24,928,442.00</b>	-383,742,058.08	N/A	Mainly due to the purchase of wealth management products
Net cash flows from financing activities	<b>78,616,666.67</b>	-72,551,666.66	N/A	Mainly due to the increase in short-term borrowings in the period

### 3.2 Note and analysis of significant events and their impact and solutions

Applicable       Not applicable

1. Reference is made to the relevant announcements of the Company published in China Securities Journal and Shanghai Securities News and on the website of the Shanghai Stock Exchange on 31 December 2013, the Guanghua Road office of the district government of Qinhuai District, Nanjing entered into a relocation agreement with the Company on the relocation of the Company's plant situated at No. 1-2 Youyihe Road, Qinhuai District, Nanjing. Pursuant to relevant valuation, the Guanghua Road office of the district government of Qinhuai District, Nanjing (or its designated unit) shall pay the Company a relocation compensation of RMB31.41 million by installments based on the relocation progress. During the reporting period, the relocation had no material impact on the non-recurring profit and loss of the Company. As at 31 March 2015, the said relocation resulted in an increase in profit of RMB11,677,600 in the non-recurring profit and loss of the Company.

### **3.3 Performance of undertakings of the Company and shareholder with over 5% shareholding in the Company**

Applicable       Not applicable

1. The Company's ultimate controller China Electronics Corporation ("CEC") undertook in the report of acquisition of the Company to guarantee the independence of the Company, not to compete with the Company in business, and to standardize and minimize connected transactions.
2. At the time of the non-public issue of A shares of the Company, the Company's controlling shareholder PEGL undertook not to compete with the Company in business, and to standardize and minimize connected transactions.
3. At the time of the non-public issue of A shares of the Company, the Company's associated corporation NEIIC undertook not to compete with the Company in business, and to standardize and minimize connected transactions and lock up the shares held by it.
4. In the material asset reorganization constituted by the Company's acquisition of the 5,834,430 shares (representing 5.07% of the total share capital) of Shenzhen Jingwah held by PEGL, the controlling shareholder of the Company (as the transaction counterparty) undertook that: "In the process of participation of the material asset reorganization of Nanjing Panda Electronics Company Limited, we warrant the truthfulness, accuracy and completeness of relevant documents, materials and other information provided, and that such information does not contain any false representations, misleading statements or material omissions, and accept joint and several responsibility thereof."

For the contents, dates and terms of the above commitment please refer to the paragraphs headed "VIII. Commitments" under "Section VI Significant Events" of the 2013 Annual Report of Nanjing Panda Electronics Company Limited which was published on the website of the Shanghai Stock Exchange on 29 March 2014.

CEC, PEGL and NEIIC were in strict compliance with their respective commitments during the reporting period.

**3.4 Warnings on any potential loss in accumulated net profit for the period from the beginning of the year to the end of next reporting period or any material changes from the corresponding period of last year and the explanations thereof**

Applicable

Not applicable

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

Nanjing, the People's Republic of China  
29 April 2015

*As at the date of this announcement, the Board comprises Executive Directors: Mr. Lai Weide and Mr. Xu Guofei; Non-executive Directors: Mr. Deng Weiming, Mr. Lu Qing, Mr. Xia Dechuan and Mr. Jason Hsuan; and Independent Non-executive Directors: Ms. Zhang Xiuhua, Ms. Liu Danping and Mr. Chu Wai Tsun, Vincent.*

#### 4. APPENDIX

### 2015 first quarterly financial statements (unaudited) (prepared in accordance with the PRC Accounting Standards for Business Enterprises)

#### CONSOLIDATED BALANCE SHEET

31 March 2015

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB (Yuan)

