

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

南京熊猫电子股份有限公司

NANJING PANDA ELECTRONICS COMPANY LIMITED

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

(Stock Code: 00553)

2015 THIRD 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 held on 30 October 2015 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.

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 (30 September 2015)	As at the end of the previous year (31 December 2014) After adjustment	Before adjustment	Changes from the end of the previous year (%)
Total assets	4,981,895,998.14	4,624,124,678.17	4,624,124,678.17	7.74
Net assets attributable to shareholders of the Company	3,232,442,937.35	3,178,952,959.93	3,178,952,959.93	1.68
	From the beginning of the year to the end of the reporting period (January-September 2015)	From the beginning of the previous year to the end of the reporting period of the previous year (January-September 2014) After adjustment	Before adjustment	Change as compared to the corresponding period of the previous year (%)
Net cash flow from operating activities	-70,509,046.54	-101,915,323.28	-144,614,278.04	N/A
	From the beginning of the year to the end of the reporting period (January-September 2015)	From the beginning of the previous year to the end of the reporting period of the previous year (January-September 2014) After adjustment	Before adjustment	Change as compared to the corresponding period of the previous year (%)
Operating income	2,501,741,321.41	2,480,063,251.29	1,833,987,005.14	0.87
Net profit attributable to shareholders of the Company	112,903,617.69	95,355,148.46	93,916,281.82	18.40
Net profit attributable to shareholders of the Company after extraordinary items	95,705,635.49	56,773,691.87	56,773,691.87	68.57
Return on net assets (weighted average)(%)	3.52	3.02	2.97	Increased by 0.5 percentage point
Basic earnings per share (yuan/share)	0.1235	0.1043	0.1028	18.40
Diluted earnings per share (yuan/share)	0.1235	0.1043	0.1028	18.40

Extraordinary items and amounts

☒ Applicable ☐ Not applicable

Unit: RMB (Yuan)

Item	Amount for the period (July-September 2015)	Amount from the beginning of the year to the end of the reporting period (January-September 2015)	Explanation
Profit and loss from disposal of non-current assets	140,465.16	-471,768.31	
Government subsidiaries 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)	1,603,484.00	1,771,000.00	
Gain/loss from entrusted investment	5,628,046.32	17,025,328.71	
Non-operating income and expenses other than the aforesaid items	-179,774.81	-125,646.59	
Impact on enterprise income tax	-257,676.20	-418,379.16	
Impact on minority interest (after-tax)	-195,774.51	-582,552.45	
Total	6,738,799.96	17,197,982.20	

2.2 Total number of shareholders, 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

Unit: Share

Total number of shareholders 42,058

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	Status of share	Pledged or frozen Number	Nature of shareholder
HKSCC (Nominees) Limited	241,409,569	26.42	0	Unknown		Overseas legal person
Panda Electronics Group Limited	210,661,444	23.05	0	Pledged	93,880,000	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		State-owned legal person
Nanjing Electronics Information Industrial Corporation	44,223,511	4.84	39,215,686	Unknown		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		State-owned legal person
CHINA LIFE INSURANCE COMPANY LIMITED-Profit sharing -Personal Insurance Profit Sharing005L-FH002(Hu)(中國人壽保險股份有限公司-分紅-個人分紅-005L-FH002滬)	7,639,933	0.84	0	Unknown		Other
National Social Security Fund Combination 114(全國社保基金一一四組合)	7,450,546	0.82	0	Unknown		Other
Li Na (李娜)	6,317,413	0.69	0	Unknown		Domestic natural person
Zhonghai Trust Co. Ltd-Zhonghai-Pujiang Zhixing No.177 assembled funds trust(中海信託股份有限公司-中海-浦江之星177號集合資金信託)	6,210,000	0.68	0	Unknown		Other
South Industry Assets Management Co., Ltd	5,000,000	0.55	0	Unknown		State-owned legal person

Shareholdings of the top ten 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	241,409,569	Overseas listed foreign shares	241,409,569
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
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
CHINA LIFE INSURANCE COMPANY LIMITED-Profit sharing -Personal Insurance Profit Sharing005L-FH002(Hu) (中國人壽保險股份有限公司-分紅-個人分紅-005L-FH002滬)	7,639,933	RMB denominated ordinary shares	7,639,933
National Social Security Fund Combination 114 (全國社保基金一一四組合)	7,450,546	RMB denominated ordinary shares	7,450,546
Li Na (李娜)	6,317,413	RMB denominated ordinary shares	6,317,413
Zhonghai Trust Co. Ltd-Zhonghai-Pujiang Zhixing No.177 assembled funds trust (中海信託股份有限公司-中海-浦江之星177號集合資金信託)	6,210,000	RMB denominated ordinary shares	6,210,000
Nanjing Electronics Information Industrial Corporation	5,007,825	RMB denominated ordinary shares	2,793,825
		Overseas listed foreign shares	2,214,000
		RMB denominated ordinary shares	
South Industry Assets Management Co., Ltd	5,000,000	RMB denominated ordinary shares	5,000,000

