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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)

## **2014 FIRST QUARTERLY REPORT**

### **1. IMPORTANT NOTICE**

- 1.1 The board of directors, the supervisory committee, and the directors, supervisors, and senior management of the Company confirm that the information in this 2014 First Quarterly Report does not contain any misrepresentation, misleading statement, or material omission, and severally and jointly accept responsibility.
- 1.2 All directors attended the Board meeting convened on 29 April 2014.
- 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, have declared the truthfulness and completeness of the financial statements contained in the 2014 First Quarterly Report.
- 1.4 The Company's financial statements for the first quarter of 2014 were unaudited.

## 2. MAJOR FINANCIAL DATA AND CHANGE IN SHAREHOLDERS

### 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 2014)	As at the end of the previous year (31 December 2013)	Changes from the end of the previous year (%)
Total assets	4,196,849,164.47	4,138,059,514.52	1.42
Net assets attributable to shareholders of the Company	3,149,216,242.45	3,122,698,040.70	0.85
	From the beginning of the year to the end of the reporting period (January – March 2014)	From the beginning of the previous year to the end of the reporting period of the previous year (January – March 2013)	Change as compared to the corresponding period of the previous year (%)
Net cash flow from operating activities	15,732,311.80	-140,817,059.33	N/A

	From the beginning of the year to the end of the reporting period (January – March 2014)	From the beginning the previous year to the end of the reporting period of the previous year (January – March 2013)	Change as compared to the corresponding period of the previous year (%)
Operating income	<b>579,190,554.20</b>	430,370,588.32	34.58
Net profit attributable to shareholders of the Company	<b>26,518,201.75</b>	22,718,476.90	16.73
Net profit attributable to shareholders of the Company after extraordinary items	<b>23,085,208.75</b>	16,355,744.60	41.14
Return on net assets (weighted average) (%)	<b>0.85</b>	1.34	Decreased by 0.49 percentage point
Basic earnings per share ( <i>RMB/share</i> )	<b>0.0290</b>	0.0347	–16.33
Diluted earnings per share ( <i>RMB/share</i> )	<b>0.0290</b>	0.0347	–16.33

## Net of extraordinary items and amounts (January – March 2014)

*Unit: RMB (Yuan)*

<b>Item</b>	<b>Amount for the period</b>
Profit and loss from disposal of non-current assets	312.04
Government grants (except for the grants which are closely related to the Company's business and consistently have the standard amount and quantities in accordance with the state policies) attributable to gains and losses for the period	293,000.00
Gain/loss from entrusted investment	3,241,328.78
Non-operating net income and expenses other than the aforesaid items	-34,377.65
Impact on enterprise income tax	-85,556.78
Impact on minority interest (after-tax)	18,286.61
Total	<u><u>3,432,993.00</u></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 2014)**

*Unit: Share*

Total number of shareholders as at the end of the reporting period	18,717, including 18,671 holders of A shares and 46 holders of H shares
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## Shareholdings of the top 10 shareholders

Name of shareholders	Type of shareholders	Percentage of Shareholding (%)	Number of shares held	Number of shares held subject to trading moratorium	Number of shares pledged or frozen
Panda Electronics Group Limited	State-owned legal person	36.63	334,715,000		167,350,000
HKSCC (Nominees) Limited	Overseas legal person	26.37	241,007,299		Unknown
Nanjing Ruisen Investment Management Partnership Enterprise (Limited Partnership)	Domestic non-state-owned legal person	5.58	51,000,000	51,000,000	51,000,000
Nanjing Electronics Information Industrial Corporation	State-owned legal person	4.29	39,215,686	39,215,686	Unknown
Jiangsu GTIG Huading Investment Co., Ltd	Domestic non-state-owned legal person	3.83	35,000,000	35,000,000	Unknown
Caitong Fund Company — Ping An — Ping An Trust — Ping An Fortune —Chuangying Phase I No.38 Collective Funds Trust	Other	3.28	30,000,000	30,000,000	Unknown
Beijing Infrastructure Investment Co., Ltd.	State-owned legal person	2.85	26,000,000	26,000,000	Unknown
South Industry Assets Management Co., Ltd.	State-owned legal person	2.76	25,200,000	25,200,000	Unknown
Tibet Autonomous Region Investment Co., Ltd.	State-owned legal person	2.74	25,000,000	25,000,000	Unknown
Tibet Shan Nan Zhong He Investment Management Centre (Limited Partnership)	Domestic non-state-owned legal person	1.07	9,803,921	9,803,921	Unknown

