

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)

2013 FIRST 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 “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 report does not contain any misrepresentation, misleading statement, or material omission, and severally and jointly accept responsibility for the truthfulness, accuracy, and completeness of the contents herein.
- 1.2 All directors attended the Board meeting held on 26 April 2013.
- 1.3 The Company’s financial statements for the first quarter of 2013 were unaudited.
- 1.4 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 first quarterly report.

2 CORPORATE INFORMATION

2.1 Major accounting data and financial indicators (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 2013)	As at the end of the previous year (31 December 2012)	Changes from the end of the previous year (%)
Total assets	3,143,041,734.73	3,116,256,107.90	0.86
Owners' equity (or shareholder's equity)	1,707,474,491.14	1,684,756,014.24	1.35
Net assets per share attributable to shareholders of the Company	2.61	2.57	1.35
	From the beginning of the year to the end of the reporting period (January-March 2013)	Change as compared to the corresponding period of the previous year (%)	
Net cash flow from operating activities	-140,817,059.33	N/A	
Net cash flow per share from operating activities	-0.2150	N/A	

	For the reporting period (January-March 2013)	From the beginning of the year to the end of the reporting period (January-March 2013)	Changes from the corresponding period of the previous year (%)
Operating income	430,370,588.32	430,370,588.32	-24.00
Net profit attributable to shareholders of the Company	22,718,476.90	22,718,476.90	62.41
Net profit attributable to shareholders of the Company after extraordinary items	16,355,744.60	16,355,744.60	31.30
Basic earnings per share	0.0347	0.0347	62.41
Basic earnings per share after extraordinary items	0.0250	0.0250	31.30
Diluted earnings per share	0.0347	0.0347	62.41
Return on net assets (weighted average) (%)	1.34	1.34	Increased by 0.46 percentage point
Return on net assets after extraordinary items (weighted average) (%)	0.96	0.96	Increased by 0.18 percentage point

Items and amounts of extraordinary items (January - March 2013)

Unit: RMB (Yuan)

Items	Amounts
Profit and loss from disposal of non-current assets	-428.21
Government subsidiaries accounted for as current profit and loss (excluding those closely related to the enterprise's business and enjoyed according to the State's standard quota or quantity)	8,238,575.00
Profit and loss from debt restructuring	282,249.38
Other non-operating income/expenses other than the above items	-119,456.07
Impact of income tax	-2,045,132.28
Impact of minority interest (after tax)	6,924.48
Total	<u><u>6,362,732.30</u></u>

2.2 Total number of shareholders and shareholdings of the top ten shareholders of tradable shares not subject to trading moratorium at the end of the reporting period (as at 31 March 2013)

Unit: Shares

Total number of shareholders as at the end of the reporting period was 18,188, including 18,136 holders of A Shares and 52 holders of H Shares.

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

Name of shareholders (Full name)	Number of tradable shares not subject to trading moratorium as at the end of the reporting period	Type of shares
Panda Electronics Group Limited (“PEGL”)	334,715,000	RMB denominated ordinary shares
HKSCC (Nominees) Limited	240,711,599	Overseas listed foreign shares
Huang Jitang (黃紀棠)	2,170,081	RMB denominated ordinary shares
Peng Hongwan (彭洪萬)	1,161,026	RMB denominated ordinary shares
Essence Securities Co., Ltd. — client credit trading guarantee securities account (安信證券股份有限公司客戶信用交易 擔保證券賬戶)	837,418	RMB denominated ordinary shares
Beijing International Trust Co., Ltd. — Yinch 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)	740,000	RMB denominated ordinary shares
Zheng Xinhua (鄭新華)	640,000	RMB denominated ordinary shares
Yang Chunyan (楊春燕)	627,023	RMB denominated ordinary shares
Wang Caihong (王彩紅)	543,608	RMB denominated ordinary shares
Rong Tao (榮韜)	397,600	RMB denominated ordinary shares