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

Nanjing Electronics Information Industrial Corporation (“NEIIC”) holds 100% equity interest in Panda Electronics Group Limited (“PEGL”, which holds 210,661,444 A shares of the Company, representing 23.05% of the total shares of the Company), the controlling shareholder of the Company. NEIIC directly holds 42,009,511 A shares and 2,214,000 H shares of the Company, representing 4.84% of the total number of shares. NEIIC directly and indirectly holds 27.89% of the shares of the Company. Save as aforesaid, the Company is not aware of any connected relationship or party acting in concert among other shareholders.

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 25 September 2014, 10 January 2015, 18 June 2015, 19 June 2015, 7 August 2015, 18 August 2015, 27 August 2015 and 27 October 2015. The shareholders of PEG L have completed the equity restructuring and procedures for such change. After the change, there is no change in both the controlling shareholder and de facto controller of the Company. As at the end of the reporting period, NEIC held 100% equity interest in PEG L and 4.84% equity interest in the Company while PEG L held 23.05% equity interest in 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

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

(1) Major changes in items of balance sheet:

Unit: RMB (Yuan)

Items	30 September 2015	31 December 2014	Changes (%)	Reasons
Accounts receivable	1,015,642,355.24	735,609,844.69	38.07	Mainly due to the income recognized in the period.
Interest receivable		47,886.55	-100.00	Mainly due to the decrease in interests accrued on the fixed-term deposits recognized in the period
Fixed assets	916,623,348.17	630,073,976.79	45.48	Mainly due to transfer of Phase I of Electronic Equipment Industrial Park to fixed assets upon meeting the predicted usable status
Construction in progress	65,751,144.78	269,882,125.43	-75.64	Mainly due to transfer of Phase I of Electronic Equipment Industrial Park to fixed assets upon meeting the predicted usable status
Development expenses	25,390,608.56	17,592,455.22	44.33	Due to the increase of expenses which could be capitalized as costs of intangible assets in the process of intangible assets development in the period
Long-term deferred expenses	6,282,785.73	2,673,980.57	134.96	Mainly due to the increase in the renovation expenses in the period

Items	30 September 2015	31 December 2014	Changes (%)	Reasons
Short-term borrowings		30,000,000.00	-100.00	Mainly due to the repayment of short-term borrowings in the period
Bills payable	124,784,811.50	83,633,487.09	49.20	Mainly due to the increase in the accounts payable settled by notes in the period
Accounts payable	1,043,467,304.31	772,053,064.98	35.15	Mainly due to the increase in procurement in the period
Salaries payable	19,397,284.33	37,436,284.69	-48.19	Mainly due to the payment of salary and bonus as scheduled
Taxes Payable	-919,710.68	20,861,633.84	-104.41	Mainly due to the payment of corporate income tax as scheduled by the Company and export rebates
Dividends payable	11,717,523.29	3,489,019.43	235.84	Mainly due to the dividends payable by subsidiaries to its minority shareholders
Other current liabilities	3,032,600.00	5,468,600.00	-44.55	Mainly due to the project subsidy recognized under the PRC Accounting Standards for Business Enterprises.

(2) Major changes in items of income statement:

Unit: RMB (Yuan)

Items	January- September 2015	January- September 2014	Changes (%)	Reasons
Loss in assets impairment	1,581,678.15	9,606,756.65	-83.54	Mainly due to the decrease in provision for diminution in value of inventories by the Company in accordance with the PRC Accounting Standards for Business Enterprises in the period as compared with the previous period.
Investment income	131,268,576.95	78,391,827.08	67.45	Mainly due to the increase in profit of associates recognized under equity method in the period
Non-operating income	8,826,864.79	42,396,407.39	-79.18	Mainly due to the increase in income from subsidies for research and development (R&D) projects recognized in the previous period
Non-operating expenses	2,004,619.09	1,499,763.81	33.66	Mainly due to the increase in loss arising from disposal of non-current assets in the period
Income tax expenses	23,097,106.77	14,622,072.45	57.96	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- September 2015	January- September 2014	Changes (%)	Reasons
Net cash flows from operating activities	-70,509,046.54	-101,915,323.28	N/A	Mainly due to the increase in cash received from higher sales in the period as compared with the previous period
Net cash flows from investment activities	228,941,870.57	-596,254,258.98	N/A	Mainly due to the dividends from the associated companies and purchase of wealth management products
Net cash flows from financing activities	-134,986,548.18	11,537,499.43	-1,269.98	Mainly due to repayment of the short-term loans in the period

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

☒ Applicable ☐ Not applicable

- (I) 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. As at the end of the reporting period, the said relocation resulted in an increase in profit of RMB11,677,600 in the non-recurring profit and loss of the Company.

