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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)

2017 THIRD QUARTERLY REPORT

I. 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 held on 30 October 2017 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 third quarter were unaudited.

II. 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	As at the end of the previous year	Changes from the end of the previous year (%)
Total assets	5,644,068,852.67	5,239,976,417.98	7.71
Net assets attributable to shareholders of the Company	3,307,509,035.38	3,320,270,553.39	-0.38
	From the beginning of the year to the end of the reporting period (January–September)	From the beginning of the previous year to the end of the reporting period of the previous year (January–September)	Changes as compared to the corresponding period of the previous year (%)
Net cash flows from operating activities	168,371,365.39	-65,345,546.69	N/A
	From the beginning of the year to the end of the reporting period (January–September)	From the beginning of the previous year to the end of the reporting period of the previous year (January–September)	Changes as compared to the corresponding period of the previous year (%)
Operating income	2,863,124,419.13	2,491,765,875.37	14.90
Net profit attributable to shareholders of the Company	51,190,675.34	79,115,047.09	-35.30
Net profit attributable to shareholders of the Company after extraordinary items	30,353,014.33	31,934,322.86	-4.95
Return on net assets (weighted average) (%)	1.52	2.42	Decreased by 0.9 percentage point
Basic earnings per share (<i>yuan/share</i>)	0.0560	0.0866	-35.33
Diluted earnings per share (<i>yuan/share</i>)	0.0560	0.0866	-35.33

The decrease in net profit attributable to shareholders of the Company is mainly due to the decrease in government grants recognized under equity method in the period.

Extraordinary items and amounts

☒ Applicable ☐ Not applicable

Unit: RMB (Yuan)

Item	Amount from the beginning of the year to the end of the reporting period		Explanation
	Amount for the period (July– September)	(January– September)	
Profit and loss from disposal of non-current assets	-305,081.50	-278,015.01	
Government grants accounted for as current profit and loss (except for government grants which are closely related to normal business of the Company, conformed to requirements of State policy, and granted continuously according to certain standardised amounts or quotas)	3,047,189.70	13,430,937.68	
Gain/loss from entrusted investment	4,096,969.43	10,775,223.82	
Reversal of provisions for impairment of accounts receivable individually tested for impairment		398,161.24	
Non-operating income and expenses other than the aforesaid items	1,331,240.10	1,145,995.15	
Impact of minority interest (after-tax)	-249,699.57	-1,372,346.42	
Impact of income tax	-699,696.03	-3,262,295.45	
Total	<u>7,220,922.13</u>	<u>20,837,661.01</u>	

2.2 Total number of shareholders, shareholdings of the top 10 shareholders and top 10 shareholders of circulating shares (shareholders of tradable shares not subject to trading moratorium) as at the end of the reporting period

Unit: Share

Total number of shareholders 38,969

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 Status of share	Number	Nature of shareholder
HKSCC (Nominees) Limited	241,437,570	26.42	0	Unknown	0	Overseas legal person
Panda Electronics Group Limited	210,661,444	23.05	0	Unknown	0	State-owned legal person
China Huarong Asset Management Co., Ltd. (中國華融資產管理股份有限公司)	82,811,667	9.06	0	Unknown	0	State-owned legal person
Nanjing Electronics Information Industrial Corporation	63,302,611	6.93	0	Unknown	0	State-owned legal person
China Great Wall Asset Management Corporation (中國長城資產管理公司)	14,172,397	1.55	0	Unknown	0	State-owned legal person
Xi Caixia (奚彩霞)	4,428,322	0.48	0	Unknown	0	Domestic natural person
Huang Liangfu (黃亮富)	4,148,825	0.45	0	Unknown	0	Domestic natural person
Hua Wei (華煒)	3,086,121	0.34	0	Unknown	0	Domestic natural person
Bank of Communications Schroder Fund – China Construction Bank –China Life Insurance – China Life Insurance entrusted with Bank of Communications Schroder Fund Management Co. Ltd. Hybrid Portfolio (交銀施羅德基金-建設銀行-中國人壽-中國人壽委託交銀施羅德基金公司混合型組合)	3,000,000	0.33	0	Unknown	0	Others
Wu Liping (吳立平)	2,822,816	0.31	0	Unknown	0	Domestic natural person