Assets	Closing balance	Opening balance
<b>Current assets:</b>		
Cash and bank balances	<b>872,057,842.00</b>	827,983,074.07
Settlement provisions		
Placements with banks and other financial institutions		
Financial assets at fair value through profit and loss		
Derivative financial assets		
Bills receivable	<b>120,516,257.00</b>	195,887,244.86
Accounts receivables	<b>937,716,546.65</b>	735,609,844.69
Prepayments	<b>206,578,539.06</b>	149,271,039.10
Premiums receivable		
Reinsurance receivables		
Reinsurance contract reserve receivables		
Interest receivable	<b>47,886.55</b>	47,886.55
Dividends receivable		
Other receivables	<b>121,359,037.65</b>	129,496,602.33
Financial assets purchased for resale		
Inventories	<b>545,463,820.73</b>	510,570,319.97
Assets classified as held for sale		
Non-current assets due within one year		
Other current assets	<b>472,000,000.00</b>	550,000,000.00
<b>Total current assets</b>	<b><u>3,275,739,929.64</u></b>	<b><u>3,098,866,011.57</u></b>

<b>Assets</b>	<b>Closing balance</b>	<b>Opening balance</b>
<b>Non-current assets:</b>		
Loans and advances		
Available-for-sale financial assets	<b>3,650,000.00</b>	3,650,000.00
Held-to-maturity investments		
Long-term receivables		
Long-term equity investment	<b>528,998,682.65</b>	501,710,254.17
Investment properties	<b>11,648,142.13</b>	10,572,698.60
Fixed assets	<b>607,559,984.06</b>	630,073,976.79
Construction in progress	<b>309,862,736.38</b>	269,882,125.43
Construction supplies		
Clearance of fixed assets		
Biological assets for production		
Fuel assets		
Intangible assets	<b>81,586,266.43</b>	82,342,946.12
Development expenses	<b>23,292,827.35</b>	17,592,455.22
Goodwill		
Long-term deferred expenses	<b>3,303,137.60</b>	2,673,980.57
Deferred income tax assets	<b>6,760,229.70</b>	6,760,229.70
Other non-current assets	_____	_____
<b>Total non-current assets</b>	<b><u>1,576,662,006.30</u></b>	<b><u>1,525,258,666.60</u></b>
<b>Total assets</b>	<b><u>4,852,401,935.94</u></b>	<b><u>4,624,124,678.17</u></b>

*Legal Representative:*

**Xia Dechuan**

*Person in charge of  
accounting work:*

**Shen Jianlong**

*Person in charge of the  
Accounting Department:*

**Liu Xianfang**

<b>Liabilities and shareholders' equity</b>	<b>Closing balance</b>	<b>Opening balance</b>
<b>Current liabilities:</b>		
Short-term loans	<b>110,000,000.00</b>	30,000,000.00
Borrowing from the People's Bank of China ("PBOC")		
Customer and interbank deposits		
Borrowing from interbank market		
Financial liabilities at fair value through profit and loss		
Derivative financial liabilities		
Bills payable	<b>86,253,315.18</b>	83,633,487.09
Accounts payables	<b>898,268,061.93</b>	772,053,064.98
Advances from customers	<b>161,538,867.76</b>	136,414,078.49
Financial assets sold under repurchase agreements		
Handling charges and commission payable		
Salaries payable	<b>24,895,987.86</b>	37,436,284.69
Taxes payable	<b>11,039,927.49</b>	20,861,633.84
Interest payable	<b>124,444.44</b>	
Dividends payable	<b>3,489,019.43</b>	3,489,019.43
Other payables	<b>118,829,379.47</b>	133,901,591.99
Reinsurers due		
Insurance contract reserves		
Security trading of agency		
Securities underwriting		
Liabilities classified as held for sale		
Non-current liabilities due within one year		
Other current liabilities	<b>5,468,600.00</b>	5,468,600.00
<b>Total current liabilities</b>	<b><u>1,419,907,603.56</u></b>	<b><u>1,223,257,760.51</u></b>