- (II) 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 1 September 2015. Nanjing Panda Electronics Manufacturing Co., Ltd. (“Electronic Manufacture Company”), a controlled subsidiary of the Company, and China Electronics Commercial Financial Leasing Co., Ltd. entered into a Non-recourse Factoring Agreement in relation to the provision of non-recourse factoring services for the accounts receivable between Electronic Manufacture Company and CEC Panda LCD Technology Co., Ltd, with revolving factoring facilities of RMB150,000,000. The term of the agreement is one year. The transaction was conducted in the usual course of business of the Company and on normal commercial terms, following principles of openness, fairness and justice and with no prejudice to the interest of the Company and its minority shareholders. As at 30 October 2015, the factoring facilities utilized by Electronic Manufacture Company amounted to RMB27,950,000, not exceeding the cap as approved by the board of directors 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 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 PEG, 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."
5. Reference is made to the Audit Report of Profit Budget on the Consolidation of Shenzhen Jingwah Electronics Co., Ltd. (Tian Zhi Ye Zi [2014] No.10561) on 28 August 2014 in relation to significant asset restructuring matters of the Company's acquisition of 5.07% equity in Shenzhen Jingwah. Pursuant to the related regulation of significant asset restructuring, the Company prepared the Explanation of the Achievement of 2014 Annual Profit Prediction of Shenzhen Jingwah Electronics Co., Ltd. and reviewed the Specific Audit Report on Achievement of 2014 Annual Profit Prediction of Nanjing Panda Electronics Company Limited (Tian Zhi Ye Zi [2015] No.6927-6) by Baker Tilly China Certified Public Accountants (Special General Partnership), Shenzhen Jingwah has fulfilled its 2014 annual profit forecast. For details, please refer to the related announcement published on the website of Shanghai Stock Exchange on 31 March 2015.

For the content, time and term of the aforesaid commitment, please refer to the 2014 Annual Report of Nanjing Panda Electronics Company Limited (VI. Significant Events 8. Commitments) published by the Company on the website of Shanghai Stock Exchange on 31 March 2015 and the website of the Hong Kong Stock Exchange on 29 April 2015.

6. Due to the abnormal fluctuation of the domestic stock market on 9 July 2015, the Company received declaration documents from CEC as follows: (1) as a responsible shareholder, CEC will proactively take social responsibilities and will not decrease its shareholding in the listed company during the abnormal fluctuation period in stock markets. (2) CEC made commitment to actively explore and execute measures including repurchase, increasing shares, etc. within the permitted scope of law and regulations; to increase shareholding of shares in the listed company when the stock price has considerably deviated from its share value, in order to protect the benefit of investors. (3) CEC will continue to improve the quality of the listed company through asset restructuring and capital injection, supporting the economic structural adjustment and industrial transformation and equip the listed company with an upgraded healthy and comprehensive long-term reward mechanism to achieve continuous improvement of the return level of investors.
7. On 9 July 2015, due to the abnormal fluctuation of the domestic stock market, the Company received the Notice in Relation to the Increase of Shareholding in Nanjing Panda Electronics Company Limited from NEIIC on issues as follows: (1) to propose appointing securities company(ies) and fund management company(ies) to increase the Company's shareholding in A Shares of the Company through target asset management. The monetary amount in such increase is expected to be no less than RMB150 million; (2) to increase shareholding in the H Shares of the Company according to the securities market situation in the following 12 months in a timely manner pursuant to the related regulations by CSRC and SFC.

As of 30 October 2015, CEC, NEIIC and PEGGL confirmed that undertakings had been strictly fulfilled by each of the parties.

8. On 17 August 2015, the Company received letters of undertakings from China Huarong and China Great Wall respectively. Upon the completion of the equity restructuring of the PEGGL, China Huarong will hold 82,811,667 A Shares in the Company, accounting for 9.06% of the total share capital; China Great Wall will hold 14,172,397 A Shares in the Company, accounting for 1.55% of the total share capital. China Huarong and China Great Wall committed that within 6 months after the transfer date, China Huarong and China Great Wall will not decrease or transfer any shares held; after the period of 6 months, the two companies will execute by complying with relevant laws and regulations and related requirements of CSRC.

As at 30 October 2015, China Huarong and China Great Wall confirmed that undertakings had been strictly fulfilled by each of the parties.