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

Name of shareholders	Number of shares held not subject to trading moratorium	Class and number of shares	
		Class	Number
HKSCC (Nominees) Limited	241,437,570	Overseas listed foreign shares	241,437,570
Panda Electronics Group Limited	210,661,444	RMB denominated ordinary shares	210,661,444
China Huarong Asset Management Co., Ltd. (中國華融資產管理股份有限公司)	82,811,667	RMB denominated ordinary shares	82,811,667
Nanjing Electronics Information Industrial Corporation	63,302,611	RMB denominated ordinary shares	49,534,611
		Overseas listed foreign shares	13,768,000
China Great Wall Asset Management Corporation (中國長城資產管理公司)	14,172,397	RMB denominated ordinary shares	14,172,397
Xi Caixia (奚彩霞)	4,428,322	RMB denominated ordinary shares	4,428,322
Huang Liangfu (黃亮富)	4,148,825	RMB denominated ordinary shares	4,148,825
Hua Wei (華煒)	3,086,121	RMB denominated ordinary shares	3,086,121
Bank of Communications Schroder Fund – China Construction Bank – China Life Insurance – China Life Insurance entrusted with Bank of Communications Schroder Fund Management Co. Ltd. Hybrid Portfolio (交銀施羅德基金–建設銀行–中國人壽–中國人壽委託交銀施羅德基金公司混合型組合)	3,000,000	RMB denominated ordinary shares	3,000,000
Wu Liping (吳立平)	2,822,816	RMB denominated ordinary shares	2,822,816

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

Nanjing Electronics Information Industrial Corporation (“**NEIIC**”) holds 100% equity interests of Panda Electronics Group Limited (“**PEGL**”), the controlling shareholder of the Company. NEIIC holds directly and through asset management plans, 49,534,611 A shares and 13,768,000 H shares of the Company, representing 6.93% 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 29.98% of the shares of the Company. Save as the above, the Company is not aware of any connected relationship or party acting in concert among other shareholders.

Notes:

- (1) PEGL completed the registration procedures of the share pledge with Shanghai Branch of China Securities Depository and Clearing Corporation Limited on 24 March 2016 and 93,880,000 shares out of the 210,661,444 shares held by PEGL were pledged, representing 10.27% of the total share capital of the Company. On 17 April 2017, PEGL went through the release procedures of the share pledge registration with China Securities Depository and Clearing Corporation Limited to release the 93,880,000 shares pledged, representing 10.27% of the total share capital of the Company.

For details, please refer to the relevant announcements of the Company published on China Securities Journal, Shanghai Securities News and the website of the Shanghai Stock Exchange on 26 March 2016 and 19 April 2017 and the website of the Hong Kong Stock Exchange on 28 March 2016 and 18 April 2017, respectively.

- (2) HKSCC (Nominees) Limited held 241,437,570 H shares of the Company on behalf of several clients, representing 26.42% of the issued share capital of the Company. The Company is not aware of any individual client holding more than 5% of the issued share capital of the Company.

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

III. 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

(1) Major changes in items of balance sheet:

Unit: RMB (Yuan)

Items	30 September 2017	31 December 2016	Change (%)	Reasons
Bills receivable	191,687,146.23	312,972,457.59	-38.75	Mainly due to decrease in account receivables settled by bills during the period
Prepayments	315,935,522.29	143,140,748.06	120.72	Mainly represents prepayments for construction projects, which are not settled since the projects are not completed
Inventories	632,202,134.11	438,042,391.88	44.32	Mainly due to increases in inventory items of raw materials and product stock during the period
Other current assets	518,919,307.79	259,018,893.89	100.34	Mainly due to increase in purchased wealth management products at the end of the period
Long-term deferred expenses	4,165,741.52	6,995,346.87	-40.45	Mainly due to the amortization of long-term deferred items on a monthly basis
Receipts in advance	192,447,214.67	132,694,559.25	45.03	Mainly due to increase in advance receipt of construction payment during the period
Employee benefits payable	19,827,572.44	32,087,847.95	-38.21	Mainly due to payment of staff wages and related expenses during the period
Interest payable	56,311.64	23,835.62	136.25	Mainly related to interest accrued on short-term borrowings during the period
Dividends payable	3,317,135.59	18,529,612.95	-82.10	Mainly due to the payment of dividends by subsidiaries to minority shareholders during the period
Other current liabilities	13,520,000.00	9,700,000.00	39.38	Mainly due to increase in government grants not yet recognized under relevant accounting standards at the end of the period
Deferred income	12,187,755.57	8,918,416.06	36.66	Mainly due to receipt of government grants related to income for compensation for expenses of future periods, which was recognized as deferred income