<b>Liabilities and shareholders' equity</b>	<b>Closing balance</b>	<b>Opening balance</b>
<b>Non-current liabilities:</b>		
Long-term loans		
Bonds payable		
Long-term payables		
Long-term employee salary payable	<b>15,929,405.18</b>	17,250,831.64
Specific payables		
Accrued liabilities		
Deferred income		
Deferred income tax liabilities	<b>154,681.89</b>	154,681.89
Other non-current liabilities		
	<hr/>	<hr/>
<b>Total non-current liabilities</b>	<b><u>16,084,087.07</u></b>	<b><u>17,405,513.53</u></b>
<b>Total liabilities</b>	<b><u>1,435,991,690.63</u></b>	<b><u>1,240,663,274.04</u></b>
<b>Shareholders' equity:</b>		
Share capital	<b>913,838,529.00</b>	913,838,529.00
Other equity instruments		
Capital reserve	<b>1,464,338,742.66</b>	1,463,439,040.01
Less: treasury stock		
Other comprehensive income		
Special reserve		
Surplus reserve	<b>234,802,138.28</b>	234,802,138.28
General risk reserve		
Undistributed profits	<b>598,587,623.98</b>	566,873,252.64
Sub-total of equity attributable to the shareholders of the parent company	<b>3,211,567,033.92</b>	3,178,952,959.93
Minority interests	<b>204,843,211.39</b>	204,508,444.20
	<hr/>	<hr/>
<b>Total shareholders' equity</b>	<b><u>3,416,410,245.31</u></b>	<b><u>3,383,461,404.13</u></b>
<b>Total liabilities and shareholders' equity</b>	<b><u>4,852,401,935.94</u></b>	<b><u>4,624,124,678.17</u></b>

*Legal Representative:*  
**Xia Dechuan**

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

*Person in charge of the  
Accounting Department:*  
**Liu Xianfang**

# CONSOLIDATED INCOME STATEMENT

January-March 2015

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB (Yuan)

Item	Amount for the period	Amount for the same period last year
<b>I. Total operating income</b>	<b>876,132,360.65</b>	793,930,233.26
Including: Operating income	<b>876,132,360.65</b>	793,930,233.26
Interest income		
Premiums earned		
Income from handling charges and commissions		
<b>II. Total operating cost</b>	<b>860,556,838.38</b>	785,749,454.77
Including: Operating cost	<b>745,396,000.92</b>	684,439,012.56
Interest expenses		
Handling charges and commissions		
Insurance withdrawal payment		
Net payment from indemnity		
Net provisions for insurance contract		
Insurance policy dividend paid		
Reinsurance cost		
Business taxes and surcharges	<b>9,995,320.63</b>	6,278,764.09
Selling expenses	<b>10,350,095.63</b>	10,410,609.18
Administrative expenses	<b>96,080,102.51</b>	85,089,421.24
Financial expenses	<b>-1,811,799.00</b>	-2,880,584.40
Loss on assets impairment	<b>547,117.69</b>	2,412,232.10
Add: Gain from change in fair value (losses are represented by “-”)		
Investment income (losses are represented by “-”)	<b>32,827,324.56</b>	35,298,207.75
Including: Income from investment in associates and joint ventures	<b>27,288,428.48</b>	30,449,267.76
Exchange gain (losses are represented by “-”)		

