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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)

2013 THIRD QUARTERLY REPORT

This announcement is made pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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 2013 Third Quarterly Report does not contain any misrepresentation, misleading statement, or material omission, and severally and jointly accept responsibility.
- 1.2 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 2013 Third Quarterly Report.
- 1.3 The Company's financial statements for the third quarter of 2013 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 (30 September 2013)	As at the end of the previous year (31 December 2012)	Changes from the end of the previous year (%)
Total assets	4,522,811,780.34	3,116,256,107.90	45.14
Net assets attributable to shareholders of the Company	3,070,893,415.84	1,684,756,014.24	82.28
	From the beginning of the year to the end of the reporting period (January- September 2013)	From the beginning of the previous year to the end of the reporting period of the previous year (January-September 2012)	Change as compared to the corresponding period of the previous year (%)
Net cash flow from operating activities	-84,154,199.63	-72,750,405.58	N/A

	From the beginning of the year to the end of the reporting period (January- September 2013)	From the beginning of the previous year to the end of the reporting period of the previous year (January-September 2012)	Change as compared to the corresponding period of the previous year (%)
Operating income	1,462,397,502.34	1,680,316,855.32	-12.97
Net profit attributable to shareholders of the Company	131,034,589.05	66,605,910.83	96.73
Net profit attributable to shareholders of the Company after extraordinary items	110,069,206.45	57,503,232.58	91.41
Return on net assets (weighted average) (%)	5.97	4.15	Increased by 1.82 percentage points
Basic earnings per share (yuan/share)	0.1752	0.1017	72.28
Diluted earnings per share (yuan/share)	0.1752	0.1017	72.28

Net of extraordinary items and amounts (January-September 2013)

Unit: RMB (Yuan)

Item	Amount for the period (July-September 2013)	From the beginning of the year to the end of the reporting period (January-September 2013)
Profit and loss from disposal of non-current assets	444,902.19	391,974.82
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	18,191,005.00	24,593,825.00
Non-operating net income and expenses other than the aforesaid items	503,500.07	727,773.60
Impact on enterprise income tax	-3,645,746.25	-4,753,695.04
Impact on minority interest (after-tax)	213,147.64	5,504.22
Total	<u>15,706,808.65</u>	<u>20,965,382.60</u>

Note: (1) Government grants: project subsidies recognized in accordance with Accounting Standard for Business Enterprises was increased in this period.

2.2 Total number of shareholders and shareholdings of the top ten shareholders and top ten shareholders of tradable shares not subject to trading moratorium at the end of the reporting period

Unit: Shares

Total number of shareholders as at the end of the reporting period	18,925, including 18,873 holders of A shares and 52 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	0	167,350,000
HKSCC (Nominees) Limited	Overseas legal person	26.35	240,817,299	0	Unknown
Nanjing Ruisen Investment Management Partnership Enterprise (Limited Partnership)	Domestic non-state-owned legal person	5.58	51,000,000	51,000,000	Unknown
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	334,715,000	A
HKSCC (Nominees) Limited	240,817,299	H
Essence Securities Co., Ltd. — client credit trading guarantee securities account	1,267,200	A
China Investment Securities Co., Ltd. — client credit trading guarantee securities account	2,182,738	A
Peng Hongwan	1,161,026	A
Zhang Youcheng	950,200	A
Wu Xiuqing	904,669	A
Yang Chunyan	649,923	A
Zheng Xinhua	640,000	A
Liu Xianhua	563,334	A
Description of the connected relationship or party acting in concert among the aforesaid shareholders	<p>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.</p>	

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

3.1.1 Major changes in items of balance sheet:

Unit: RMB (Yuan)

Items	30 September 2013	31 December 2012	Changes (%)
Cash and bank balance	1,022,458,941.25	590,799,740.05	73.06
Trading financial assets	550,000,000.00	0	N/A
Prepayments	217,126,558.50	80,466,610.80	169.83
Inventories	420,152,931.97	267,235,161.51	57.22
Construction in progress	154,750,686.05	58,622,146.44	163.98
Bills payable	62,498,117.07	288,335,481.41	-78.32
Accounts payable	632,364,618.58	473,873,788.33	33.45
Receipts in advance	153,217,905.58	110,450,931.40	38.72
Taxes Payable	6,029,586.58	28,925,190.14	-79.15
Interest payable	788,566.67	521,752.78	51.14
Dividend Payable	0.00	1,364,696.99	-100.00
Share capital	913,838,529.00	655,015,000.00	39.51
Capital reserve	1,501,966,314.34	466,386,130.79	222.04