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 2013	31 December 2012	Changes (%)
Bills receivable	61,433,918.67	37,673,756.21	63.07
Prepayments	120,972,834.28	80,466,610.80	50.34
Construction in progress	98,188,302.18	58,622,146.44	67.49
Short-term loans	490,000,000.00	360,000,000.00	36.11
Bills payable	172,536,551.81	288,335,481.41	-40.16
Taxes payable	9,928,327.42	28,925,190.14	-65.68
Dividend payable	0.00	1,364,696.99	-100.00

Explanation of the changes:

- (1) The increase in bills receivable was due to the increase in sales activity settled by bills;
- (2) The increase in prepayments was mainly due to the increase in advance payments for purchase of raw materials;
- (3) The increase in construction in progress was mainly due to additional investment in construction of Xin Gang Park and Electronic Equipment Industrial Park;

- (4) The increase in short-term loans was mainly due to the increased need for working capital in line with the production and operations in the period;
- (5) The decrease in bills payable was mainly because the bills falling due were honored;
- (6) The decrease in taxes payable was mainly due to delivery of more goods at the end of last year;
- (7) The decrease in dividend payable was due to the payment of dividend to minority shareholders by controlled subsidiaries pursuant to relevant resolutions.

3.1.2 Major changes in items of income statement:

Unit: RMB (Yuan)

Items	January- March 2013	January- March 2012	Changes (%)
Financial expenses	5,850,014.02	3,653,266.22	60.13
Loss in assets impairment	-1,315,096.37	2,382,041.25	-155.21
Investment income	48,012,362.50	26,059,396.81	84.24
Non-operating income	8,801,228.46	2,163,945.40	306.72
Income tax expense	-12,383.67	1,107,578.08	-101.12

Explanation of the changes:

- (1) The increase in financial expenses was mainly due to the increase in average loan size during the period over the same period last year;
- (2) The decrease in loss in assets impairment was mainly due to the reversal of part of provision for bad debt;
- (3) The increase in investment income was mainly due to the increase in income of joint ventures during the period over the same period last year;

- (4) The increase in non-operating income was mainly due to the increase in recognized government grants during the period;
- (5) The decrease in income tax expense was mainly due to more profit recorded by certain subsidiaries in the same period last year.

3.1.3 Major changes in items of cash flow statement

Unit: RMB (Yuan)

Items	January -March 2013	January -March 2012	Changes (%)
Net cash flows from operating activities	-140,817,059.33	-86,931,611.81	N/A
Net cash flows from investment activities	-69,037,200.79	-18,686,778.24	N/A
Net cash flows from financing activities	121,623,960.12	64,305,563.78	89.13

Explanation of the changes:

- (1) The decrease in net cash flows from operating activities was mainly due to more bills being honored when falling due and increase in advance payments for purchase of raw materials in the period;
- (2) The decrease in net cash flows from investment activities was mainly due to the increase in investment in construction of Xin Gang Park and Electronic Equipment Industrial Park;
- (3) The increase in net cash flows from financing activities was mainly due to the increase in the proceeds from financing activities during the period.

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

☒ Applicable ☐ Not applicable

3.2.1 The Company intended to raise up to RMB1.32 billion through non-public issue of A shares for the construction of the automation equipment industrialization, electronic transport equipment industrialization and communications equipment industrialization and R&D center projects (for details, please refer to the announcements published by the Company on the websites of the Shanghai Stock Exchange and the Hong Kong Stock Exchange on 26 December 2012 and 8 January 2013 respectively). At present, the non-public issue of A share has been approved by the Issuance Examination Committee of China Securities Regulatory Commission. The Company received the Approval for Non-public Issue of A Shares by Nanjing Panda Electronics Company Limited (Zheng Jian Xu Ke [2013] No. 332)(《關於核准南京熊貓電子股份有限公司非公開發行股票的批復》(證監許可[2013]332號)) from the China Securities Regulatory Commission on 19 April 2013. For details, please refer to the announcement published by the Company on the website of the Hong Kong Stock Exchange on 19 April 2013.

