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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)

2019 FIRST QUARTERLY REPORT

I. IMPORTANT NOTICE

- 1.1 The board of directors (the “**Board**”), the supervisory committee, and the directors, supervisors, and senior management of Nanjing Panda Electronics Company Limited (the “**Company**”) confirm that the information in this quarterly report is truthful, accurate and complete, does not contain any misrepresentation, misleading statement, or material omission, and severally and jointly accept responsibility.
- 1.2 All directors of the Company attended the Board meeting to consider the quarterly report.
- 1.3 Mr. Xia Dechuan, the responsible person of the Company, Mr. Shen Jianlong, the Chief Accountant, and Ms. Liu Xianfang, the Manager of Finance Department of the Company have declared the truthfulness, accuracy and completeness of the financial statements contained in the quarterly report.
- 1.4 The Company’s financial statements for the first quarter were unaudited.

II. MAJOR FINANCIAL DATA AND CHANGES IN SHAREHOLDERS OF THE COMPANY

2.1 Major financial data (prepared in accordance with the PRC Accounting Standards for Business Enterprises, unaudited)

Unit: RMB (Yuan)

| | As at the end of the reporting period (31 March 2019) | As at the end of the previous year (31 December 2018) | Changes from the end of the previous year (%) |
|--|---|--|--|
| Total assets | 6,334,298,607.80 | 6,184,619,023.98 | 2.42 |
| Net assets attributable to shareholders of the Company | 3,481,894,899.40 | 3,468,424,299.40 | 0.39 |
| | From the beginning of the year to the end of the reporting period (January–March 2019) | From the beginning of the previous year to the end of the reporting period of the previous year (January–March 2018) | Changes as compared to the corresponding period of the previous year (%) |
| Net cash flows from operating activities | -238,571,084.53 | -123,298,866.81 | N/A |
| | From the beginning of the year to the end of the reporting period (January–March 2019) | From the beginning of the previous year to the end of the reporting period of the previous year (January–March 2018) | Changes as compared to the corresponding period of the previous year (%) |
| Operating income | 1,076,443,782.90 | 1,034,726,458.86 | 4.03 |
| Net profit attributable to shareholders of the Company | 13,461,353.47 | 26,492,533.22 | -49.19 |
| Net profit attributable to shareholders of the Company after extraordinary items | 7,809,832.41 | 20,346,101.44 | -61.62 |
| Return on net assets (weighted average) (%) | 0.39 | 0.78 | Decreased by 0.39 percentage point |
| Basic earnings per share (<i>yuan/share</i>) | 0.0147 | 0.0290 | -49.31 |
| Diluted earnings per share (<i>yuan/share</i>) | 0.0147 | 0.0290 | -49.31 |

Note:

The decrease in net cash flows from operating activities is mainly due to cash paid for purchasing of goods during the period; the decrease in net profit attributable to shareholders of the Company and net profit attributable to shareholders of the Company after extraordinary items is mainly related to decrease in gross margin during the period.

Extraordinary items and amounts

Unit: RMB (Yuan)

| Item | Amount for the period | Explanation |
|---|----------------------------------|--------------------|
| Profit and loss from disposal of non-current assets | -63,558.97 | |
| Government grants accounted for as current profit and loss (except for government grants which are closely related to normal business of the Company, conformed to requirements of State policy, and are granted continuously according to certain standardised amounts or quotas) | 4,517,178.74 | |
| Apart from hedging instruments relating to the normal operations of the Company, profit or loss from change in fair value of financial assets held for trading, derivative financial assets, financial liabilities held for trading and derivative financial liabilities, and investment income from disposal of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and other debenture investments | 3,523,029.21 | |
| Reversal of provisions for impairment of accounts receivable and contract assets individually tested for impairment | 9,134.42 | |
| Non-operating income and expenses other than the aforesaid items | 125,750.91 | |
| Impact on minority interest (after-tax) | -927,630.23 | |
| Impact on income tax | -1,532,383.02 | |
| Total | <u>5,651,521.06</u> | |

2.2 Total number of shareholders, shareholdings of the top 10 shareholders and top 10 shareholders of circulating shares (shareholders of tradable shares not subject to trading moratorium) as at the end of the reporting period (31 March 2019)