(2) Major changes in items of income statement and of cash flow statement

Unit: RMB (Yuan)

Items	January – September 2017	January – September 2016	Change (%)	Reasons
Financial expenses	-5,184,442.18	-9,708,777.72	N/A	Mainly due to the recognition of part of the exchange loss during the period resulting from changes in RMB exchange rate
Assets impairment loss	20,369,990.96	-5,270,606.82	N/A	Mainly due to the recognition of provisions for inventory impairment and bad debts under relevant accounting standards during the period
Non-operating income	15,451,789.29	50,878,384.13	-69.63	Mainly due to the decrease in government grants recognized under equity method during the period
Non-operating expenses	1,152,871.47	5,513,958.46	-79.09	Mainly due to the increase in tax arising from disposal of assets for the previous period
Net cash flows from operating activities	168,371,365.39	-65,345,546.69	N/A	Mainly due to recovery of receivables relating to sales of products during the period
Net cash flows from investment activities	-214,292,249.91	170,510,406.04	-225.68	Mainly due to the purchase of wealth management products from banks

3.2 Progress of significant events and analysis of their impact and solutions

☐ Applicable ☒ Not applicable

3.3 Overdue undertakings during the reporting period

☐ Applicable ☒ Not applicable

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
Xu Guofei
Chairman

Nanjing, the People's Republic of China
30 October 2017

As at the date of this announcement, the Board comprises Executive Directors: Mr. Xu Guofei, Mr. Chen Kuanyi and Mr. Xia Dechuan; Non-executive Directors: Mr. Lu Qing, Mr. Deng Weiming and Mr. Gao Gan; and Independent Non-executive Directors: Ms. Du Jie, Mr. Chu Wai Tsun, Vincent and Mr. Zhang Chun.

IV. APPENDIX

2017 third quarterly financial statements (unaudited) (prepared in accordance with the PRC Accounting Standards for Business Enterprises)

CONSOLIDATED BALANCE SHEET

30 September 2017

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

Item	30 September 2017	31 December 2016
Current assets:		
Cash and bank balances	1,170,957,771.44	1,301,802,896.46
Financial assets at fair value through profit and loss		
Derivative financial assets		
Bills receivable	191,687,146.23	312,972,457.59
Accounts receivable	1,336,235,492.78	1,238,735,984.06
Prepayments	315,935,522.29	143,140,748.06
Interest receivable		
Dividends receivable		
Other receivables	81,662,262.03	77,676,184.19
Inventories	632,202,134.11	438,042,391.88
Assets classified as held for sale		
Non-current assets due within one year		
Other current assets	518,919,307.79	259,018,893.89
Total current assets	<u>4,247,599,636.67</u>	<u>3,771,389,556.13</u>

Item	30 September 2017	31 December 2016
Non-current assets:		
Available-for-sale financial assets	3,650,000.00	3,650,000.00
Held-to-maturity investments		
Long-term receivables		
Long-term equity investment	333,450,834.53	363,076,123.14
Investment properties	7,688,093.60	8,469,941.94
Fixed assets	945,568,931.43	978,971,199.52
Construction in progress	1,867,983.31	1,502,221.31
Construction supplies		
Liquidation of fixed assets		
Biological assets for production		
Oil and gas assets		
Intangible assets	91,807,414.32	97,142,326.93
Development expenses		
Goodwill		
Long-term deferred expenses	4,165,741.52	6,995,346.87
Deferred income tax assets	8,270,217.29	8,779,702.14
Other non-current assets		
Total non-current assets	<u>1,396,469,216.00</u>	<u>1,468,586,861.85</u>
Total assets	<u>5,644,068,852.67</u>	<u>5,239,976,417.98</u>