Explanation of the changes:

- (1) The increase in cash and bank balance was mainly due to the proceeds from the non-public placement.
- (2) The increase in the trading financial assets was due to the subscription of bank wealth management products within authority with idle funds.
- (3) The increase in prepayments was mainly due to the increase in advance payments for purchase of raw materials.

- (4) The increase in inventories was mainly due to the increase in orders which required more goods in stock.
- (5) The increase in construction in progress was mainly due to an increase in investment in the construction of the Xin Gang Park and the Electronic Equipment Industry Park.
- (6) The decrease in bills payable was mainly due to the honoring of mature bills.
- (7) The increase in accounts payable was mainly due to the increase in accounts payable for the purchase of materials.
- (8) The increase in receipts in advance was mainly due to the increase in advance payments for construction and engineering projects received in the period.
- (9) The decrease in taxes payable was mainly due to the relatively large delivery of goods at the end of last year.
- (10) The increase in interest payable was mainly due to the increase in bank loans in the period.
- (11) The decrease in dividend payable was mainly due to the due payment of dividend to minority shareholders by certain controlled subsidiaries.
- (12) The increase in share capital was due to the non-public issue in the period.
- (13) The increase in capital reserve was due to the increase in capital premium through the non-public issue in the period.

3.1.2 Major changes in items of income statement:

Unit: RMB (Yuan)

Items	January- September 2013	January- September 2012	Changes (%)
Loss in assets impairment	2,335,174.88	29,016,236.00	-91.95
Non-operating income	28,338,856.03	12,110,001.23	134.01
Non-operating expenses	2,361,992.36	578,096.47	308.58
Income tax expense	-3,427,782.63	4,952,150.25	-169.22

Explanation of the changes:

- (1) The decrease in loss in assets impairment was mainly due to the increase in provisions for bad debts during the last period.
- (2) The increase in non-operating income was mainly due to the increase in recognized government grants during the period.
- (3) The increase in non-operating expenses was mainly due to the disposal of fixed assets.
- (4) The decrease in income tax expense was mainly due to the receipt of the income tax rebated during the period.

3.1.3 Major changes in items of cash flow statement:

Unit: RMB (Yuan)

Items	January- September 2013	January- September 2012	Changes (%)
Net cash flows from investment activities	-669,146,709.70	141,930,170.76	-571.46
Net cash flows from financing activities	1,319,789,254.52	73,879,456.97	1,686.41

Explanation of the changes:

- (1) The decrease in net cash flows from investment activities was mainly due to the subscription of bank wealth management products by the Company within the scope of authority with the raised funds that were temporarily idle.
- (2) The increase in net cash flows from financing activities was mainly due to the receipt of the proceeds from the non-public issue.

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

☒ Applicable ☐ Not applicable

The People's Government of Baixia District, Nanjing has entered into a relocation agreement with the Company in respect of the relocation of Nanjing Panda Mechanical and Electrical Equipment Factory. Pursuant to relevant valuation, the People's Government of Baixia District shall pay the Company a relocation compensation of RMB125 million by instalments based on the relocation progress (for details, please refer 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 19 January 2012 and on the website of the Hong Kong Stock Exchange on 18 January 2012). During the reporting period, the said relocation did not have any material impact on the non-recurring profit and loss of the Company.

3.3 The performance of undertakings of the Company, shareholders with over 5% shareholding in the Company

☒ Applicable ☐ Not applicable

The Company's controlling shareholder PEGL, NEIIC, the controlling shareholder of PEGL and the de facto controller of the Company China Electronics Corporation, have respectively made relevant undertakings at the time of non-public issue of A shares of the Company and the process of acquisition of listed companies (for details, please refer to the section of "Significant Events" of the 2012 Annual Report of the Company which was published on the website of the Shanghai Stock Exchange on 28 March 2013 and on the website of the Hong Kong Stock Exchange on 24 April 2013). The undertakers were in strict compliance with their respective commitments during the reporting period.