Unit: Share

Total number of shareholders 71,883

Shareholdings of the top 10 shareholders

| Full name of shareholders | Number of shares held as at the end of the reporting period | Percentage (%) | Total number of tradable shares held subject to trading moratorium | Pledged or frozen Status of share | Number | Nature of shareholder |
|--|---|----------------|--|-----------------------------------|--------|--------------------------|
| HKSCC (Nominees) Limited | 242,771,427 | 26.57 | 0 | Unknown | | Overseas legal person |
| Panda Electronics Group Limited | 210,661,444 | 23.05 | 0 | Unknown | | State-owned legal person |
| China Huarong Asset Management Co., Ltd. (中國華融資產管理股份有限公司) | 74,147,867 | 8.11 | 0 | Unknown | | State-owned legal person |
| Nanjing Electronics Information Industrial Corporation | 63,302,611 | 6.93 | 0 | Unknown | | State-owned legal person |
| China Great Wall Asset Management Co., Ltd. (中國長城資產管理股份有限公司) | 8,420,997 | 0.92 | 0 | Unknown | | State-owned legal person |
| Hua Wei (華煒) | 3,751,400 | 0.41 | 0 | Unknown | | Domestic natural person |
| Zhang Xiaofeng (張曉峰) | 1,845,163 | 0.20 | 0 | Unknown | | Domestic natural person |
| Lu Yiqing (陸依青) | 1,500,000 | 0.16 | 0 | Unknown | | Domestic natural person |
| Fang Yuqiu (房郁秋) | 1,440,000 | 0.16 | 0 | Unknown | | Domestic natural person |
| Su Mande (蘇滿德) | 1,296,808 | 0.14 | 0 | Unknown | | Domestic natural person |

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

| Name of shareholders | Number of shares held not subject to trading moratorium | Class and number of shares | |
|---|---|---------------------------------|-------------|
| | | Class | Number |
| HKSCC (Nominees) Limited | 242,771,427 | Overseas listed foreign shares | 241,397,470 |
| | | RMB denominated ordinary shares | 1,373,957 |
| Panda Electronics Group Limited (“PEGL”) | 210,661,444 | RMB denominated ordinary shares | 210,661,444 |
| China Huarong Asset Management Co., Ltd. (中國華融資產管理股份有限公司) | 74,147,867 | RMB denominated ordinary shares | 74,147,867 |
| Nanjing Electronics Information Industrial Corporation (“NEIIC”) | 63,302,611 | RMB denominated ordinary shares | 49,534,611 |
| | | Overseas listed foreign shares | 13,768,000 |
| China Great Wall Asset Management Co., Ltd. (中國長城資產管理股份有限公司) | 8,420,997 | RMB denominated ordinary shares | 8,420,997 |
| Hua Wei (華煒) | 3,751,400 | RMB denominated ordinary shares | 3,751,400 |
| Zhang Xiaofeng (張曉峰) | 1,845,163 | RMB denominated ordinary shares | 1,845,163 |
| Lu Yiqing (陸依青) | 1,500,000 | RMB denominated ordinary shares | 1,500,000 |
| Fang Yuqiu (房郁秋) | 1,440,000 | RMB denominated ordinary shares | 1,440,000 |
| Su Mande (蘇滿德) | 1,296,808 | RMB denominated ordinary shares | 1,296,808 |
| Description of the connected relationship or parties acting in concert among the aforesaid shareholders | NEIIC holds 100% equity interests of PEGL, the controlling shareholder of the Company. NEIIC holds, directly and through asset management plans, 49,534,611 A shares and 13,768,000 H shares of the Company, representing 6.93% of the total number of shares. NEIIC indirectly holds 210,661,444 A shares of the Company through PEGL, representing 23.05% of the total number of shares. In total, NEIIC holds 29.98% equity interests of the Company. Save as the above, the Company is not aware of any connected relationship or parties acting in concert among the other shareholders. | | |

Notes:

HKSCC (Nominees) Limited held 242,771,427 shares of the Company (including 241,397,470 H shares and 1,373,957 A shares), representing 26.57% of the issued share capital of the Company, on behalf of several clients. The Company is not aware of any individual client holding more than 5% of the issued share capital of the Company.