Legal Representative:
Xia Dechuan

*Person in charge of
accounting work:*
Shen Jianlong

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

Item	30 September 2017	31 December 2016
Current liabilities:		
Short-term loans	45,000,000.00	40,000,000.00
Financial liabilities at fair value through profit and loss		
Derivative financial liabilities		
Bills payable	158,343,717.70	143,691,812.27
Accounts payable	1,429,387,132.07	1,108,431,550.84
Advances from customers	192,447,214.67	132,694,559.25
Salaries payable	19,827,572.44	32,087,847.95
Taxes payable	34,123,828.34	46,593,961.13
Interest payable	56,311.64	23,835.62
Dividends payable	3,317,135.59	18,529,612.95
Other payables	164,916,464.56	156,096,869.24
Liabilities classified as held for sale		
Non-current liabilities due within one year		
Other current liabilities	13,520,000.00	9,700,000.00
Total current liabilities	2,060,939,377.01	1,687,850,049.25
Non-current liabilities:		
Long-term loans		
Bonds payable		
Including: Preference shares		
Perpetual bonds		
Long-term payables		
Long-term employee salary payable	30,142,406.98	32,673,991.19
Specific payables		
Accrued liabilities		
Deferred income	12,187,755.57	8,918,416.06
Deferred income tax liabilities	122,249.38	133,560.55
Other non-current liabilities		
Total non-current liabilities	42,452,411.93	41,725,967.80
Total liabilities	2,103,391,788.94	1,729,576,017.05

Item	30 September 2017	31 December 2016
Shareholders' equity:		
Share capital	913,838,529.00	913,838,529.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserve	1,464,150,323.73	1,464,133,820.05
Less: Treasury stock		
Other comprehensive income		
Special reserve		
Surplus reserve	251,825,696.34	251,825,696.34
Undistributed profits	677,694,486.31	690,472,508.00
Total equity attributable to the shareholders of the parent company	3,307,509,035.38	3,320,270,553.39
Minority interests	233,168,028.35	190,129,847.54
Total shareholders' equity	<u>3,540,677,063.73</u>	<u>3,510,400,400.93</u>
Total liabilities and shareholders' equity	<u>5,644,068,852.67</u>	<u>5,239,976,417.98</u>

Legal Representative:
Xia Dechuan

*Person in charge of
accounting work:*
Shen Jianlong

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

CONSOLIDATED INCOME STATEMENT

July–September 2017

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

Item	July–September 2017	July–September 2016
I. Operating income	1,111,548,491.10	972,569,767.08
II. Total operating cost	1,105,589,985.05	932,465,274.42
Including: Operating cost	953,880,620.68	822,720,581.14
Taxes and surcharges	5,785,452.14	1,857,648.56
Selling expenses	14,195,475.62	13,012,978.57
Administrative expenses	121,437,910.09	98,115,714.08
Financial expenses	-2,973,738.99	636,928.05
Assets impairment loss	13,264,265.51	-3,878,575.98
Add: Gain from change in fair value		
Investment income	19,878,185.65	3,867,497.50
Including: Income from investment in associates and joint ventures	4,391,686.39	1,322,132.23
Other income		
III. Operating profit (losses are represented by “-”)	25,836,691.70	43,971,990.16
Add: Non-operating income	4,399,924.60	3,974,550.76
Including: Gains from the disposal of non-current assets	9,735.40	–
Less: Non-operating expenses	326,576.30	2,751,493.10
Including: Loss from the disposal of non-current assets	350,739.89	2,456,109.98
IV. Total profit (total losses are represented by “-”)	29,910,040.00	45,195,047.82
Less: Income tax	7,923,762.67	6,830,986.14

Item	July–September 2017	July–September 2016
V. Net profit (net losses are represented by “-”)	21,986,277.33	38,364,061.68
Including: Net profit attributable to the equity holders of the parent company	6,305,125.25	24,460,807.99
Minority interests	15,681,152.08	13,903,253.69
VI. Net other comprehensive income after tax		
Net other comprehensive income after tax attributable to shareholders of the parent company		
(I) 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 investees that can not be subsequently reclassified to profit and loss under equity method		
(II) Other comprehensive income that will be subsequently reclassified to profit and loss		
1. Share of other comprehensive income of investees that will be subsequently reclassified to profit and loss under equity method		
2. Gains or losses from changes in fair value of available-for-sale financial assets		
3. Gains or losses from held-to-maturity investment reclassified as available-for-sale financial assets		