3.2.2 The Company entered into a relocation agreement with the municipal government of Baixia District, Nanjing on the relocation of Nanjing Panda Mechanical and Electrical Equipment Factory. Pursuant to relevant valuation, the municipal government of Baixia District shall pay the Company a relocation compensation of RMB125 million in total by instalments based on the relocation progress (for details, please refer to the relevant announcements 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 Performance of undertakings of the Company, shareholders and de facto controllers of the Company

☒ Applicable ☐ Not applicable

PEGL, the controlling shareholder of the Company, Nanjing Electronics Information Industrial Corporation, the controlling shareholder of PEG, 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 2012 annual report published by the Company on the websites of the Shanghai Stock Exchange and the Hong Kong Stock Exchange on 28 March 2013). 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

3.5 Execution of cash dividend policy during the reporting period

☒ Applicable ☐ Not applicable

As considered and approved at the seventh meeting of the seventh board of directors of the Company, it was proposed to distribute a cash dividend of RMB0.60 (tax inclusive) for every ten shares to all the shareholders on the basis of a total share capital of 655,015,000 shares as at 31 December 2012, with the total cash dividend to be distributed amounting to RMB39,300,900, and the remaining part to be carried forward to next year. The Company resolved that capitalization of capital reserve would not be made. The proposal is subject to the shareholders’ approval at the 2012 annual general meeting. For details, please refer to relevant announcements published by the Company on the websites of the Shanghai Stock Exchange and the Hong Kong Stock Exchange on 28 March 2013.

Nanjing Panda Electronics Company Limited

26 April 2013

4 APPENDIX

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

Consolidated Balance Sheet

31 March 2013

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Assets	Closing balance	Opening balance
Current assets:		
Cash and bank balances	437,148,495.52	590,799,740.05
Settlement provisions	—	—
Placements with banks and other financial institutions	—	—
Trading financial assets	—	—
Bills receivable	61,433,918.67	37,673,756.21
Trade receivable	748,090,034.40	744,949,177.06
Prepayments	120,972,834.28	80,466,610.80
Premiums receivable	—	—
Reinsurance receivable	—	—
Reinsurance contract reserve	—	—
Interest receivable	—	—
Dividends receivable	—	—
Other receivables	58,173,717.20	49,014,039.75
Financial assets purchased for resale	—	—
Inventories	296,625,051.24	267,235,161.51
Non-current assets due within one year	—	—
Other current assets	—	—
Total current assets	1,722,444,051.31	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	640,279,101.05	592,266,738.55
Investment properties	—	—
Fixed assets	590,396,560.48	602,791,624.83
Construction in progress	98,188,302.18	58,622,146.44
Construction supplies	—	—
Clearance of fixed assets	—	—
Biological assets for production	—	—
Fuel assets	—	—
Intangible assets	85,613,714.27	86,309,861.12
Development expenses	—	—
Goodwill	—	—
Long term deferred expenses	—	—
Deferred income tax assets	6,120,005.44	6,127,251.58
Other non-current assets	—	—

Total non-current assets	1,420,597,683.42	1,346,117,622.52
---------------------------------	-------------------------	-------------------------

Total assets	3,143,041,734.73	3,116,256,107.90
---------------------	-------------------------	-------------------------

*Legal representative
of the Company:*

Xia Dechuan

Chief Accountant:

Shen Jianlong

Head of the Accounting

Department:

Liu Xianfang

Liabilities and shareholders' equity	Closing balance	Opening balance
Current liabilities		
Short term loans	490,000,000.00	360,000,000.00
Borrowing from PBOC	—	—
Customer and interbank deposits	—	—
Borrowing from interbank	—	—
Trading financial liabilities	—	—
Bills payable	172,536,551.81	288,335,481.41
Accounts payable	483,949,828.38	473,873,788.33
Advances from customers	130,647,838.45	110,450,931.40
Financial assets sold under repurchase agreements	—	—
Handling charges and commissions payable	—	—
Salaries payable	30,178,312.84	38,072,801.82
Taxes payable	9,928,327.42	28,925,190.14
Interest payable	661,222.22	521,752.78
Dividend payable	—	1,364,696.99
Other payables	109,494,664.16	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	1,427,396,745.28	1,423,652,545.41

Non-current liabilities:

Long term loans	—	—
Bonds payables	—	—
Long term payables	—	—
Specific payables	—	—
Accrued liabilities	—	—
Deferred income tax liabilities	292,090.58	311,720.39
Other non-current liabilities	—	—

Total non-current liabilities	292,090.58	311,720.39
--------------------------------------	-------------------	-------------------

Total liabilities	1,427,688,835.86	1,423,964,265.80
--------------------------	-------------------------	-------------------------

Shareholders' equity:

Share capital	655,015,000.00	655,015,000.00
Capital reserve	466,386,130.79	466,386,130.79
Less: treasury stock	—	—
Special reserve	—	—
Surplus reserve	220,739,998.89	220,739,998.89
General risk reserve	—	—
Undistributed profits	365,333,361.46	342,614,884.56
Translation difference of foreign currency statement	—	—
Subtotal of equity attributable to shareholders of the parent company	1,707,474,491.14	1,684,756,014.24
Minority interests	7,878,407.73	7,535,827.86

Total shareholders' equity	1,715,352,898.87	1,692,291,842.10
-----------------------------------	-------------------------	-------------------------

Total liabilities and shareholders' equity	3,143,041,734.73	3,116,256,107.90
---	-------------------------	-------------------------

*Legal representative
of the Company:*
Xia Dechuan

Chief Accountant:
Shen Jianlong

*Head of the Accounting
Department:*
Liu Xianfang

Consolidated Profit and Loss Statement

January-March 2013

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Amount for the period	Amount for the same period last year
1. Total operating income	430,370,588.32	566,260,643.90
Include: Operating income	430,370,588.32	566,260,643.90
Interest income	—	—
Premiums earned	—	—
Income from handling charges and commissions	—	—
2. Total operating cost	464,024,805.90	577,753,549.25
Include: Operating cost	380,032,957.10	501,509,440.37
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 surcharge	3,455,365.73	4,427,603.90
Selling expenses	8,497,331.89	8,519,607.35
Administrative expenses	67,504,233.53	57,261,590.16
Financial expenses	5,850,014.02	3,653,266.22
Loss in assets impairment	-1,315,096.37	2,382,041.25
Add: Income from change in fair value (losses are represented by “-”)	—	—
Investment income (losses are represented by “-”)	48,012,362.50	26,059,396.81
Include: Income from investment in associates and joint ventures	48,012,362.50	26,059,396.81
Exchange gain (losses are represented by “-”)	—	—

3. Operating profit		
(losses are represented by “-”)	14,358,144.92	14,566,491.46
Add: Non-operating income	8,801,228.46	2,163,945.40
Less: Non-operating expenses	110,700.28	91,066.71
Include: Loss from the disposal of non-current assets	—	—
4. Total profit		
(losses are represented by “-”)	23,048,673.10	16,639,370.15
Less: Income tax	-12,383.67	1,107,578.08
5. Net profit		
(losses are represented by “-”)	23,061,056.77	15,531,792.07
Profit attributable to the equity shareholders of the parent company	22,718,476.90	13,988,245.50
Minority interest	342,579.87	1,543,546.57
6. Earnings per share:		
(1) Basic earnings per share	0.0347	0.0214
(2) Diluted earnings per share	0.0347	0.0214
7. Other comprehensive income:	—	—
8. Total comprehensive income:	23,061,056.77	15,531,792.07
Total comprehensive income attributable to the equity shareholders of the parent company	22,718,476.90	13,988,245.50
Total comprehensive income attributable to minority shareholders	342,579.87	1,543,546.57