<b>Item</b>	<b>Amount for the period</b>	Amount for the same period last year
<b>III. Operating profit</b>		
<b>(losses are represented by “-”)</b>	<b>48,402,846.83</b>	43,478,986.24
Add: Non-operating income	<b>3,327,961.87</b>	1,642,886.80
Including: Gain from the disposal of non-current assets		6,383.48
Less: Non-operating expenses	<b>1,323,770.02</b>	270,977.96
Including: Loss from the disposal of non-current assets	<b>413,569.70</b>	6,071.44
<b>IV. Total profit (losses are represented by “-”)</b>	<b>50,407,038.68</b>	44,850,895.08
Less: Income tax	<b>7,460,322.23</b>	4,980,532.42
<b>V. Net Profit (losses are represented by “-”)</b>	<b>42,946,716.45</b>	39,870,362.66
Profit attributable to the equity holders of the parent company	<b>31,714,371.34</b>	27,417,142.90
Minority interests	<b>11,232,345.11</b>	12,453,219.76
<b>VI. Net other comprehensive income after tax</b>		
Net other comprehensive income after tax attributable to shareholders of the parent company		
(1) Other comprehensive income that can not be reclassified to profit and loss in subsequent periods		
1. Changes in net liabilities or net assets arising from the re-measurement of defined benefit plans		
2. Share of other comprehensive income of investee that can not be subsequently reclassified to profit and loss under equity method		

Item	Amount for the period	Amount for the same period last year
(2) Other comprehensive income that will be subsequently reclassified to profit and loss		
1. Share of other comprehensive income of investee that will be subsequently reclassified to profit and loss under equity method		
2. Gains and losses from changes in fair value of available-for-sale financial assets		
3. Gains and losses from held-to-maturity investment reclassified as available-for-sale financial assets		
4. Effective part of hedging gains and losses from cash flows		
5. Exchange differences from retranslation of financial statements		
6. Others		
Net other comprehensive income after tax attributable to minority shareholders		
<b>VII. Total comprehensive income</b>	<b>42,946,716.45</b>	39,870,362.66
Total comprehensive income attributable to the equity holders of the parent company	<b>31,714,371.34</b>	27,417,142.90
Total comprehensive income attributable to minority shareholders	<b>11,232,345.11</b>	12,453,219.76
<b>VIII. Earnings per share</b>		
(1) Basic earnings per share	<b>0.0347</b>	0.0300
(2) Diluted earnings per share	<b>0.0347</b>	0.0300

*Legal Representative:*  
**Xia Dechuan**

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

*Person in charge of the  
Accounting Department:*  
**Liu Xianfang**

# CONSOLIDATED CASH FLOW STATEMENT

January-March 2015

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB (Yuan)

Item	Amount for the period	Amount for the same period last year
<b>I. Cash flows from operating activities</b>		
Cash received from the sale of goods and rendering of services	<b>890,679,166.88</b>	889,389,537.58
Net increase in customer and interbank deposits		
Net increase in borrowing from PBOC		
Net increase in borrowings from other financial institutions		
Cash received from premiums under original insurance contract		
Net cash received from reinsurance business		
Net increase in deposits of policy holders and investment		
Net increase in disposal of financial assets at fair value through profit and loss		
Cash received from interest, handling charges and commissions		
Net increase in cash borrowed		
Net increase in cash received from repurchase operation		
Refunds of taxes	<b>3,290,911.20</b>	1,203,736.62
Cash received relating to other operating activities	<b>51,486,431.28</b>	35,282,167.76
<b>Sub-total of cash inflows from operating activities</b>	<b>945,456,509.36</b>	925,875,441.96

Item	Amount for the period	Amount for the same period last year
Cash paid for purchase of goods and services received	716,317,707.17	700,471,099.36
Net increase in loans and advances		
Net increase in deposits with PBOC and interbank		
Cash paid for compensation payments under original insurance contract		
Cash paid for interest, handling charges and commissions		
Cash paid for insurance policy dividend		
Cash paid to and on behalf of employees	117,143,626.78	106,494,444.83
Cash paid for all types of taxes	63,617,880.25	36,089,846.79
Cash paid relating to other operating activities	161,498,471.93	33,519,251.95
<b>Sub-total of cash outflows from operating activities</b>	<b>1,058,577,686.13</b>	<b>876,574,642.93</b>
<b>Net cash flows from operating activities</b>	<b>-113,121,176.77</b>	<b>49,300,799.03</b>
<b>II. Cash flows from investing activities:</b>		
Cash received from disposal of investments		
Cash received from return on investments	5,553,176.93	3,241,328.78
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	62,100.00	20,000.00
Net cash received from disposal of subsidiaries and other operating entities		
Cash received relating to other investment activities	785,000,000.00	626,000,000.00
<b>Sub-total of cash inflows from investing activities</b>	<b>790,615,276.93</b>	<b>629,261,328.78</b>