Item	July–September 2017	July–September 2016
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		
VII. Total comprehensive income	21,986,277.33	38,364,061.68
Total comprehensive income attributable to the equity holders of the parent company	6,305,125.25	24,460,807.99
Total comprehensive income attributable to minority shareholders	15,681,152.08	13,903,253.69
VIII. Earnings per share:		
(I) Basic earnings per share	0.0069	0.0268
(II) Diluted earnings per share	0.0069	0.0268
<i>Legal Representative:</i> Xia Dechuan	<i>Person in charge of account work:</i> Shen Jianlong	<i>Person in charge of the accounting department:</i> Liu Xianfang

CONSOLIDATED INCOME STATEMENT

January–September 2017

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

Item	January– September 2017	January– September 2016
I. Operating income	2,863,124,419.13	2,491,765,875.37
II. Total operating cost	2,829,237,982.04	2,474,243,588.77
Including: Operating cost	2,455,080,656.54	2,128,626,455.63
Taxes and surcharges	17,441,809.30	16,047,765.20
Selling expenses	38,058,222.75	35,252,591.49
Administrative expenses	303,471,744.67	309,296,160.99
Financial expenses	-5,184,442.18	-9,708,777.72
Loss on assets impairment	20,369,990.96	-5,270,606.82
Add: Gain from change in fair value		
Investment income	58,806,761.50	75,070,910.80
Including: Income from investment in associates and joint ventures	36,642,007.85	64,131,956.88
Other income	2,527,179.69	
III. Operating profit (losses are represented by “-”)	95,220,378.28	92,593,197.40
Add: Non-operating income	15,451,789.29	50,878,384.13
Including: Gain from the disposal of non-current assets	119,312.17	45,509.52
Less: Non-operating expenses	1,152,871.47	5,513,958.46
Including: Loss from the disposal of non-current assets	433,250.17	2,509,822.44
IV. Total profit (total losses are represented by “-”)	109,519,296.10	137,957,623.07
Less: Income tax	21,899,423.24	22,593,046.33

Item	January– September 2017	January– September 2016
V. Net profit (net losses are represented by “-”)	87,619,872.86	115,364,576.74
Including: Net profit attributable to the equity holders of the parent company	51,190,675.34	79,115,047.09
Minority interests	36,429,197.52	36,249,529.65
VI. Net other comprehensive income after tax		
Net other comprehensive income after tax attributable to shareholders of the parent company		
(I) Other comprehensive income that cannot 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 cannot be subsequently reclassified to profit and loss under equity method		
(II) 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		

Item	January– September 2017	January– September 2016
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		
VII. Total comprehensive income	87,619,872.86	115,364,576.74
Total comprehensive income attributable to the equity holders of the parent company	51,190,675.34	79,115,047.09
Total comprehensive income attributable to minority shareholders	36,429,197.52	36,249,529.65
VIII. Earnings per share:		
(I) Basic earnings per share	0.0560	0.0866
(II) Diluted earnings per share	0.0560	0.0866
<i>Legal Representative:</i> Xia Dechuan	<i>Person in charge of account work:</i> Shen Jianlong	<i>Person in charge of the accounting department:</i> Liu Xianfang

CONSOLIDATED CASH FLOW STATEMENT

January–September 2017

(Unless otherwise stated, the amount denominated in RMB Yuan)

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

Item	January– September 2017	January– September 2016
I. Cash flows from operating activities:		
Cash received from the sale of goods and rendering of services	3,332,816,552.37	2,962,469,009.43
Refunds of taxes	56,464,836.45	52,773,396.91
Cash received relating to other operating activities	131,560,706.76	184,140,613.08
Sub-total of cash inflows from operating activities	3,520,842,095.58	3,199,383,019.42
Cash paid for purchase of goods and services received	2,589,069,082.00	2,627,981,305.49
Cash paid to and on behalf of employees	306,505,321.09	314,902,434.04
Cash paid for all types of taxes	164,101,506.40	118,257,369.31
Cash paid relating to other operating activities	292,794,820.70	203,587,457.27
Sub-total of cash outflows from operating activities	3,352,470,730.19	3,264,728,566.11
Net cash flows from operating activities	168,371,365.39	-65,345,546.69