3.4 Warnings on any potential loss in accumulated net profit for the period from the year beginning 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 October 2013

4. APPENDIX

2013 third quarterly financial statements (prepared in accordance with the PRC Accounting Standards for Business Enterprises, unaudited).

CONSOLIDATED BALANCE SHEET

30 September 2013

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB (Yuan)

Assets	Closing balance	Opening balance
Current assets:		
Cash and bank balances	1,022,458,941.25	590,799,740.05
Settlement provisions		
Placements with banks and other financial institutions		
Trading financial assets	550,000,000.00	
Bills receivable	47,721,901.06	37,673,756.21
Accounts receivables	645,835,749.69	744,949,177.06
Prepayments	217,126,558.50	80,466,610.80
Premiums receivable		
Reinsurance receivables		
Reinsurance contract reserve receivables		
Interest receivable		
Dividends receivable		
Other receivables	59,051,478.66	49,014,039.75
Financial assets purchased for resale		
Inventories	420,152,931.97	267,235,161.51
Non-current assets due within one year		
Other current assets		
Total current assets	2,962,347,561.13	1,770,138,485.38

Non-current assets:

Entrusted loans and advances		
Available-for-sale financial assets		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investment	750,413,922.58	592,266,738.55
Investment properties		
Fixed assets	564,885,433.84	602,791,624.83
Construction in progress	154,750,686.05	58,622,146.44
Construction supplies		
Clearance of fixed assets		
Biological assets for production		
Fuel assets		
Intangible assets	84,297,117.02	86,309,861.12
Development expenses		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets	6,117,059.72	6,127,251.58
Other non-current assets		
Total non-current assets	<u>1,560,464,219.21</u>	<u>1,346,117,622.52</u>
Total assets	<u><u>4,522,811,780.34</u></u>	<u><u>3,116,256,107.90</u></u>

*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 BALANCE SHEET (CONTINUED)*30 September 2013*

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB (Yuan)

Liabilities and shareholders' equity	Closing balance	Opening balance
Current liabilities:		
Short-term loans	449,000,000.00	360,000,000.00
Borrowing from the People's Bank of China ("PBOC")		
Customer and interbank deposits		
Borrowing from interbank market		
Trading financial liabilities		
Bills payable	62,498,117.07	288,335,481.41
Accounts payables	632,364,618.58	473,873,788.33
Advances from customers	153,217,905.58	110,450,931.40
Financial assets sold under repurchase agreements		
Handling charges and commission payable		
Salaries payable	28,171,875.86	38,072,801.82
Taxes payable	6,029,586.58	28,925,190.14
Interest payable	788,566.67	521,752.78
Dividends payable		1,364,696.99
Other payables	110,205,118.48	122,107,902.54
Reinsurers due		
Insurance contract reserves		
Security trading of agency		
Securities underwriting		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	1,442,275,788.82	1,423,652,545.41

Non-current liabilities:

Long-term loans

Bonds payable

Long-term payables

Specific payables

Accrued liabilities

Deferred income tax liabilities

272,460.77

311,720.39

Other non-current liabilities

Total non-current liabilities

272,460.77

311,720.39

Total liabilities

1,442,548,249.59

1,423,964,265.80

Shareholders' equity:

Share capital

913,838,529.00

655,015,000.00

Capital reserve

1,501,966,314.34

466,386,130.79

Less: treasury stock

Special reserve

Surplus reserve

220,739,998.89

220,739,998.89

General risk reserve

Undistributed profits

434,348,573.61

342,614,884.56

Difference arising from translation of foreign
currency financial statementsSub-total of equity attributable to the shareholders
of the parent company