## 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 as at the end of reporting period	Class of shares
Panda Electronics Group Limited ( “PEGL”)	334,715,000	RMB denominated ordinary shares
HKSCC (Nominees) Limited	241,007,299	Overseas listed foreign shares
Huang Jitang	2,220,081	RMB denominated ordinary shares
Beijing International Trust Co., Ltd. —Yinchi No. 6 Securities Investment Fund Trust (北京國際信託有限公司—銀馳6號證券 投資資金信託)	1,431,731	RMB denominated ordinary shares
Peng Hongwan	1,029,726	RMB denominated ordinary shares
Yang Chunyan	648,923	RMB denominated ordinary shares
Chen Yongzhu	500,000	RMB denominated ordinary shares
Zheng Xinhua	480,000	RMB denominated ordinary shares
Tu Jiugen	462,156	RMB denominated ordinary shares
Wang Caihong	431,807	RMB denominated ordinary shares
Description of the connected relationship or party acting in concert among the aforesaid shareholders	Nanjing Electronic Information Industrial Corporation (“NEIIC”) holds 56.85% equity interest in Panda Electronics Group Limited (“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. Save as disclosed above, the Company is not aware of any connected relationship or party acting in concert among other shareholders.	

### 3. SIGNIFICANT EVENTS

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

☒ Applicable      ☐ Not applicable

##### 3.1.1 Major changes in items of the balance sheet:

*Unit: RMB (Yuan)*

Items	31 March 2014	31 December 2014	Changes (%)
Cash and bank balances	870,577,310.80	1,379,826,018.92	-36.91
Trading financial assets	385,000,000.00	0	N/A
Bills receivable	83,443,325.50	120,212,031.70	-30.59
Prepayments	177,189,434.66	130,692,769.39	35.58
Short-term loans	27,000,000.00	99,000,000.00	-72.73
Taxes payable	-2,764,788.52	19,941,903.30	-113.86
Interest payable	0.00	83,333.33	-100.00

Explanation of the changes:

- (1) The decrease in cash and bank balances was mainly due to the use of temporarily idle proceeds to purchase bank wealth management products of a principal-preservation nature by the Company;
- (2) The increase in trading financial assets was mainly due to the use of temporarily idle proceeds to purchase bank wealth management products of a principal-preservation nature by the Company;
- (3) The decrease in bills receivable was mainly due to more bills being honored when falling due and payments made in bills;
- (4) The increase in prepayments was mainly due to the increase in advance payments for purchase of raw materials;
- (5) The decrease in short-term loans was mainly due to the repayment of short-term loans by the Company;
- (6) The decrease in taxes payable was mainly due to the payment of taxes and more taxes arising from purchasing of inventories during the period;
- (7) The decrease in interest payable was mainly due to the decrease in loans with standard interest levels during the period.