Item	January– September 2017	January– September 2016
II. Cash flows from investing activities:		
Cash received from disposal of investments		
Cash received from return on investments	77,042,520.28	190,430,301.37
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	165,630.00	1,697,000.00
Net cash received from disposal of subsidiaries and other operating entities		
Cash received relating to other investment activities	<u>1,617,500,000.00</u>	<u>1,778,000,000.00</u>
Sub-total of cash inflows from investing activities	1,694,708,150.28	1,970,127,301.37
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	39,500,400.19	72,316,895.33
Cash paid for investments		300,000.00
Net cash paid for acquisition of subsidiaries and other operating entities		
Cash paid on other investment activities	<u>1,869,500,000.00</u>	<u>1,727,000,000.00</u>
Sub-total of cash outflows from investing activities	<u>1,909,000,400.19</u>	<u>1,799,616,895.33</u>
Net cash flows from investing activities	<u><u>-214,292,249.91</u></u>	<u><u>170,510,406.04</u></u>

Item	January– September 2017	January– September 2016
III. Cash flows from financing activities:		
Cash received from investments		
Including: Cash received by subsidiaries from minority shareholders’ investment		
Cash received from borrowings	45,000,000.00	340,000,000.00
Cash received from other financing activities		
Sub-total of cash inflows from financing activities	45,000,000.00	340,000,000.00
Cash paid on repayment of borrowings	40,000,000.00	340,000,000.00
Cash paid on distribution of dividends or profits, or interest expenses	77,172,730.56	68,485,218.80
Including: Dividend and profit paid to minority shareholders by subsidiaries	12,160,000.00	842,793.40
Cash paid on other financing activities		
Sub-total of cash outflows from financing activities	117,172,730.56	408,485,218.80
Net cash flows from financing activities	-72,172,730.56	-68,485,218.80
IV. Effect of fluctuations in exchange rates on cash and cash equivalents	-3,496,854.57	-6,003,997.92
V. Net increase in cash and cash equivalents	-121,590,469.65	30,675,642.63
Add: Balance of cash and cash equivalents at the beginning of the period	1,141,683,919.27	853,805,263.06
VI. Balance of cash and cash equivalents at the end of the period	1,020,093,449.62	884,480,905.69

*Legal Representative of
the Company:*
Xia Dechuan

*Person in charge of
accounting work:*
Shen Jianlong

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

BALANCE SHEET*30 September 2017**(Unless otherwise stated, the amount denominated in RMB Yuan)*Prepared by: Nanjing Panda Electronics Company Limited *Unit: RMB (Yuan)*

Item	30 September 2017	31 December 2016
Current assets:		
Cash and bank balances	153,921,578.20	335,229,528.49
Financial assets at fair value through profit and loss		
Derivative financial assets		
Bills receivable	500,000.00	500,000.00
Accounts receivables	89,230,874.38	82,209,934.77
Prepayments	3,707,704.83	1,392,109.95
Interest receivable		
Dividends receivable	973,887.56	973,887.56
Other receivables	268,978,323.12	299,788,984.63
Inventories	27,175,409.48	22,671,565.47
Assets classified as held for sale		
Non-current assets due within one year		
Other current assets	413,669,437.26	251,918,151.96
Total current assets	958,157,214.83	994,684,162.83

Item	30 September 2017	31 December 2016
Non-current assets:		
Available-for-sale financial assets	3,650,000.00	3,650,000.00
Held-to-maturity investments		
Long-term receivables		
Long-term equity investment	1,782,961,781.54	1,812,280,797.69
Investment properties		
Fixed assets	334,972,744.47	347,915,255.17
Construction in progress		90,564.10
Construction supplies		
Liquidation of fixed assets		
Biological assets for production		
Oil and gas assets		
Intangible assets	12,935,388.57	13,263,376.11
Development expenses		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets		
Other non-current assets		
Total non-current assets	<u>2,134,519,914.58</u>	<u>2,177,199,993.07</u>
Total assets	<u>3,092,677,129.41</u>	<u>3,171,884,155.90</u>