*Legal representative
of the Company:*
Xia Dechuan

Chief Accountant:
Shen Jianlong

*Head of the Accounting
Department:*
Liu Xianfang

Consolidated Cash Flow Statement

January-March 2013

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Amount for the period	Amount for the same period last year
1. Cash flows from operating activities:		
Cash received from the sale of goods and rendering of services	446,982,495.94	563,743,198.92
Net increase in customer and interbank deposits		
Net increase in borrowing from PBOC		
Net cash increase in borrowing from other financial institutes		
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	328,719.34	19,907,609.58
Cash received from relating to other operating activities	22,888,281.55	7,413,354.98
Sub-total of cash inflows from operating activities	470,199,496.83	591,064,163.48

Cash paid on purchase of goods and services received	433,307,332.99	507,926,050.23
Net increase in loans and advances		
Net increase in disposits in 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	99,204,367.06	86,832,409.31
Cash paid for all types of taxes	35,505,067.24	25,331,045.77
Cash paid relating to other operating activities	42,999,788.87	57,906,269.98
Sub-total of cash outflows from operating activities	611,016,556.16	677,995,775.29
Net cash flows from operating activities	-140,817,059.33	-86,931,611.81
2. Cash flows from investing activities:		
Cash received from disposal of investments	—	
Cash received from return on investments	—	
Net cash received from the disposal of fixed assets, intangible assets and other long term assets	352,200.00	23,000.00
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	352,200.00	23,000.00

Cash paid on purchase of fixed assets, intangible assets and other long term assets	69,389,400.79	18,709,778.24
Cash paid for acquisition of investments	—	
Net increase in secured loans		
Net cash paid on acquisition of subsidiaries and other operating entities	—	
Cash paid on other investment activities	—	
Sub-total of cash outflows from investing activities	69,389,400.79	18,709,778.24
Net cash flows from investing activities	-69,037,200.79	-18,686,778.24
3. Cash flows from financing activities:		
Cash received from investment	—	
Including: cash received by subsidiaries from minority shareholders' investment	—	
Cash received from borrowings	292,000,000.00	275,698,456.50
Cash received from issuing bonds		
Cash received from other financing activities	—	—
Sub-total of cash inflows from financing activities	292,000,000.00	275,698,456.50

Cash paid on repayment of borrowings	162,000,000.00	205,886,237.90
Cash paid on distribution of dividends or profits, or interest expenses	8,376,039.88	5,506,654.82
Including: dividends and profit paid to minority shareholders by subsidiaries	1,364,696.99	143,289.96
Cash paid on other financing activities	—	—
Sub-total of cash outflows from financing activities	170,376,039.88	211,392,892.72
Net cash flows from financing activities	121,623,960.12	64,305,563.78
4. Effect of fluctuations in exchange rates on cash and cash equivalents	-27,893.29	-21,623.30
5. Net increase in cash and cash equivalents	-88,258,193.29	-41,334,449.57
Add: balance of cash and cash equivalents at the beginning of the year	378,040,300.31	343,783,370.28
6. Balance of cash and cash equivalents at the end of the period	289,782,107.02	302,448,920.71
<i>Legal representative of the Company:</i> Xia Dechuan	<i>Chief Accountant:</i> Shen Jianlong	<i>Head of the Accounting Department:</i> Liu Xianfang