### 3.1.2 Major changes in items of income statement:

*Unit: RMB (Yuan)*

Items	January-March 2014	January-March 2013	Changes (%)
Operating income	<b>579,190,554.20</b>	430,370,588.32	34.58
Operating cost	<b>505,761,993.63</b>	380,032,957.10	33.08
Financial expenses	<b>-2,609,229.58</b>	5,850,014.02	-144.60
Loss in assets impairment	<b>2,412,232.10</b>	-1,315,096.37	N/A
Non-operating income	<b>1,642,691.42</b>	8,801,228.46	-81.34
Non-operating expense	<b>180,020.41</b>	110,700.28	62.62
Income tax expense	<b>2,706,775.79</b>	-12,383.67	N/A

Explanation of the changes:

- (1) The increase in operating income was mainly due to the increase of income from electronic equipment products and electronic manufacturing services during the period;
- (2) The increase in operating cost was mainly due to the increase of income from electronic equipment products and electronic manufacturing services during the period;
- (3) The decrease in financial expenses was mainly due to the significant decrease in average scale of short-term loan as compared with corresponding period last year;

- (4) The increase in loss in assets impairment was mainly due to the increase in provision for impairment made according to the standards during the period;
- (5) The decrease in non-operating income was mainly due to the increase in government subsidiaries recognised in corresponding period last year;
- (6) The increase in non-operating expense was mainly due to the payment of funds and donations;
- (7) The increase in income tax expense was mainly due to the refunded income taxes received in the corresponding period last year.

### 3.1.3 Major changes in items of cash flow statement

*Unit: RMB (Yuan)*

Items	January-March 2014	January-March 2013	Changes (%)
Net cash flows from operating activities	<b>15,732,311.80</b>	-140,817,059.33	N/A
Net cash flows from investment activities	<b>-449,742,058.08</b>	-69,037,200.79	N/A
Net cash flows from financing activities	<b>-72,551,666.66</b>	121,623,960.12	-159.65

Explanation of the changes:

- (1) The increase in net cash flows from operating activities was mainly due to more receivables in the period;
- (2) The decrease in net cash flows from investment activities was mainly due to use of temporarily idle proceeds to purchase bank wealth management products of a principal-preservation nature by the Company and the investment in construction of Electronic Equipment Industrial Park;
- (3) The decrease in net cash flows from financing activities was mainly due to the repayment of short-term loans during the period.

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

☒ Applicable      ☐ Not applicable

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 31 March 2014, 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, shareholders and de facto controllers of the Company**

☒ Applicable      ☐ Not applicable

PEGL, the controlling shareholder of the Company, NEIIC, the controlling shareholder of PEGGL, and China Electronics Corporation, the ultimate controller of the Company has made relevant undertakings in the process of non-public issue of A shares of the Company and the acquisition of Company (for details, please refer to the section headed “Significant Events” in the 2013 annual report published by the Company on the website of the Shanghai Stock Exchange on 29 March 2014). During the reporting period, the aforesaid parties have honoured their respective undertakings.

### **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 reasons thereof**

☐ Applicable      ☒ Not applicable

**Nanjing Panda Electronics Company Limited**

**Xia Dechuan**

29 April 2014

## 4. APPENDIX

### CONSOLIDATED BALANCE SHEET

31 March 2014

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB (Yuan)

Assets	Closing balance	Opening balance
<b>Current assets:</b>		
Cash and bank balances	870,577,310.80	1,379,826,018.92
Settlement provisions		
Placements with banks and other financial institutions		
Trading financial assets	385,000,000.00	—
Bills receivable	83,443,325.50	120,212,031.70
Accounts receivables	689,098,708.72	634,516,143.74
Prepayments	177,189,434.66	130,692,769.39
Premiums receivable		
Reinsurance receivable		
Reinsurance contract reserve receivable		
Interest receivable		
Dividends receivable		
Other receivables	149,582,564.11	171,584,362.93
Financial assets purchased for resale		
Inventories	429,212,390.37	371,927,901.19
Non-current assets due within one year		
Other current assets		
<b>Total current assets</b>	<b>2,784,103,734.16</b>	<b>2,808,759,227.87</b>