Legal Representative:
Xia Dechuan

*Person in charge of
accounting work:*
Shen Jianlong

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

Item	30 September 2017	31 December 2016
Current liabilities:		
Short-term loans		
Financial liabilities at fair value through profit and loss		
Derivative financial liabilities		
Bills payable	5,251,730.44	7,625,755.82
Accounts payables	48,376,741.65	52,121,083.74
Advances from customers	79,650.00	8,000.00
Salaries payable	2,178,015.34	2,369,247.78
Taxes payable	13,844,356.35	12,893,940.75
Interest payable		
Dividends payable		
Other payables	214,484,930.81	225,378,937.26
Liabilities classified as held for sale		
Non-current liabilities due within one year		
Other current liabilities	900,000.00	900,000.00
Total current liabilities	285,115,424.59	301,296,965.35
Non-current liabilities:		
Long-term loans		
Bonds payable		
Including: Preference shares		
Perpetual bonds		
Long-term payables		
Long-term employee salary payable	3,647,075.88	4,079,302.51
Specific payables		
Accrued liabilities		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	3,647,075.88	4,079,302.51
Total liabilities	288,762,500.47	305,376,267.86

Item	30 September 2017	31 December 2016
Shareholders' equity:		
Paid-in capital (Share capital)	913,838,529.00	913,838,529.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserve	1,434,870,834.28	1,434,870,834.28
Less: Treasury stock		
Other comprehensive income		
Special reserve		
Surplus reserve	251,825,696.34	251,825,696.34
Undistributed profits	203,379,569.32	265,972,828.42
Total shareholders' equity	2,803,914,628.94	2,866,507,888.04
Total liabilities and shareholders' equity	3,092,677,129.41	3,171,884,155.90

Legal Representative:
Xia Dechuan

*Person in charge of
accounting work:*
Shen Jianlong

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

INCOME STATEMENT

July–September 2017

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

Item	July–September 2017	July–September 2016
I. Operating income	51,300,986.77	38,570,595.91
Less: Operating cost	42,108,642.89	12,133,295.12
Taxes and surcharges	1,269,688.10	55,210.01
Selling expenses	869,851.69	1,486,436.18
Administrative expenses	30,693,374.91	23,656,352.65
Financial expenses	-778,505.36	-417,831.15
Loss on assets impairment	-560,457.19	-97,462.63
Add: Gain from change in fair value		
Investment income	7,925,437.20	36,574,159.74
Including: Income from investment in associates and joint ventures	4,282,495.87	1,430,323.27
Other income		
II. Operating profit	-14,376,171.07	38,328,755.47
Add: Non-operating income	5,634.04	6,770.68
Including: Gain from the disposal of non-current assets		
Less: Non-operating expenses	79,208.91	8,856.94
Including: Loss from the disposal of non-current assets	79,208.91	
III. Total profit	-14,449,745.94	38,326,669.21
Less: Income tax		
IV. Net profit	-14,449,745.94	38,326,669.21

Item	July–September 2017	July–September 2016
V. Net other comprehensive income after tax		
(I) 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		
(II) 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		
VI. Total comprehensive income	-14,449,745.94	38,326,669.21
VII. Earnings per share:		
(I) Basic earnings per share		
(II) Diluted earnings per share		
<i>Legal Representative:</i> Xia Dechuan	<i>Person in charge of account work:</i> Shen Jianlong	<i>Person in charge of the accounting department:</i> Liu Xianfang

INCOME STATEMENT*January–September 2017*Prepared by: Nanjing Panda Electronics Company Limited *Unit: RMB (Yuan)*