Balance Sheet

31 March 2013

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Assets	Closing balance	Opening balance
Current assets:		
Cash and bank balances	85,876,975.98	194,463,677.11
Settlement provisions	—	—
Placements with banks and other financial institutions	—	—
Trading financial assets	—	—
Bills receivable	—	1,850,000.00
Trade receivable	248,556,807.96	231,416,087.32
Prepayments	2,334,171.66	4,385,426.29
Premiums receivable	—	—
Reinsurance receivable	—	—
Reinsurance contract reserve	—	—
Interest receivable	—	—
Dividends receivable	10,239,006.08	13,423,299.05
Other receivables	171,529,976.18	183,251,605.81
Financial assets purchased for resale	—	—
Inventories	20,310,327.48	16,266,554.62
Non-current assets due within one year	—	—
Other current assets	—	—
Total current assets	538,847,265.34	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	1,306,572,893.94	1,258,560,531.44
Investment properties	—	—
Fixed assets	410,650,158.95	415,060,414.27
Construction in progress	11,033,269.42	3,890,602.01
Construction supplies	—	—
Clearance of fixed assets	—	—
Biological assets for production	—	—
Fuel assets	—	—
Intangible assets	23,168,450.90	23,536,609.81
Development expenses	—	—
Goodwill	—	—
Long term deferred expenses	—	—
Deferred income tax assets	—	—
Other non-current assets	—	—

Total non-current assets	1,751,424,773.21	1,701,048,157.53
---------------------------------	-------------------------	-------------------------

Total assets	2,290,272,038.55	2,346,104,807.73
---------------------	-------------------------	-------------------------

*Legal representative
of the Company:*

Xia Dechuan

Chief Accountant:

Shen Jianlong

Head of the Accounting

Department:

Liu Xianfang

Liabilities and shareholders' equity	Closing balance	Opening balance
Current liabilities		
Short term loans	375,000,000.00	255,000,000.00
Borrowing from PBOC	—	—
Customer and interbank deposits	—	—
Borrowing from interbank	—	—
Trading financial liabilities	—	—
Bills payable	90,759,466.22	190,229,596.96
Accounts payable	57,856,865.58	82,446,535.37
Advances from customers	543,399.02	42,340.00
Financial assets sold under repurchase agreements	—	—
Handling charges and commissions payable	—	—
Salaries payable	15,418,627.75	15,676,136.45
Taxes payable	4,430,801.91	7,251,956.13
Interest payable	661,222.22	521,752.78
Dividend payable	—	—
Other payables	204,819,394.11	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	749,489,776.81	826,690,250.13

Non-current liabilities:

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

Total non-current liabilities

—	—
---	---

Total liabilities

749,489,776.81	826,690,250.13
-----------------------	-----------------------

Shareholders' equity:

Share capital	655,015,000.00	655,015,000.00
Capital reserve	435,389,401.59	435,389,401.59
Less: treasury stock	—	—
Special reserve	—	—
Surplus reserve	220,739,998.89	220,739,998.89
General risk reserve	—	—
Undistributed profits	229,637,861.26	208,270,157.12
Translation difference of foreign currency statement	—	—
Total shareholders' equity	1,540,782,261.74	1,519,414,557.60

Total liabilities and shareholders' equity

2,290,272,038.55	2,346,104,807.73
-------------------------	-------------------------

*Legal representative
of the Company:*
Xia Dechuan

Chief Accountant:
Shen Jianlong

*Head of the Accounting
Department:*
Liu Xianfang

Profit and Loss Statement

January-March 2013

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Amount for the period	Amount for the same period last year
1. Total operating income	26,941,790.64	17,625,141.54
Include: Operating income	26,941,790.64	17,625,141.54
Interest income	—	—
Premiums earned	—	—
Income from handling charges and commissions	—	—
2. Total operating cost	53,627,840.10	44,091,637.40
Include: Operating cost	18,251,250.57	10,714,547.13
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 surcharge	163,622.10	249,197.72
Selling expenses	1,413,904.14	2,122,179.43
Administrative expenses	30,713,635.34	28,721,888.43
Financial expenses	4,351,582.95	2,583,824.69
Loss in assets impairment	-1,266,155.00	-300,000.00
Add: Income from change in fair value (losses are represented by “-”)	—	—
Investment income (losses are represented by “-”)	48,012,362.50	26,059,396.81
Include: Income from investment in associates and joint ventures	48,012,362.50	26,059,396.81
Exchange gain (losses are represented by “-”)	—	—