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 of Directors
Nanjing Panda Electronics Company Limited
Xia Dechuan
Director

Nanjing, the People's Republic of China
30 October 2015

As at the date of this announcement, the board of directors comprises Executive Directors: Mr. Lai Weide, Mr. Xu Guofei and Mr. Xia Dechuan; Non-executive Directors: Mr. Yu Yanqiu, Mr. Deng Weiming and Mr. Lu Qing; and Independent Nonexecutive Directors: Ms. Du Jie, Mr. Chu Wai Tsun, Vincent and Mr. Zhang Chun.

4. APPENDIX

CONSOLIDATED BALANCE SHEET

30 September 2015

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

Assets	Closing balance	Opening balance
Current assets:		
Cash and bank balances	942,358,205.26	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	146,634,802.53	195,887,244.86
Accounts receivables	1,015,642,355.24	735,609,844.69
Prepayments	150,269,545.54	149,271,039.10
Premiums receivable	—	—
Reinsurance receivables	—	—
Reinsurance contract reserve receivables	—	—
Interest receivable	—	47,886.55
Dividends receivable	—	—
Other receivables	119,087,909.75	129,496,602.33
Financial assets purchased for resale	—	—
Inventories	634,593,298.79	510,570,319.97
Assets classified as held for sale	—	—
Non-current assets due within one year	—	—
Other current assets	480,000,000.00	550,000,000.00
Total current assets	3,488,586,117.11	3,098,866,011.57

Assets	Closing balance	Opening balance
Non-current assets:		
Loans and advances	—	—
Available-for-sale financial assets	3,650,000.00	3,650,000.00
Held-to-maturity investments	—	—
Long-term receivables	—	—
Long-term equity investment	376,987,502.41	501,710,254.17
Investment properties	11,035,257.18	10,572,698.60
Fixed assets	916,623,348.17	630,073,976.79
Construction in progress	65,751,144.78	269,882,125.43
Construction supplies	—	—
Clearance of fixed assets	—	—
Biological assets for production	—	—
Fuel assets	—	—
Intangible assets	80,839,040.84	82,342,946.12
Development expenses	25,390,608.56	17,592,455.22
Goodwill	—	—
Long-term deferred expenses	6,282,785.73	2,673,980.57
Deferred income tax assets	6,750,193.36	6,760,229.70
Other non-current assets	—	—
Total non-current assets	<u>1,493,309,881.03</u>	<u>1,525,258,666.60</u>
Total assets	<u>4,981,895,998.14</u>	<u>4,624,124,678.17</u>

Legal Representative:
Xia Dechuan

*Person in charge of
accounting work:*
Shen Jianlong

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

CONSOLIDATED BALANCE SHEET (CONTINUED)

30 September 2015

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

Liabilities and shareholders' equity	Closing balance	Opening balance
Current liabilities:		
Short-term loans	–	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	124,784,811.50	83,633,487.09
Accounts payables	1,043,467,304.31	772,053,064.98
Advances from customers	169,239,774.93	136,414,078.49
Financial assets sold under repurchase agreements	–	–
Handling charges and commission payable	–	–
Salaries payable	19,397,284.33	37,436,284.69
Taxes payable	-919,710.68	20,861,633.84
Interest payable	–	–
Dividends payable	11,717,523.29	3,489,019.43
Other payables	167,115,528.81	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	3,032,600.00	5,468,600.00
Total current liabilities	<u>1,537,835,116.49</u>	<u>1,223,257,760.51</u>

Liabilities and shareholders' equity	Closing balance	Opening balance
Non-current liabilities:		
Long-term loans	—	—
Bonds payable	—	—
Long-term payables	—	—
Long-term employee salary payable	20,723,738.69	17,250,831.64
Specific payables	—	—
Accrued liabilities	—	—
Deferred income	—	—
Deferred income tax liabilities	115,422.26	154,681.89
Other non-current liabilities	—	—
Total non-current liabilities	20,839,160.95	17,405,513.53
Total liabilities	1,558,674,277.44	1,240,663,274.04
Shareholders' equity:		
Share capital	913,838,529.00	913,838,529.00
Other equity instruments	—	—
Capital reserve	1,464,338,742.66	1,463,439,040.01
Less: treasury stock	—	—
Other comprehensive income	—	—
Special reserve	—	—
Surplus reserve	234,802,138.28	234,802,138.28
General risk reserve	—	—
Undistributed profits	619,463,527.41	566,873,252.64
Sub-total of equity attributable to the shareholders of the parent company	3,232,442,937.35	3,178,952,959.93
Minority interests	190,778,783.35	204,508,444.20
Total shareholders' equity	3,423,221,720.70	3,383,461,404.13
Total liabilities and shareholders' equity	4,981,895,998.14	4,624,124,678.17

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 2015

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB (Yuan)