<b>Item</b>	<b>Amount for the period</b>	Amount for the same period last year
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	<b>48,688,959.66</b>	68,003,386.86
Cash paid for investments	<b>9,997,875.27</b>	
Net increase in secured loans		
Net cash paid for acquisition of subsidiaries and other operating entities		
Cash paid on other investment activities	<b>707,000,000.00</b>	945,000,000.00
<b>Sub-total of cash outflows from investing activities</b>	<b><u>765,686,834.93</u></b>	<b><u>1,013,003,386.86</u></b>
<b>Net cash flows from investing activities</b>	<b><u>24,928,442.00</u></b>	<b><u>-383,742,058.08</u></b>
<b>III. Cash flows from financing activities:</b>		
Cash received from investments		
Including: cash received by subsidiaries from minority shareholders' investment		
Cash received from borrowings	<b>80,000,000.00</b>	
Cash received from issuing bonds		
Cash received from other financing activities		
<b>Sub-total of cash inflows from financing activities</b>	<b><u>80,000,000.00</u></b>	

<b>Item</b>	<b>Amount for the period</b>	Amount for the same period last year
Cash paid on repayment of borrowings		72,000,000.00
Cash paid on distribution of dividends or profits, or interest expenses	<b>1,383,333.33</b>	551,666.66
Including: dividend and profit paid to minority shareholders by subsidiaries		
Cash paid on other financing activities		
<b>Sub-total of cash outflows from financing activities</b>	<b>1,383,333.33</b>	72,551,666.66
<b>Net cash flows from financing activities</b>	<b>78,616,666.67</b>	<b>-72,551,666.66</b>
<b>IV. Effect of fluctuations in exchange rates on cash and cash equivalents</b>	<b>68,635.70</b>	-14,934.29
<b>V. Net increase in cash and cash equivalents</b>	<b>-9,507,432.40</b>	-407,007,860.00
Add: balance of cash and cash equivalents at the beginning of the period	<b>712,357,169.28</b>	1,495,158,809.60
<b>VI. Balance of cash and cash equivalents at the end of the period</b>	<b>702,849,736.88</b>	1,088,150,949.60

*Legal Representative:*  
**Xia Dechuan**

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

*Person in charge of the  
Accounting Department:*  
**Liu Xianfang**

## BALANCE SHEET

31 March 2015

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB (Yuan)

Assets	Closing balance	Opening balance
<b>Current assets:</b>		
Cash and bank balances	<b>66,021,221.53</b>	82,107,307.67
Settlement provisions		
Placements with banks and other financial institutions		
Financial assets at fair value through profit and loss		
Derivative financial assets		
Bills receivable		300,000.00
Trade receivables	<b>82,644,603.44</b>	81,504,053.04
Prepayments	<b>1,645,465.20</b>	1,559,561.86
Premiums receivable		
Reinsurance receivables		
Reinsurance contract reserve receivables		
Interest receivable		
Dividends receivable	<b>1,973,887.56</b>	1,973,887.56
Other receivables	<b>273,257,641.49</b>	207,485,130.55
Financial assets purchased for resale		
Inventories	<b>17,496,401.75</b>	16,804,006.58
Assets classified as held for sale		
Non-current assets due within one year		
Other current assets	<b>457,000,000.00</b>	540,000,000.00
<b>Total current assets</b>	<b>900,039,220.97</b>	931,733,947.26