3. Operating profit		
(losses are represented by “-”)	21,326,313.04	-407,099.05
Add: Non-operating income	46,261.10	650,401.70
Less: Non-operating expenses	4,870.00	—
Include: Loss from the disposal of non-current assets	—	—
4. Total profit (losses are represented by “-”)	21,367,704.14	243,302.65
Less: Income tax	—	—
5. Net profit (losses are represented by “-”)	21,367,704.14	243,302.65
6. Other comprehensive income	—	—
7. Total comprehensive income	21,367,704.14	243,302.65

Legal representative

of the Company:

Xia Dechuan

Chief Accountant:

Shen Jianlong

Head of the Accounting

Department:

Liu Xianfang

Cash Flow Statement

January-March 2013

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Amount for the period	Amount for the same period last year
1. Cash flows from operating activities:		
Cash received from the sale of goods and rendering of services	27,670,115.01	12,014,584.38
Net increase in customer and interbank deposits		
Net increase in borrowing from PBOC		
Net cash increase in borrowing from other financial institutes		
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 from relating to other operating activities	77,384,612.50	94,745,809.03
Sub-total of cash inflows from operating activities	105,054,727.51	106,760,393.41

Cash paid on purchase of goods and services received	94,077,720.60	10,079,252.35
Net increase in loans and advances		
Net increase in disposits in 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	22,503,736.63	20,122,846.63
Cash paid for all types of taxes	1,062,644.31	898,371.89
Cash paid relating to other operating activities	155,561,386.06	89,646,972.82
Sub-total of cash outflows from operating activities	273,205,487.60	120,747,443.69
Net cash flows from operating activities	-168,150,760.09	-13,987,050.28
2. Cash flows from investing activities:		
Cash received from disposal of investments	—	
Cash received from return on investments	—	721,957.17
Net cash received from the 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	—	—
Sub-total of cash inflows from investing activities	—	721,957.17

Cash paid on purchase of fixed assets, intangible assets and other long term assets	3,291,685.51	11,196,744.88
Cash paid for acquisition of investments	—	—
Net increase in secured loans		
Net cash paid on acquisition of subsidiaries and other operating entities	—	—
Cash paid on other investment activities	—	—
Sub-total of cash outflows from investing activities	3,291,685.51	11,196,744.88
Net cash flows from investing activities	-3,291,685.51	-10,474,787.71
3. Cash flows from financing activities:		
Cash received from investment	—	—
Including: cash received by subsidiaries from minority shareholders' investment		
Cash received from borrowings	265,000,000.00	230,000,000.00
Cash received from issuing bonds		
Cash received from other financing activities	—	—
Sub-total of cash inflows from financing activities	265,000,000.00	230,000,000.00
Cash paid on repayment of borrowings	145,000,000.00	130,000,000.00
Cash paid on distribution of dividends or profits, or interest expenses	5,352,913.89	4,193,725.00
Including: dividends and profit paid to minority shareholders by subsidiaries		
Cash paid on other financing activities	—	—
Sub-total of cash outflows from financing activities	150,352,913.89	134,193,725.00
Net cash flows from financing activities	114,647,086.11	95,806,275.00

4. Effect of fluctuations in exchange rates on cash and cash equivalents	—	-2.13
5. Net increase in cash and cash equivalents	-56,795,359.49	71,344,434.88
Add: balance of cash and cash equivalents at the beginning of the year	79,348,878.62	58,995,526.58
6. Balance of cash and cash equivalents at the end of the period	22,553,519.13	130,339,961.46

*Legal representative
of the Company:*
Xia Dechuan

Chief Accountant:
Shen Jianlong

*Head of the Accounting
Department:*
Liu Xianfang