3,070,893,415.84

1,684,756,014.24

Minority interests

9,370,114.91

7,535,827.86

Total shareholders' equity

3,080,263,530.75

1,692,291,842.10

Total liabilities and shareholders' equity

4,522,811,780.34

3,116,256,107.90

*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

July - September 2013

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	532,649,476.68	624,225,763.49
Including: Operating income	532,649,476.68	624,225,763.49
Interest income		
Premiums earned		
Income from handling charges and commissions		
II. Total operating cost	557,455,279.61	660,820,241.26
Including: Operating cost	458,197,423.05	562,230,007.46
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	4,090,116.83	2,900,195.12
Selling expenses	10,628,798.60	9,393,301.26
Administrative expenses	81,468,959.18	51,850,862.99
Financial expenses	2,949,239.27	8,628,261.08
Loss on assets impairment	120,742.68	25,817,613.35
Add: Gain from change in fair value (losses are represented by “-”)		
Investment income (losses are represented by “-”)	59,424,815.00	47,743,613.48
Including: Income from investment in associates and joint ventures	59,239,883.49	47,743,613.48
Exchange gain (losses are represented by “-”)		

III. Operating profit (losses are represented by “-”)	34,619,012.07	11,149,135.71
Add: Non-operating income	15,304,243.12	4,865,808.62
Less: Non-operating expenses	508,131.88	241,547.01
Including: Loss from the disposal of non-current assets		
IV. Total profit (losses are represented by “-”)	49,415,123.31	15,773,397.32
Less: Income tax	1,158,692.64	395,648.57
V. Net Profit (losses are represented by “-”)	48,256,430.67	15,377,748.75
Profit attributable to the equity holders of the parent company	47,277,683.54	14,435,472.44
Minority interests	978,747.13	942,276.31
VI. Earnings per share:		
(1) Basic earnings per share	0.0517	0.0220
(2) Diluted earnings per share	0.0517	0.0220
VII. Other comprehensive income:		
VIII. Total comprehensive income:	48,256,430.67	15,377,748.75
Total comprehensive income attributable to the equity holders of the parent company	47,277,683.54	14,435,472.44
Total comprehensive income attributable to minority shareholders	978,747.13	942,276.31
<i>Legal Representative of the Company:</i> Xia Dechuan	<i>Person in charge of accounting work:</i> Shen Jianlong	<i>Person in charge of the Accounting Department:</i> Liu Xianfang

CONSOLIDATED INCOME STATEMENT

January-September 2013

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	1,462,397,502.34	1,680,316,855.32
Including: Operating income	1,462,397,502.34	1,680,316,855.32
Interest income		
Premiums earned		
Income from handling charges and commissions		
II. Total operating cost	1,530,394,591.68	1,765,880,990.51
Including: Operating cost	1,249,399,127.29	1,499,680,148.14
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	11,883,184.84	10,964,860.83
Selling expenses	30,901,989.98	24,944,494.79
Administrative expenses	219,469,444.60	179,835,752.75
Financial expenses	16,405,670.09	21,439,498.00
Loss on assets impairment	2,335,174.88	29,016,236.00
Add: Gain from change in fair value (losses are represented by “-”)		
Investment income (losses are represented by “-”)	171,461,319.14	149,129,527.58
Including: Income from investment in associates and joint ventures	171,276,387.63	149,129,527.58
Exchange gain (losses are represented by “-”)		

III. Operating profit (losses are represented by “-”)	103,464,229.80	63,565,392.39
Add: Non-operating income	28,338,856.03	12,110,001.23
Less: Non-operating expenses	2,361,992.36	578,096.47
Including: Loss from the disposal of non-current assets		
IV. Total profit (losses are represented by “-”)	129,441,093.47	75,097,297.15
Less: Income tax	-3,427,782.63	4,952,150.25
V. Net Profit (losses are represented by “-”)	132,868,876.10	70,145,146.90
Profit attributable to the equity holders of the parent company	131,034,589.05	66,605,910.83
Minority interests	1,834,287.05	3,539,236.07
VI. Earnings per share:		
(1) Basic earnings per share	0.1752	0.1017
(2) Diluted earnings per share	0.1752	0.1017
VII. Other comprehensive income:		
VIII. Total comprehensive income:	132,868,876.10	70,145,146.90
Total comprehensive income attributable to the equity holders of the parent company	131,034,589.05	66,605,910.83
Total comprehensive income attributable to minority shareholders	1,834,287.05	3,539,236.07
<i>Legal Representative of the Company:</i> Xia Dechuan	<i>Person in charge of accounting work:</i> Shen Jianlong	<i>Person in charge of the Accounting Department:</i> Liu Xianfang