**Non-current assets:**

Entrusted loans and advances

Available-for-sale financial assets

Held-to-maturity investments

Long-term receivables

Long-term equity investment

544,012,043.54

506,106,542.54

Investment properties

Fixed assets

516,050,402.11

527,703,998.21

Construction in progress

275,649,669.81

218,171,100.84

Construction supplies

Clearance of fixed assets

Biological assets for production

Fuel assets

Intangible assets

76,626,770.31

76,912,100.52

Development expenses

Goodwill

Long-term deferred expenses

Deferred income tax assets

406,544.54

406,544.54

Other non-current assets

**Total non-current assets****1,412,745,430.31****1,329,300,286.65****Total assets****4,196,849,164.47****4,138,059,514.52**

*Legal Representative  
of the Company:*  
**Xia Dechuan**

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

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

Liabilities and shareholders' equity	Closing balance	Opening balance
<b>Current liabilities:</b>		
Short-term loans	27,000,000.00	99,000,000.00
Borrowing from the People's Bank of China ("PBOC")		
Customer and interbank deposits		
Borrowing from interbank market		
Trading financial liabilities		
Bills payable	56,210,311.34	61,925,836.17
Accounts payables	673,324,045.64	579,860,038.37
Advances from customers	124,321,334.21	98,285,406.79
Financial assets sold under repurchase agreements		
Handling charges and commission payable		
Salaries payable	22,445,084.99	31,873,712.53
Taxes payable	-2,764,788.52	19,941,903.30
Interest payable		83,333.33
Dividends payable		
Other payables	136,995,641.19	114,631,489.47
Reinsurers due		
Insurance contract reserves		
Security trading of agency		
Securities underwriting		
Non-current liabilities due within one year		
Other current liabilities		
<b>Total current liabilities</b>	<b>1,037,531,628.85</b>	<b>1,005,601,719.96</b>

**Non-current liabilities:**

Long-term loans

Bonds payable

Long-term payables

Specific payables

Accrued liabilities

Deferred income tax liabilities

233,201.14

233,201.14

Other non-current liabilities

**Total non-current liabilities**

233,201.14

233,201.14

**Total liabilities**

1,037,764,829.99

1,005,834,921.10

**Shareholders' equity:**

Share capital

913,838,529.00

913,838,529.00

Capital reserve

1,501,966,314.34

1,501,966,314.34

Less: treasury stock

Special reserve

Surplus reserve

231,946,025.16

231,946,025.16

General risk reserve

Undistributed profits

501,465,373.95

474,947,172.20

Difference arising from translation of foreign  
currency financial statements

Sub-total of equity attributable to the

shareholders of the parent company

3,149,216,242.45

3,122,698,040.70

Minority interests

9,868,092.03

9,526,552.72

**Total shareholders' equity**

3,159,084,334.48

3,132,224,593.42

**Total liabilities and shareholders' equity**

4,196,849,164.47

4,138,059,514.52

*Legal Representative  
of the Company:***Xia Dechuan***Person in charge  
of accounting work:***Shen Jianlong***Person in charge of the  
Accounting Department:***Liu Xianfang**



# CONSOLIDATED INCOME STATEMENT

January — March 2014

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>579,190,554.20</b>	430,370,588.32
Including: Operating income	579,190,554.20	430,370,588.32
Interest income		
Premiums earned		
Income from handling charges and commissions		
<b>II. Total operating cost</b>	<b>592,233,538.14</b>	464,024,805.90
Including: Operating cost	505,761,993.63	380,032,957.10
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	4,452,706.49	3,455,365.73
Selling expenses	8,228,938.39	8,497,331.89
Administrative expenses	73,986,897.11	67,504,233.53
Financial expenses	-2,609,229.58	5,850,014.02
Loss on assets impairment	2,412,232.10	-1,315,096.37
Add: Gain from change in fair value (losses are represented by “-”)		
Investment income (losses are represented by “-”)	41,146,829.78	48,012,362.50
Including: Income from investment in associates and joint ventures	37,905,501.00	48,012,362.50
Exchange gain (losses are represented by “-”)		