Item	January– September 2017	January– September 2016
I. Operating income	105,686,824.44	105,940,458.17
Less: Operating cost	72,202,227.32	60,307,206.72
Taxes and surcharges	4,127,559.56	1,182,108.85
Selling expenses	2,872,845.81	3,839,217.60
Administrative expenses	85,387,190.89	99,446,931.22
Financial expenses	-4,186,859.32	-1,593,259.14
Loss on assets impairment	-2,019,977.61	-39,832.67
Add: Gain from change in fair value		
Investment income	54,249,428.43	105,924,416.19
Including: Income from investment in associates and joint ventures	36,171,425.85	63,948,309.34
Other income		
II. Operating profit	1,553,266.22	48,722,501.78
Add: Non-operating income	94,337.15	47,867.90
Including: Gain from the disposal of non-current assets		1,045.05
Less: Non-operating expenses	272,165.44	2,557,807.50
Including: Loss from the disposal of non-current assets	211,536.93	53,712.46
III. Total profit	1,375,437.93	46,212,562.18
Less: Income tax		
IV. Net profit	1,375,437.93	46,212,562.18

Item	January– September 2017	January– September 2016
V. Net other comprehensive income after tax		
(I) 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		
(II) 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		
VI. Total comprehensive income	1,375,437.93	46,212,562.18
VII. Earnings per share:		
(I) Basic earnings per share		
(II) Diluted earnings per share		
<i>Legal Representative:</i> Xia Dechuan	<i>Person in charge of account work:</i> Shen Jianlong	<i>Person in charge of the accounting department:</i> Liu Xianfang

CASH FLOW STATEMENT

January–September 2017

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

Item	January– September 2017	January– September 2016
I. Cash flows from operating activities:		
Cash received from the sale of goods and rendering of services	94,382,918.33	96,379,714.20
Refunds of taxes	557,563.18	
Cash received relating to other operating activities	32,045,613.56	84,769,855.16
Sub-total of cash inflows from operating activities	126,986,095.07	181,149,569.36
Cash paid for purchase of goods and services received	62,276,472.97	53,796,352.49
Cash paid to and on behalf of employees	48,637,162.67	52,639,070.19
Cash paid for all types of taxes	14,251,631.91	9,693,052.01
Cash paid relating to other operating activities	39,413,537.42	162,160,702.23
Sub-total of cash outflows from operating activities	164,578,804.97	278,289,176.92
Net cash flows from operating activities	-37,592,709.90	-97,139,607.56

Item	January– September 2017	January– September 2016
II. Cash flows from investing activities:		
Cash received from disposal of investments		
Cash received from return on investments	83,568,444.58	188,638,985.84
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	106,000.00	
Net cash received from disposal of subsidiaries and other operating entities		
Cash received relating to other investment activities	<u>1,113,000,000.00</u>	<u>1,207,000,000.00</u>
Sub-total of cash inflows from investing activities	<u>1,196,674,444.58</u>	<u>1,395,638,985.84</u>
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	749,424.78	42,145.30
Cash paid for investments		5,000,000.00
Net cash paid for acquisition of subsidiaries and other operating entities		
Cash paid on other investment activities	<u>1,275,000,000.00</u>	<u>1,156,000,000.00</u>
Sub-total of cash outflows from investing activities	<u>1,275,749,424.78</u>	<u>1,161,042,145.30</u>
Net cash flows from investing activities	<u><u>-79,074,980.20</u></u>	<u><u>234,596,840.54</u></u>

Item	January– September 2017	January– September 2016
III. Cash flows from financing activities:		
Cash received from investments		
Cash received from borrowings		340,000,000.00
Cash received from other financing activities		
Sub-total of cash inflows from financing activities		340,000,000.00
Cash paid on repayment of borrowings		340,000,000.00
Cash paid on distribution of dividends, profits, or interest expenses	63,968,697.03	62,218,353.30
Cash paid on other financing activities		
Sub-total of cash outflows from financing activities	63,968,697.03	402,218,353.30
Net cash flows from financing activities	-63,968,697.03	-62,218,353.30
IV. Effect of fluctuations in exchange rates on cash and cash equivalents	-110.52	-32.45

Item	January– September 2017	January– September 2016
V. Net increase in cash and cash equivalents	-180,636,497.65	75,238,847.23
Add: Balance of cash and cash equivalents at the beginning of the period	<u>332,032,352.83</u>	<u>87,859,882.87</u>
VI. Balance of cash and cash equivalents at the end of the period	<u>151,395,855.18</u>	<u>163,098,730.10</u>
<i>Legal Representative:</i> Xia Dechuan	<i>Person in charge of accounting work:</i> Shen Jianlong	<i>Person in charge of the Accounting Department:</i> Liu Xianfang