CONSOLIDATED CASH FLOW STATEMENT

January-September 2013

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	1,567,645,882.10	1,680,476,810.45
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	9,216,891.92	23,217,108.72
Cash received relating to other operating activities	161,238,466.58	52,045,706.65
Sub-total of cash inflows from operating activities	1,738,101,240.60	1,755,739,625.82

Cash paid for purchase of goods and services received	1,368,104,215.24	1,333,946,567.08
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	260,455,519.63	225,383,439.83
Cash paid for all types of taxes	85,818,763.34	69,478,682.51
Cash paid relating to other operating activities	107,876,942.02	199,681,341.98
Sub-total of cash outflows from operating activities	1,822,255,440.23	1,828,490,031.40
Net cash flows from operating activities	-84,154,199.63	-72,750,405.58

II. Cash flows from investing activities:

Cash received from disposal of investments		
Cash received from return on investments	16,498,428.08	199,175,154.82
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	748,147.20	239,505.44
Net cash received from disposal of subsidiaries and other operating entities		
Cash received relating to other investment activities		
Sub-total of cash inflows from investing activities	17,246,575.28	199,414,660.26
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	136,393,284.98	57,484,489.50
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	550,000,000.00	
Sub-total of cash outflows from investing activities	686,393,284.98	57,484,489.50
Net cash flows from investing activities	-669,146,709.70	141,930,170.76

III. Cash flows from financing activities:

Cash received from investments	1,298,239,997.92	
Including: cash received by subsidiaries from minority shareholders' investment		
Cash received from borrowings	574,000,000.00	463,920,636.70
Cash received from issuing bonds		
Cash received from other financing activities		
Sub-total of cash inflows from financing activities	<u>1,872,239,997.92</u>	<u>463,920,636.70</u>
Cash paid on repayment of borrowings	485,000,000.00	332,228,221.90
Cash paid on distribution of dividends or profits, or interest expenses	64,557,854.29	57,812,957.83
Including: dividend and profit paid to minority shareholders by subsidiaries	1,364,696.99	3,847,237.49
Cash paid on other financing activities	<u>2,892,889.11</u>	
Sub-total of cash outflows from financing activities	<u>552,450,743.40</u>	<u>390,041,179.73</u>
Net cash flows from financing activities	<u><u>1,319,789,254.52</u></u>	<u><u>73,879,456.97</u></u>

IV. Effect of fluctuations in exchange rates

on cash and cash equivalents	-135,677.41	89,803.47
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V. Net increase in cash and cash equivalents

Add: balance of cash and cash equivalents	566,352,667.78	143,149,025.62
at the beginning of the period	378,040,300.31	343,783,370.28

VI. Balance of cash and cash equivalents

at the end of the period	944,392,968.09	486,932,395.90
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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

BALANCE SHEET

30 September 2013

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB (Yuan)

Assets	Closing balance	Opening balance
Current assets:		
Cash and bank balances	655,148,631.30	194,463,677.11
Settlement provisions		
Placements with banks and other financial institutions		
Trading financial assets	550,000,000.00	
Bills receivable	500,000.00	1,850,000.00
Trade receivables	90,935,163.68	231,416,087.32
Prepayments	2,461,262.40	4,385,426.29
Premiums receivable		
Reinsurance receivables		
Reinsurance contract reserve receivables		
Interest receivable		
Dividends receivable	10,239,006.08	13,423,299.05
Other receivables	241,717,376.69	183,251,605.81
Financial assets purchased for resale		
Inventories	21,411,118.59	16,266,554.62
Non-current assets due within one year		
Other current assets		
Total current assets	1,572,412,558.74	645,056,650.20

Non-current assets:

Entrusted loans and advances		
Available-for-sale financial assets		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investment	1,416,707,715.47	1,258,560,531.44
Investment properties		
Fixed assets	402,509,564.38	415,060,414.27
Construction in progress	13,987,174.32	3,890,602.01
Construction supplies		
Clearance of fixed assets		
Biological assets for production		
Fuel assets		
Intangible assets	22,471,383.08	23,536,609.81
Development expenses		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets		
Other non-current assets		
Total non-current assets	1,855,675,837.25	1,701,048,157.53
Total assets	3,428,088,395.99	2,346,104,807.73

Liabilities and shareholders' equity:	Closing balance	Opening balance
Current liabilities:		
Short-term loans	370,000,000.00	255,000,000.00
Borrowing from PBOC		
Customer and interbank deposits		
Borrowing from interbank market		
Trading financial liabilities		
Bills payable	22,693,893.19	190,229,596.96
Accounts payables	36,440,008.42	82,446,535.37
Advances from customers	1,014,913.02	42,340.00
Financial assets sold under repurchase agreements		
Handling charges and commission payable		
Salaries payable	13,081,609.54	15,676,136.45
Taxes payable	5,247,138.93	7,251,956.13
Interest payable	788,566.67	521,752.78
Dividends payable		
Other payables	115,804,898.16	275,521,932.44
Reinsurers due		
Insurance contract reserves		
Security trading of agency		
Securities underwriting		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	<u>565,071,027.93</u>	<u>826,690,250.13</u>

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****565,071,027.93**

826,690,250.13

Shareholders' equity:

Share capital

913,838,529.00

655,015,000.00

Capital reserve

1,470,969,585.14

435,389,401.59

Less: treasury stock

Special reserve

Surplus reserve

220,739,998.89

220,739,998.89

General risk reserve

Undistributed profits

257,469,255.03

208,270,157.12

Translation difference of foreign
currency financial statement**Total shareholders' equity****2,863,017,368.06**

1,519,414,557.60

Total liabilities and shareholders' equity**3,428,088,395.99**

2,346,104,807.73

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

INCOME STATEMENT

July - September 2013

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	21,382,556.92	150,139,557.49
Including: Operating income	21,382,556.92	150,139,557.49
Interest income		
Premiums earned		
Income from handling charges and commissions		
II. Total operating cost	48,608,001.76	163,562,159.61
Including: Operating cost	10,567,929.22	138,580,470.34
Interest expenses		
Handling charges and commissions		
Insurance withdrawal payment		
Net payments from indemnity		
Net provision for insurance contract		
Insurance policy dividend paid		
Reinsurance cost		
Business taxes and surcharges	160,822.47	249,258.05
Selling expenses	1,376,875.59	2,019,212.52
Administrative expenses	34,702,693.92	18,066,898.17
Financial expenses	1,799,680.56	4,646,320.53
Loss on assets impairment		
Add: Gain from change in fair value (losses are represented by “-”)		
Investment income (losses are represented by “-”)	59,424,815.00	55,112,199.43
Including: Income from investment in associates and joint ventures	59,239,883.49	47,743,613.48
Exchange gain (losses are represented by “-”)		

III. Operating profit (losses are represented by “-”)	32,199,370.16	41,689,597.31
Add: Non-operating income	60,039.44	34,514.85
Less: Non-operating expenses	199,075.74	100,314.32
Including: Loss from the disposal of non-current assets		
IV. Total profit (losses are represented by “-”)	32,060,333.86	41,623,797.84
Less: Income tax expense		
V. Net Profit (losses are represented by “-”)	32,060,333.86	41,623,797.84
VI. Other comprehensive income:		
VII. Total comprehensive income:	32,060,333.86	41,623,797.84
<i>Legal Representative of the Company:</i> Xia Dechuan	<i>Person in charge of accounting work:</i> Shen Jianlong	<i>Person in charge of the Accounting Department:</i> Liu Xianfang