<b>III. Operating profit (losses are represented by “-”)</b>	<b>28,103,845.84</b>	14,358,144.92
Add: Non-operating income	<b>1,642,691.42</b>	8,801,228.46
Less: Non-operating expenses	<b>180,020.41</b>	110,700.28
Including: Loss from the disposal of non-current assets		
<b>IV. Total profit (Total losses are represented by “-”)</b>	<b>29,566,516.85</b>	23,048,673.10
Less: Income tax	<b>2,706,775.79</b>	-12,383.67
<b>V. Net Profit (Net losses are represented by “-”)</b>	<b>26,859,741.06</b>	23,061,056.77
Profit attributable to the equity holders of the parent company	<b>26,518,201.75</b>	22,718,476.90
Minority interests	<b>341,539.31</b>	342,579.87
<b>VI. Earnings per share:</b>		
(I) Basic earnings per share	<b>0.0290</b>	0.0347
(II) Diluted earnings per share	<b>0.0290</b>	0.0347
<b>VII. Other comprehensive income</b>		
<b>VIII. Total comprehensive income:</b>	<b>26,859,741.06</b>	23,061,056.77
Total comprehensive income attributable to the equity holders of the parent company	<b>26,518,201.75</b>	22,718,476.90
Total comprehensive income attributable to minority shareholders	<b>341,539.31</b>	342,579.87
<i>Legal Representative of the Company:</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>

# CONSOLIDATED CASH FLOW STATEMENT

January — March 2014

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>672,016,717.54</b>	446,982,495.94
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	<b>1,203,736.62</b>	328,719.34
Cash received relating to other operating activities	<b>35,282,167.76</b>	22,888,281.55
<b>Sub-total of cash inflows from operating activities</b>	<b>708,502,621.92</b>	470,199,496.83

Cash paid for purchase of goods and services received	<b>536,647,999.13</b>	433,307,332.99
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	<b>101,434,946.45</b>	99,204,367.06
Cash paid for all types of taxes	<b>34,263,789.19</b>	35,505,067.24
Cash paid relating to other operating activities	<b>20,423,575.35</b>	42,999,788.87
<b>Sub-total of cash outflows from operating activities</b>	<b>692,770,310.12</b>	611,016,556.16
<b>Net cash flows from operating activities</b>	<b>15,732,311.80</b>	-140,817,059.33

## II. Cash flows from investing activities:

Cash received from disposal of investment		
Cash received from return on investments		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	<b>20,000.00</b>	352,200.00
Net cash received from disposal of subsidiaries and other operating entities		
Cash received relating to other investment activities	<b>563,241,328.78</b>	
<b>Sub-total of cash inflows from investing activities</b>	<b>563,261,328.78</b>	352,200.00
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	<b>68,003,386.86</b>	69,389,400.79
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	<b>945,000,000.00</b>	
<b>Sub-total of cash outflows from investing activities</b>	<b>1,013,003,386.86</b>	69,389,400.79
<b>Net cash flows from investing activities</b>	<b>-449,742,058.08</b>	-69,037,200.79

**III. Cash flows from financing activities:**

Cash received from investments

Including: cash received by subsidiaries from  
minority shareholders' investment

Cash received from borrowings 292,000,000.00

Cash received from issuing bonds

Cash received from other financing activities

**Sub-total of cash inflows from financing activities** 292,000,000.00Cash paid on repayment of borrowings **72,000,000.00** 162,000,000.00

Cash paid on distribution of dividends

or profits, or interest expenses **551,666.66** 8,376,039.88Including: dividend and profit paid to minority  
shareholders by subsidiaries

1,364,696.99

Cash paid on other financing activities

**Sub-total of cash outflows from financing activities** **72,551,666.66** 170,376,039.88**Net cash flows from financing activities** **-72,551,666.66** **121,623,960.12****IV. Effect of fluctuations in exchange rates on cash  
and cash equivalents****-14,934.29** -27,893.29**V. Net increase in cash and cash equivalents** **-506,576,347.23** -88,258,193.29Add: balance of cash and cash equivalents  
at the beginning of the period**1,308,979,790.39** 378,040,300.31**VI. Balance of cash and cash equivalents  
at the end of the period****802,403,443.16** 289,782,107.02*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