Item	Amount for the period	Amount for the same period last year
I. Total operating income	854,006,552.07	910,621,408.48
Including: Operating income	854,006,552.07	910,621,408.48
Interest income		
Premiums earned		
Income from handling charges and commissions		
II. Total operating cost	832,613,435.15	894,884,122.46
Including: Operating cost	700,503,228.83	775,022,064.16
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	5,710,477.03	6,484,731.35
Selling expenses	12,526,777.41	12,051,230.05
Administrative expenses	117,589,766.44	103,976,396.21
Financial expenses	-4,634,354.80	-3,346,975.46
Loss on assets impairment	917,540.24	696,676.15
Add: Gain from change in fair value (losses are represented by “-”)	—	
Investment income (losses are represented by “-”)	22,485,478.00	4,790,935.05

Item	Amount for the period	Amount for the same period last year
Including: Income from investment in associates and joint ventures	16,857,431.68	-349,456.15
Exchange gain (losses are represented by “-”)		
III. Operating profit (losses are represented by “-”)	43,878,594.92	20,528,221.07
Add: Non-operating income	4,975,481.70	5,060,634.61
Including: Gains from the disposal of non-current assets	158,103.92	162,471.28
Less: Non-operating expenses	243,439.55	1,124,350.65
Including: Loss from the disposal of non-current assets	16,638.76	8,177.88
IV. Total profit (total losses are represented by “-”)	48,610,637.07	24,464,505.03
Less: Income tax	7,706,490.48	2,069,973.86
V. Net Profit (net losses are represented by “-”)	40,904,146.59	22,394,531.17
Net profit attributable to the equity holders of the parent company	25,277,728.89	9,619,923.22
Minority interests	15,626,417.70	12,774,607.95

Item	Amount for the period	Amount for the same period last year
VI. Net other comprehensive income after tax		
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		
(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		

Item	Amount for the period	Amount for the same period last year
VII. Total comprehensive income	40,904,146.59	22,394,531.17
Total comprehensive income attributable to the equity holders of the parent company	25,277,728.89	9,619,923.22
Total comprehensive income attributable to minority shareholders	15,626,417.70	12,774,607.95
VIII. Earnings per share		
(1) Basic earnings per share	0.0277	0.0105
(2) Diluted earnings per share	0.0277	0.0105
<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 2015

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB (Yuan)

Item	Amount for the period	Amount for the same period last year
I. Total operating income	2,501,741,321.41	2,480,063,251.29
Including: Operating income	2,501,741,321.41	2,480,063,251.29
Interest income	—	—
Premiums earned	—	—
Income from handling charges and commissions	—	—
II. Total operating cost	2,466,238,944.53	2,453,065,786.14
Including: Operating cost	2,108,550,808.64	2,117,530,596.46
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	22,407,796.97	21,731,957.33
Selling expenses	34,607,129.33	34,902,336.88
Administrative expenses	306,522,070.10	276,895,164.14
Financial expenses	-7,430,538.66	-7,601,025.32
Loss on assets impairment	1,581,678.15	9,606,756.65
Add:		
Gain from change in fair value (losses are represented by “-”)	—	—
Investment income (losses are represented by “-”)	131,268,576.95	78,391,827.08
Including: Income from investment in associates and joint ventures	114,243,248.24	67,114,397.58
Exchange gain (losses are represented by “-”)	—	—

Item	Amount for the period	Amount for the same period last year
III. Operating profit		
(losses are represented by “-”)	166,770,953.83	105,389,292.23
Add: Non-operating income	8,826,864.79	42,396,407.39
Including: Gain from the disposal of non-current assets	1,074,294.76	181,634.69
Less: Non-operating expenses	2,004,619.09	1,499,763.81
Including: Loss from the disposal of non-current assets	1,545,063.07	197,896.19
IV. Total profit (total losses are represented by “-”)	173,593,199.53	146,285,935.81
Less: Income tax	23,097,106.77	14,622,072.45
V. Net Profit (net losses are represented by “-”)	150,496,092.76	131,663,863.36
Net profit attributable to the equity holders of the parent company	112,903,617.69	95,355,148.46
Minority interests	37,592,475.07	36,308,714.90
VI. Net other comprehensive income after tax		
Net other comprehensive income after tax attributable to shareholders of the parent company	—	—
(1) 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	—	—

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	—	—
VII. Total comprehensive income	150,496,092.76	131,663,863.36
Total comprehensive income attributable to the equity holders of the parent company	112,903,617.69	95,355,148.46
Total comprehensive income attributable to minority shareholders	37,592,475.07	36,308,714.90
VIII. Earnings per share		
(1) Basic earnings per share	0.1235	0.1043
(2) Diluted earnings per share	0.1235	0.1043
<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 to September 2015