INCOME STATEMENT

January-September 2013

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	76,495,536.22	194,846,716.67
Including: Operating income	76,495,536.22	194,846,716.67
Interest income		
Premiums earned		
Income from handling charges and commissions		
II. Total operating cost	160,207,003.76	275,298,876.99
Including: Operating cost	43,861,446.89	169,099,360.25
Interest expenses		
Handling charges and commissions		
Insurance withdrawal payment		
Net payments from indemnity		
Net provision for insurance contract		
Insurance policy dividend paid		
Reinsurance cost		
Business taxes and surcharges	491,196.60	757,677.02
Selling expenses	8,267,118.84	5,742,209.91
Administrative expenses	97,228,699.59	89,586,514.91
Financial expenses	11,126,743.29	13,107,764.16
Loss on assets impairment	-768,201.45	-2,994,649.26
Add: Gain from change in fair value (losses are represented by “-”)		
Investment income (losses are represented by “-”)	171,461,319.14	156,498,113.53
Including: Income from investment in associates and joint ventures	171,276,387.63	149,129,527.58
Exchange gain (losses are represented by “-”)		

III. Operating profit (losses are represented by “-”)	87,749,851.60	76,045,953.21
Add: Non-operating income	1,072,490.63	738,933.62
Less: Non-operating expenses	322,344.32	227,651.08
Including: Loss from the disposal of non-current assets		
IV. Total profit (losses are represented by “-”)	88,499,997.91	76,557,235.75
Less: Income tax expense		
V. Net Profit (losses are represented by “-”)	88,499,997.91	76,557,235.75
VI. Other comprehensive income:		
VII. Total comprehensive income:	88,499,997.91	76,557,235.75
<i>Legal Representative of the Company:</i> Xia Dechuan	<i>Person in charge of accounting work:</i> Shen Jianlong	<i>Person in charge of the Accounting Department:</i> Liu Xianfang

CASH FLOW STATEMENT

January-September 2013

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	97,683,756.39	141,328,055.30
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	145,638,765.53	59,584,293.23
Sub-total of cash inflows from operating activities	243,322,521.92	200,912,348.53

Cash paid for purchase of goods and services received	264,513,263.51	112,080,240.64
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	54,219,014.41	42,803,260.43
Cash paid for all types of taxes	4,263,126.11	4,882,149.53
Cash paid relating to other operating activities	120,941,630.32	130,668,863.51
Sub-total of cash outflows from operating activities	443,937,034.35	290,434,514.11
Net cash flows from operating activities	-200,614,512.43	-89,522,165.58

II. Cash flows from investing activities:

Cash received from disposal of investments		
Cash received from return on investments	16,498,428.08	200,800,204.97
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	141,651.70	86,947.40
Net cash received from disposal of subsidiaries and other operating entities		
Cash received relating to other investment activities		
Sub-total of cash inflows from investing activities	16,640,079.78	200,887,152.37
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	9,143,360.61	28,876,433.91
Cash paid for investments	55,000,000.00	163,631,394.60
Net increase in secured loans		
Net cash paid for acquisition of subsidiaries and other operating entities		
Cash paid on other investment activities	550,000,000.00	
Sub-total of cash outflows from investing activities	614,143,360.61	192,507,828.51
Net cash flows from investing activities	-597,503,280.83	8,379,323.86

III. Cash flows from financing activities:

Cash received from investments	1,298,239,997.92	
Including: cash received by subsidiaries from minority shareholders' investment		
Cash received from borrowings	515,000,000.00	360,000,000.00
Cash received from issuing bonds		
Cash received from other financing activities		
Sub-total of cash inflows from financing activities	1,813,239,997.92	360,000,000.00
Cash paid on repayment of borrowings	400,000,000.00	210,000,000.00
Cash paid on distribution of dividends or profits, or interest expenses	57,776,395.54	50,829,878.55
Including: dividend and profit paid to minority shareholders by subsidiaries		
Cash paid on other financing activities	2,892,889.11	
Sub-total of cash outflows from financing activities	460,669,284.65	260,829,878.55
Net cash flows from financing activities	1,352,570,713.27	99,170,121.45

IV. Effect of fluctuations in exchange rates on cash and cash equivalents

V.	Net increase in cash and cash equivalents	554,452,806.08	18,027,277.85
	Add: balance of cash and cash equivalents		
	at the beginning of the period	79,348,878.62	58,995,526.58
VI.	Balance of cash and cash equivalents		
	at the end of the period	633,801,684.70	77,022,804.43

*Legal Representative of the
Company:*
Xia Dechuan

*Person in charge of
accounting work:*
Shen Jianlong

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