31 March 2014

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB (Yuan)

Assets	Closing balance	Opening balance
<b>Current assets:</b>		
Cash and bank balances	363,058,483.58	891,431,538.23
Settlement provisions		
Placements with banks and other financial institutions		
Trading financial assets	385,000,000.00	
Bills receivable		
Accounts receivables	99,845,473.98	94,594,511.18
Prepayments	938,957.06	286,167.65
Premiums receivable		
Reinsurance receivable		
Reinsurance contract reserve		
Interest receivable		
Dividends receivable	2,739,006.08	2,739,006.08
Other receivables	257,695,380.19	316,687,175.42
Financial assets purchased for resale		
Inventories	18,185,279.70	21,001,471.06
Non-current assets due within one year		
Other current assets		
<b>Total current assets</b>	<b>1,127,462,580.59</b>	<b>1,326,739,869.62</b>

**Non-current assets:**

Entrusted loans and advances		
Available-for-sale financial assets		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investment	1,766,533,843.95	1,592,628,342.95
Investment properties		
Fixed assets	371,756,491.29	376,571,368.45
Construction in progress	13,760,172.92	10,201,958.58
Construction supplies		
Clearance of fixed assets		
Biological assets for production		
Fuel assets		
Intangible assets	15,398,274.14	15,354,705.78
Development expenses		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets		
Other non-current assets		

<b>Total non-current assets</b>	<b>2,167,448,782.30</b>	<b>1,994,756,375.76</b>
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<b>Total assets</b>	<b>3,294,911,362.89</b>	<b>3,321,496,245.38</b>
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*Legal Representative  
of the Company:*  
**Xia Dechuan**

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

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

Liabilities and shareholders' equity	Closing balance	Opening balance
<b>Current liabilities:</b>		
Short-term loans		50,000,000.00
Borrowing from the People's Bank of China ("PBOC")		
Customer and interbank deposits		
Borrowing from interbank market		
Trading financial liabilities		
Bills payable	11,016,020.06	2,666,030.70
Accounts payables	38,545,286.04	47,512,430.34
Advances from customers	906,026.00	1,123,445.00
Financial assets sold under repurchase agreements		
Handling charges and commission payable		
Salaries payable	9,008,560.33	11,502,565.88
Taxes payable	6,223,581.38	5,131,881.72
Interest payable		83,333.33
Dividends payable		
Other payables	318,764,908.80	316,898,925.53
Reinsurers due		
Insurance contract reserves		
Security trading of agency		
Securities underwriting		
Non-current liabilities due within one year		
Other current liabilities		
<b>Total current liabilities</b>	<b>384,464,382.61</b>	<b>434,918,612.50</b>



**Non-current liabilities:**

Long-term loans  
 Bonds payable  
 Long-term payables  
 Specific payables  
 Accrued liabilities  
 Deferred income tax liabilities  
 Other non-current liabilities

**Total non-current liabilities****Total liabilities****Shareholders' equity:**

Share capital	913,838,529.00	913,838,529.00
Capital reserve	1,470,969,585.14	1,470,969,585.14
Less: treasury stock		
Special reserve		
Surplus reserve	231,946,025.16	231,946,025.16
General risk reserve		
Undistributed profits	293,692,840.98	269,823,493.58
Difference arising from translation of foreign currency financial statements		

**Total shareholders' equity****Total liabilities and shareholders' equity**

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*Person in charge  
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**Shen Jianlong**