<b>Assets</b>	<b>Closing balance</b>	<b>Opening balance</b>
<b>Non-current assets:</b>		
Loans and advances		
Available-for-sale financial assets	<b>3,650,000.00</b>	3,650,000.00
Held-to-maturity investments		
Long-term receivables		
Long-term equity investment	<b>1,980,289,457.35</b>	1,927,015,109.72
Investment properties		
Fixed assets	<b>365,975,766.72</b>	375,713,101.66
Construction in progress	<b>6,334,213.44</b>	349,018.87
Construction supplies		
Clearance of fixed assets		
Biological assets for production		
Fuel assets		
Intangible assets	<b>14,150,686.63</b>	14,388,869.54
Development expenses		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets		
Other non-current assets		
	_____	_____
<b>Total non-current assets</b>	<b><u><u>2,370,400,124.14</u></u></b>	<b><u><u>2,321,116,099.79</u></u></b>
<b>Total assets</b>	<b><u><u>3,270,439,345.11</u></u></b>	<b><u><u>3,252,850,047.05</u></u></b>

*Legal Representative:*

**Xia Dechuan**

*Person in charge of  
accounting work:*

**Shen Jianlong**

*Person in charge of the  
Accounting Department:*

**Liu Xianfang**

<b>Liabilities and shareholders' equity:</b>	<b>Closing balance</b>	Opening balance
<b>Current liabilities:</b>		
Short-term loans	<b>80,000,000.00</b>	
Borrowing from PBOC		
Customer and interbank deposits		
Financial liabilities at fair value through profit and loss		
Derivative financial liabilities		
Borrowing from interbank market		
Bills payable	<b>2,814,012.80</b>	4,746,292.55
Accounts payables	<b>32,652,771.24</b>	28,311,456.42
Advances from customers	<b>31,050.00</b>	80,370.00
Financial assets sold under repurchase agreements		
Handling charges and commission payable		
Salaries payable	<b>5,951,654.23</b>	5,446,383.76
Taxes payable	<b>6,592,156.86</b>	7,190,572.47
Interest payable	<b>124,444.44</b>	
Dividends payable		
Other payables	<b>304,898,388.65</b>	379,221,818.93
Reinsurers due		
Insurance contract reserves		
Security trading of agency		
Securities underwriting		
Liabilities classified as held for sale		
Non-current liabilities due within one year		
Other current liabilities	<b>4,272,600.00</b>	4,272,600.00
<b>Total current liabilities</b>	<b><u>437,337,078.22</u></b>	<b><u>429,269,494.13</u></b>

<b>Liabilities and shareholders' equity:</b>	<b>Closing balance</b>	<b>Opening balance</b>
<b>Non-current liabilities:</b>		
Long-term loans		
Bonds payable		
Long-term payables		
Long-term employee salary payable	<b>4,250,881.13</b>	4,853,882.58
Specific payables		
Accrued liabilities		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
	<hr/>	<hr/>
<b>Total non-current liabilities</b>	<b><u>4,250,881.13</u></b>	<b><u>4,853,882.58</u></b>
<b>Total liabilities</b>	<b><u>441,587,959.35</u></b>	<b><u>434,123,376.71</u></b>
<b>Shareholders' equity:</b>		
Share capital	<b>913,838,529.00</b>	913,838,529.00
Other equity instruments		
Capital reserve	<b>1,434,870,834.28</b>	1,434,870,834.28
Less: treasury stock		
Other comprehensive income		
Special reserve		
Surplus reserve	<b>234,802,138.28</b>	234,802,138.28
General risk reserve		
Undistributed profits	<b><u>245,339,884.20</u></b>	<u>235,215,168.78</u>
<b>Total shareholders' equity</b>	<b><u>2,828,851,385.76</u></b>	<b><u>2,818,726,670.34</u></b>
<b>Total liabilities and shareholders' equity</b>	<b><u>3,270,439,345.11</u></b>	<b><u>3,252,850,047.05</u></b>