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB (Yuan)

Item	Amount for the period	Amount for the same period last year
I. Cash flows from operating activities:		
Cash received from the sale of goods and rendering of services	2,928,220,629.63	2,494,946,188.23
Net increase in customer and interbank deposits		
Net increase in borrowing from PBOC		
Net cash 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	46,299,386.11	43,414,430.86
Cash received relating to other operating activities	119,653,515.11	65,415,775.26
Sub-total of cash inflows from operating activities	3,094,173,530.85	2,603,776,394.35

Item	Amount for the period	Amount for the same period last year
Cash paid for purchase of goods and services received	2,347,326,421.82	2,156,896,589.29
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	320,823,607.49	307,093,142.33
Cash paid for all types of taxes	165,437,505.27	122,790,271.33
Cash paid relating to other operating activities	331,095,042.81	118,911,714.68
Sub-total of cash outflows from operating activities	3,164,682,577.39	2,705,691,717.63
Net cash flows from operating activities	-70,509,046.54	-101,915,323.28

Item	Amount for the period	Amount for the same period last year
II. Cash flows from investing activities:		
Cash received from disposal of investments	–	
Cash received from return on investments	255,991,328.71	57,411,257.58
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	4,051,250.62	515,963.84
Net cash received from disposal of subsidiaries and other operating entities	–	–
Cash received relating to other investment activities	2,029,500,000.00	3,329,000,000.00
Sub-total of cash inflows from investing activities	2,289,542,579.33	3,386,927,221.42
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	101,100,708.76	156,181,480.40
Cash paid for investments	–	–
Net increase in secured loans		
Net cash paid for acquisition of subsidiaries and other operating entities	–	–
Cash paid on other investment activities	1,959,500,000.00	3,827,000,000.00
Sub-total of cash outflows from investing activities	2,060,600,708.76	3,983,181,480.40
Net cash flows from investing activities	228,941,870.57	-596,254,258.98

Item	Amount for the period	Amount for the same period last year
III. Cash flows from financing activities:		
Cash received from investments	–	–
Including: cash received by subsidiaries from minority shareholders’ investment	–	–
Cash received from borrowings	230,000,000.00	230,000,000.00
Cash received from issuing bonds		
Cash received from other financing activities	–	–
Sub-total of cash inflows from financing activities	230,000,000.00	230,000,000.00
Cash paid on repayment of borrowings	260,000,000.00	129,000,000.00
Cash paid on distribution of dividends or profits, or interest expenses	94,988,672.91	85,655,706.71
Including: dividend and profit paid to minority shareholders by subsidiaries	30,724,163.34	21,691,063.80
Cash paid on other financing activities	9,997,875.27	3,806,793.86
Sub-total of cash outflows from financing activities	364,986,548.18	218,462,500.57
Net cash flows from financing activities	-134,986,548.18	11,537,499.43
IV. Effect of fluctuations in exchange rates on cash and cash equivalents	-5,145,782.81	12,571.37
V. Net increase in cash and cash equivalents	18,300,493.04	-686,619,511.46
Add: balance of cash and cash equivalents at the beginning of the period	712,357,169.28	1,495,158,809.60
VI. Balance of cash and cash equivalents at the end of the period	730,657,662.32	808,539,298.14

*Person in charge of
accounting work:*
Shen Jianlong

*Legal Representative of
the Company:*
Xia Dechuan

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

BALANCE SHEET*30 September 2015*Prepared by: Nanjing Panda Electronics Company Limited *Unit: RMB (Yuan)*

Assets	Closing balance	Opening balance
Current assets:		
Cash and bank balances	110,609,958.71	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	11,000,000.00	300,000.00
Accounts receivables	99,232,609.28	81,504,053.04
Prepayments	1,688,439.78	1,559,561.86
Premiums receivable	—	—
Reinsurance receivables	—	—
Reinsurance contract reserve receivables	—	—
Interest receivable	—	—
Dividends receivable	1,973,887.56	1,973,887.56
Other receivables	282,250,988.36	207,485,130.55
Financial assets purchased for resale	—	—
Inventories	16,176,425.78	16,804,006.58
Assets classified as held for sale	—	—
Non-current assets due within one year	—	—
Other current assets	440,000,000.00	540,000,000.00
Total current assets	962,932,309.47	931,733,947.26