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

# INCOME STATEMENT

January — March 2014

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>27,466,239.68</b>	26,941,790.64
Including: Operating income	<b>27,466,239.68</b>	26,941,790.64
Interest income		
Premiums earned		
Income from handling charges and commissions		
<b>II. Total operating cost</b>	<b>44,569,381.80</b>	53,627,840.10
Including: Operating cost	<b>16,800,891.81</b>	18,251,250.57
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>83,601.94</b>	163,622.10
Selling expenses	<b>880,937.86</b>	1,413,904.14
Administrative expenses	<b>30,054,652.93</b>	30,713,635.34
Financial expenses	<b>-3,250,702.74</b>	4,351,582.95
Loss on assets impairment		-1,266,155.00
Add: Gain from change in fair value (losses are represented by “-”)		
Investment income (losses are represented by “-”)	<b>40,971,596.90</b>	48,012,362.50
Including: Income from investment in associates and joint ventures	<b>37,905,501.00</b>	48,012,362.50
Exchange gain (losses are represented by “-”)		

<b>III. Operating profit (losses are represented by “-”)</b>	<b>23,868,454.78</b>	21,326,313.04
Add: Non-operating income	<b>1,371.62</b>	46,261.10
Less: Non-operating expenses	<b>479.00</b>	4,870.00
Including: Loss from the disposal of non-current assets		
<b>IV. Total profit (losses are represented by “-”)</b>	<b>23,869,347.40</b>	21,367,704.14
Less: Income tax		
<b>V. Net Profit(Net losses are represented by “-”)</b>	<b>23,869,347.40</b>	21,367,704.14
<b>VI. Other comprehensive income</b>		
<b>VII. Total comprehensive income</b>	<b>23,869,347.40</b>	21,367,704.14

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*Person in charge of the  
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## CASH FLOW STATEMENT

January — March 2014

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	17,655,215.64	27,670,115.01
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	21,001,832.00	77,384,612.50
<b>Sub-total of cash inflows from operating activities</b>	<b>38,657,047.64</b>	<b>105,054,727.51</b>

Cash paid for purchase of goods and services received	12,197,927.25	94,077,720.60
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	17,907,997.03	22,503,736.63
Cash paid for all types of taxes	127,671.43	1,062,644.31
Cash paid relating to other operating activities	17,513,678.60	155,561,386.06
<b>Sub-total of cash outflows from operating activities</b>	<b>47,747,274.31</b>	<b>273,205,487.60</b>
<b>Net cash flows from operating activities</b>	<b>-9,090,226.67</b>	<b>-168,150,760.09</b>

## II. Cash flows from investing activities:

Cash received from disposal of investment		
Cash received from return on investments		
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	533,066,095.90	
<b>Sub-total of cash inflows from investing activities</b>	<b>533,066,095.90</b>	
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	4,289,026.84	3,291,685.51
Cash paid for investments	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	915,000,000.00	
<b>Sub-total of cash outflows from investing activities</b>	<b>1,005,289,026.84</b>	<b>3,291,685.51</b>
<b>Net cash flows from investing activities</b>	<b>-472,222,930.94</b>	<b>-3,291,685.51</b>

**III. Cash flows from financing activities:**

Cash received from investments

Including: cash received by subsidiaries

from minority shareholders' investment

Cash received from borrowings 265,000,000.00

Cash received from issuing bonds

Cash received from other financing activities

<b>Sub-total of cash inflows from financing activities</b>		265,000,000.00
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Cash paid on repayment of borrowings	<b>50,000,000.00</b>	145,000,000.00
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Cash paid on distribution of dividends or profits, or interest expenses	<b>133,333.33</b>	5,352,913.89
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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>50,133,333.33</b>	150,352,913.89
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<b>Net cash flows from financing activities</b>	<b>-50,133,333.33</b>	114,647,086.11
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**IV. Effect of fluctuations in exchange rates on  
cash and cash equivalents****43.61****V. Net increase in cash and cash equivalents -531,446,447.33 -56,795,359.49**

Add: balance of cash and cash equivalents

at the beginning of the period **890,098,522.88** 79,348,878.62**VI. Balance of cash and cash equivalents  
at the end of the period****358,652,075.55** 22,553,519.13*Legal Representative  
of the Company:***Xia Dechuan***Person in charge  
of accounting work:***Shen Jianlong***Person in charge of the  
Accounting Department:***Liu Xianfang**