*Legal Representative:*  
**Xia Dechuan**

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

*Person in charge of the  
Accounting Department:*  
**Liu Xianfang**

## INCOME STATEMENT

January-March 2015

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB (Yuan)

Item	Amount for the period	Amount for the same period last year
<b>I. Total operating income</b>	<b>16,585,223.76</b>	27,466,239.68
Including: Operating income	<b>16,585,223.76</b>	27,466,239.68
Interest income		
Premiums earned		
Income from handling charges and commissions		
<b>II. Total operating cost</b>	<b>39,232,579.45</b>	44,569,381.80
Including: Operating cost	<b>8,684,440.40</b>	16,800,891.81
Interest expenses		
Handling charges and commissions		
Insurance withdrawal payment		
Net payments from indemnity		
Net provision for insurance contract		
Insurance policy dividend paid		
Re insurance cost		
Business taxes and surcharges	<b>446.33</b>	83,601.94
Selling expenses	<b>822,009.78</b>	880,937.86
Administrative expenses	<b>29,530,774.51</b>	30,054,652.93
Financial expenses	<b>194,908.43</b>	-3,250,702.74
Loss on assets impairment		
Add: Gain from change in fair value (losses are represented by “-”)		
Investment income (losses are represented by “-”)	<b>32,200,472.09</b>	40,971,596.90
Including: Income from investment in associates and joint ventures	<b>27,274,347.63</b>	37,905,501.00
Exchange gain (losses are represented by “-”)		

Item	Amount for the period	Amount for the same period last year
<b>III. Operating profit</b>		
(losses are represented by “-”)	<b>9,553,116.40</b>	23,868,454.78
Add: Non-operating income	<b>571,605.72</b>	1,371.62
Including: Gain from the disposal of non-current assets		
Less: Non-operating expenses	<b>6.70</b>	479.00
Including: Loss from the disposal of non-current assets		
<b>IV. Total profit (losses are represented by “-”)</b>	<b>10,124,715.42</b>	23,869,347.40
Less: Income tax expense		
<b>V. Net Profit (losses are represented by “-”)</b>	<b>10,124,715.42</b>	23,869,347.40
<b>VI. Net other comprehensive income after tax</b>		
(1) Other comprehensive income that can not be reclassified to profit and loss in subsequent periods		
1. Changes in net liabilities or net assets arising from the re-measurement of defined benefit plans		
2. Share of other comprehensive income of investee that can not be subsequently reclassified to profit and loss under equity method		

Item	Amount for the period	Amount for the same period last year
(2) Other comprehensive income that will be subsequently reclassified to profit and loss		
1. Share of other comprehensive income of investee that will be subsequently reclassified to profit and loss under equity method		
2. Gains and losses from changes in fair value of available-for-sale financial assets		
3. Gains and losses from held-to-maturity investment reclassified as available-for-sale financial assets		
4. Effective part of hedging gains and losses from cash flows		
5. Exchange differences from retranslation of financial statements		
6. Others		
Net other comprehensive income after tax attributable to minority shareholders		

<b>VII. Total comprehensive income</b>	<b>10,124,715.42</b>	23,869,347.40
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### VIII. Earnings per share

- (1) Basic earnings per share
- (2) Diluted earnings per share

<i>Legal Representative:</i> <b>Xia Dechuan</b>	<i>Person in charge of accounting work:</i> <b>Shen Jianlong</b>	<i>Person in charge of the Accounting Department:</i> <b>Liu Xianfang</b>
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## CASH FLOW STATEMENT

January-March 2015

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB (Yuan)

Item	Amount for the period	Amount for the same period last year
<b>I. Cash flows from operating activities:</b>		
Cash received from the sale of goods and rendering of services	13,048,296.12	17,655,215.64
Net increase in customer and interbank deposits		
Net increase in borrowing from PBOC		
Net increase in borrowings from other financial institutions		
Cash received from premiums under original insurance contract		
Net cash received from reinsurance business		
Net increase in deposits of policy holders and investment		
Net increase in disposal of financial assets held for trading		
Cash received from interest, handling charges and commissions		
Net increase in cash borrowed		
Net increase in cash received from repurchase operation		
Refunds of taxes		
Cash received relating to other operating activities	31,199,333.33	21,001,832.00
<b>Sub-total of cash inflows from operating activities</b>	<b>44,247,629.45</b>	<b>38,657,047.64</b>