Assets	Closing balance	Opening balance
Non-current assets:		
Loans and advances	—	—
Available-for-sale financial assets	3,650,000.00	3,650,000.00
Held-to-maturity investments	—	—
Long-term receivables	—	—
Long-term equity investment	1,829,217,201.06	1,927,015,109.72
Investment properties	—	—
Fixed assets	358,056,142.31	375,713,101.66
Construction in progress	7,685,469.81	349,018.87
Construction supplies	—	—
Clearance of fixed assets	—	—
Biological assets for production	—	—
Fuel assets	—	—
Intangible assets	13,701,676.61	14,388,869.54
Development expenses	—	—
Goodwill	—	—
Long-term deferred expenses	—	—
Deferred income tax assets	—	—
Other non-current assets	—	—
Total non-current assets	<u>2,212,310,489.79</u>	<u>2,321,116,099.79</u>
Total assets	<u>3,175,242,799.26</u>	<u>3,252,850,047.05</u>

Legal Representative:
Xia Dechuan

*Person in charge of
accounting work:*
Shen Jianlong

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

BALANCE SHEET (CONTINUED)*30 September 2015*Prepared by: Nanjing Panda Electronics Company Limited *Unit: RMB (Yuan)*

Liabilities and shareholders' equity	Closing balance	Opening balance
Current liabilities:		
Short-term loans	—	—
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	2,584,105.47	4,746,292.55
Accounts payables	34,054,916.76	28,311,456.42
Advances from customers	3,935,650.00	80,370.00
Financial assets sold under repurchase agreements	—	—
Handling charges and commission payable	—	—
Salaries payable	5,988,548.59	5,446,383.76
Taxes payable	7,110,729.88	7,190,572.47
Interest payable	—	—
Dividends payable	—	—
Other payables	283,090,375.34	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	2,532,600.00	4,272,600.00
Total current liabilities	339,296,926.04	429,269,494.13

Liabilities and shareholders' equity	Closing balance	Opening balance
Non-current liabilities:		
Long-term loans	—	—
Bonds payable	—	—
Long-term payables	—	—
Long-term employee salary payable	8,133,900.61	4,853,882.58
Specific payables	—	—
Accrued liabilities	—	—
Deferred income	—	—
Deferred income tax liabilities	—	—
Other non-current liabilities	—	—
Total non-current liabilities	8,133,900.61	4,853,882.58
Total liabilities	347,430,826.65	434,123,376.71
Shareholders' equity:		
Share capital	913,838,529.00	913,838,529.00
Other equity instruments	—	—
Capital reserve	1,434,870,834.28	1,434,870,834.28
Less: treasury stock	—	—
Other comprehensive income	—	—
Special reserve	—	—
Surplus reserve	234,802,138.28	234,802,138.28
General risk reserve	—	—
Undistributed profits	244,300,471.05	235,215,168.78
Total shareholders' equity	2,827,811,972.61	2,818,726,670.34
Total liabilities and shareholders' equity	3,175,242,799.26	3,252,850,047.05

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 2015

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB (Yuan)

Item	Amount for the period	Amount for the same period last year
I. Total operating income	22,401,188.28	17,785,703.35
Including: Operating income	22,401,188.28	17,785,703.35
Interest income		
Premiums earned		
Income from handling charges and commissions		
II. Total operating cost	52,835,314.01	49,394,496.52
Including: Operating cost	15,759,583.74	11,910,860.06
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	114,062.97	142,207.62
Selling expenses	895,293.49	870,700.51
Administrative expenses	35,394,195.22	39,092,087.56
Financial expenses	672,178.59	-2,254,479.80
Loss on assets impairment	—	-366,879.43
Add: Gain from change in fair value (losses are represented by “-”)	—	—
Investment income (losses are represented by “-”)	46,727,510.86	10,027,347.92
Including: Income from investment in associates and joint ventures	16,995,629.59	5,820,698.60
Exchange gain (losses are represented by “-”)		

Item	Amount for the period	Amount for the same period last year
III. Operating profit	16,293,385.13	-21,581,445.25
(losses are represented by “-”)	2,554,535.08	861,227.37
Add: Non-operating income	13,205.08	–
Including: Gain from the disposal of non-current assets	46,950.09	559,595.39
	16,582.84	–
Less: Non-operating expenses	18,800,970.12	-21,279,813.27
Including: Loss from the disposal of non-current assets	–	–
	18,800,970.12	-21,279,813.27
IV. Total profit (total losses are represented by “-”)		
Less: Income tax		
V. Net Profit (net losses are represented by “-”)		
VI. Net other comprehensive income after tax		
(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		

VII. Total comprehensive income	18,800,970.12	-21,279,813.27
--	----------------------	-----------------------

VIII. Earnings per share

- (1) Basic earnings per share
- (2) 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 2015

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB (Yuan)

Item	Amount for the period	Amount for the same period last year
I. Total operating income	59,826,528.60	60,196,984.52
Including: Operating income	59,826,528.60	60,196,984.52
Interest income	—	—
Premiums earned	—	—
Income from handling charges and commissions	—	—
II. Total operating cost	147,481,653.91	150,223,767.05
Including: Operating cost	36,233,547.29	37,747,288.02
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	1,793,577.57	2,496,694.41
Selling expenses	2,984,112.03	3,175,109.77
Administrative expenses	102,222,837.80	113,759,504.58
Financial expenses	1,578,452.55	-6,226,000.08
Loss on assets impairment	2,669,126.67	-728,829.65
Add: Gain from change in fair value (losses are represented by “-”)	—	—
Investment income (losses are represented by “-”)	154,272,375.84	98,603,876.49
Including: Income from investment in associates and joint ventures	114,168,091.34	84,569,036.76
Exchange gain (losses are represented by “-”)	—	—

Item	Amount for the period	Amount for the same period last year
III. Operating profit		
(losses are represented by “-”)	66,617,250.53	8,577,093.96
Add: Non-operating income	2,910,369.47	924,365.65
Including: Gain from the disposal of non-current assets	366,874.66	—
Less: Non-operating expenses	128,974.81	560,524.39
Including: Loss from the disposal of non-current assets	98,600.86	450.00
IV. Total profit (total losses are represented by “-”)	69,398,645.19	8,940,935.22
Less: Income tax	—	—
V. Net Profit (net losses are represented by “-”)	69,398,645.19	8,940,935.22
VI. Net other comprehensive income after tax		
(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	—	—
VII. Total comprehensive income	69,398,645.19	8,940,935.22
VIII. Earnings per share		
(1) Basic earnings per share	—	—
(2) 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 2015

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB (Yuan)

Item	Amount for the period	Amount for the same period last year
I. Cash flows from operating activities:		
Cash received from the sale of goods and rendering of services	39,820,123.22	49,873,662.20
Net increase in customer and interbank deposits		
Net increase in borrowing from PBOC		
Net cash 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	54,238,843.05	29,004,146.00
Sub-total of cash inflows from operating activities	94,058,966.27	78,877,808.20

Item	Amount for the period	Amount for the same period last year
Cash paid for purchase of goods and services received	29,359,273.95	32,242,129.45
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	46,044,288.50	44,147,351.95
Cash paid for all types of taxes	8,396,014.88	6,356,709.39
Cash paid relating to other operating activities	264,992,843.09	197,725,410.92
Sub-total of cash outflows from operating activities	348,792,420.42	280,471,601.71
Net cash flows from operating activities	-254,733,454.15	-201,593,793.51

Item	Amount for the period	Amount for the same period last year
II. Cash flows from investing activities:		
Cash received from disposal of investments	–	–
Cash received from return on investments	279,070,284.50	66,464,043.33
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	19,000.00	–
Net cash received from disposal of subsidiaries and other operating entities	–	–
Cash received relating to other investment activities	1,555,000,000.00	2,355,000,000.00
Sub-total of cash inflows from investing activities	1,834,089,284.50	2,421,464,043.33
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	7,564,019.74	7,761,594.91
Cash paid for investments	27,000,000.00	141,000,000.00
Net increase in secured loans		
Net cash paid for acquisition of subsidiaries and other operating entities	–	–
Cash paid on other investment activities	1,455,000,000.00	2,875,000,000.00
Sub-total of cash outflows from investing activities	1,489,564,019.74	3,023,761,594.91
Net cash flows from investing activities	344,525,264.76	-602,297,551.58

Item	Amount for the period	Amount for the same period last year
III. Cash flows from financing activities:		
Cash received from investments	–	–
Including: cash received by subsidiaries from minority shareholders' investment		
Cash received from borrowings	230,000,000.00	150,000,000.00
Cash received from issuing bonds		
Cash received from other financing activities	–	–
Sub-total of cash inflows from financing activities	230,000,000.00	150,000,000.00
Cash paid on repayment of borrowings	230,000,000.00	50,000,000.00
Cash paid on distribution of dividends, profits, or interest expenses	63,699,509.57	62,151,676.25
Including: dividend and profit paid to minority shareholders by subsidiaries		
Cash paid on other financing activities	–	–
Sub-total of cash outflows from financing activities	293,699,509.57	112,151,676.25
Net cash flows from financing activities	-63,699,509.57	37,848,323.75
IV. Effect of fluctuations in exchange rates on cash and cash equivalents	244.35	-39.89
V. Net increase in cash and cash equivalents	26,092,545.39	-766,043,061.23
Add: balance of cash and cash equivalents at the beginning of the period	80,208,790.62	890,098,522.88
VI. Balance of cash and cash equivalents at the end of the period	106,301,336.01	124,055,461.65

Legal Representative:
Xia Dechuan

Person in charge of
accounting work:
Shen Jianlong

Person in charge of the
Accounting Department:
Liu Xianfang