Item	Amount for the period	Amount for the same period last year
Cash paid for purchase of goods and services received	5,888,265.39	12,197,927.25
Net increase in loans and advances		
Net increase in deposits with PBOC and interbank		
Cash paid for compensation payments under original insurance contract		
Cash paid for interest, handling charges and commissions		
Cash paid for insurance policy dividend		
Cash paid to and on behalf of employees	13,966,775.30	17,907,997.03
Cash paid for all types of taxes	1,063,732.21	127,671.43
Cash paid relating to other operating activities	<u>174,438,679.19</u>	<u>17,513,678.60</u>
<b>Sub-total of cash outflows from operating activities</b>	<u><b>195,357,452.09</b></u>	<u>47,747,274.31</u>
<b>Net cash flows from operating activities</b>	<u><b>-151,109,822.64</b></u>	<u><b>-9,090,226.67</b></u>
<b>II. Cash flows from investing activities:</b>		
Cash received from disposal of investments		
Cash received from return on investments	4,926,124.46	3,066,095.90
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from disposal of subsidiaries and other operating entities		
Cash received relating to other investment activities	<u>587,000,000.00</u>	<u>530,000,000.00</u>
<b>Sub-total of cash inflows from investing activities</b>	<u><b>591,926,124.46</b></u>	<u>533,066,095.90</u>

<b>Item</b>	<b>Amount for the period</b>	Amount for the same period last year
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	<b>5,445,773.06</b>	4,289,026.84
Cash paid for investments	<b>26,000,000.00</b>	86,000,000.00
Net increase in secured loans		
Net cash paid for acquisition of subsidiaries and other operating entities		
Cash paid on other investment activities	<b>504,000,000.00</b>	915,000,000.00
<b>Sub-total of cash outflows from investing activities</b>	<b>535,445,773.06</b>	1,005,289,026.84
<b>Net cash flows from investing activities</b>	<b>56,480,351.40</b>	-472,222,930.94
<b>III. Cash flows from financing activities:</b>		
Cash received from investments		
Including: cash received by subsidiaries from minority shareholders' investment		
Cash received from borrowings	<b>80,000,000.00</b>	
Cash received from issuing bonds		
Cash received from other financing activities		
<b>Sub-total of cash inflows from financing activities</b>	<b>80,000,000.00</b>	

Item	Amount for the period	Amount for the same period last year
Cash paid on repayment of borrowings		50,000,000.00
Cash paid on distribution of dividends or profits, or interest expenses	<b>933,333.33</b>	133,333.33
Including: dividend and profit paid to minority shareholders by subsidiaries		
Cash paid on other financing activities		
<b>Sub-total of cash outflows from financing activities</b>	<b>933,333.33</b>	50,133,333.33
<b>Net cash flows from financing activities</b>	<b>79,066,666.67</b>	<b>-50,133,333.33</b>
<b>IV. Effect of fluctuations in exchange rates on cash and cash equivalents</b>	<b>-39.89</b>	43.61
<b>V. Net increase in cash and cash equivalents</b>	<b>-15,562,844.46</b>	-531,446,447.33
Add: balance of cash and cash equivalents at the beginning of the period	<b>80,208,790.62</b>	890,098,522.88
<b>VI. Balance of cash and cash equivalents at the end of the period</b>	<b>64,645,946.16</b>	358,652,075.55

*Legal Representative:*  
**Xia Dechuan**

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

*Person in charge of the  
Accounting Department:*  
**Liu Xianfang**