2.3 Total number of holders of preference shares, top 10 holders of preference shares and top 10 holders of preference shares (not subject to trading moratorium) as at the end of the reporting period

☐ Applicable ☒ Not applicable

III. SIGNIFICANT EVENTS

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

(1) Changes in items of balance sheet

Unit: RMB (Yuan)

| Items | Closing balance | Opening balance | Changes (%) | Explanation |
|--------------------------------------|-----------------------|-----------------|----------------|--|
| Financial assets held for trading | 500,000,000.00 | 360,000,000.00 | 38.89 | Mainly due to increase in the principal of wealth management products that had not yet expired at the end of the period |
| Advance payments | 309,582,886.42 | 181,267,525.19 | 70.79 | Mainly due to the advance payments for procurement in the period |
| Contract assets | 577,593,930.50 | 360,753,744.24 | 60.11 | Mainly due to increase in the amount of consideration entitled to collect from customers for transfer of goods in the period |
| Right-of-use assets | 3,892,510.00 | 0 | N/A | Due to recognition of the right to use leased assets during the lease term as right-of-use assets in accordance with the new lease standards in the period |
| Receipts in advance | 4,556,279.84 | 2,051,740.10 | 122.07 | Mainly due to increase in the non-contractual receipts in advance in the period |

Unit: RMB (Yuan)

| Items | Closing balance | Opening balance | Changes (%) | Explanation |
|-----------------------|-----------------------|-----------------|----------------|--|
| Contract liabilities | 293,409,386.71 | 221,380,505.81 | 32.54 | Mainly due to increase in the amount of contract consideration received before the transfer of goods to customers in the period |
| Salaries payable | 20,332,919.49 | 34,316,099.14 | -40.75 | Mainly due to salaries and related cost in the period |
| Lease liabilities | 3,841,523.19 | 0 | N/A | Mainly due to recognition of the remaining lease payments as lease liabilities based on the present value (discounted using the Company's incremental borrowing rate) according to the new leasing standards in the period |
| Estimated liabilities | 0 | 2,900,000.00 | -100.00 | Mainly due to payables resulting from litigations paid in the period |

(2) Changes in items of income statement

Unit: RMB (Yuan)

| Items | January- March 2019 | January- March 2018 | Changes (%) | Reasons |
|----------------------------------|------------------------|------------------------|----------------|--|
| Financial expenses | 264,677.21 | 2,971,495.48 | -91.09 | Mainly due to decrease in exchange loss resulting from changes in RMB exchange rate in the period |
| Loss on assets impairment | 0 | -307,207.91 | N/A | Mainly due to the provision for impairment of inventories reversed in the same period of last year |
| Credit impairment loss | -9,134.42 | 0 | N/A | Mainly due to the reversal of provision for impairment of accounts receivable individually tested for impairment in the period |
| Other income | 4,517,178.74 | 480,829.30 | 839.46 | Mainly due to increase in government subsidy recognized relating to daily business activities in the period |
| Gain from the disposal of assets | -63,558.97 | -116,213.17 | N/A | Mainly due to increase in loss from disposal of non-current assets in the period |
| Non-operating income | 222,476.53 | 1,965,266.21 | -88.68 | Mainly due to decrease in government subsidy that is not related to ordinary operating activities recognized in the period |

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

☐ Applicable ☒ Not applicable

3.3 Undertakings not being fully performed during the reporting period

☐ Applicable ☒ Not applicable

3.4 Warnings on any potential loss in accumulated net profit for the period from the beginning of the year to the end of next reporting period or any material changes as compared to the corresponding period of last year and the explanations thereof

☐ Applicable ☒ Not applicable

By order of the Board
Nanjing Panda Electronics Company Limited
Xu Guofei
Chairman

Nanjing, the People's Republic of China
26 April 2019

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

IV. APPENDIX

4.1 Financial statement

Consolidated Balance Sheet

31 March 2019

(All amounts in RMB Yuan unless otherwise stated)

| Assets | 31 March 2019 | 31 December 2018 |
|--|-------------------------|-------------------------|
| Current assets: | | |
| Cash and cash equivalents | 1,094,944,259.75 | 1,448,751,802.35 |
| Settlement provisions | | |
| Placement | | |
| Financial assets measured at fair value and the changes are recorded into the profits and losses of the current period | | |
| Financial assets held for trading | 500,000,000.00 | 360,000,000.00 |
| Derivative financial assets | | |
| Notes and accounts receivable | 1,409,766,069.66 | 1,271,710,843.86 |
| Advance payments | 309,582,886.42 | 181,267,525.19 |
| Premiums receivable | – | |
| Reinsurance receivable | | |
| Reinsurance contract reserve receivable | | |
| Other receivables | 94,563,393.85 | 88,573,078.94 |
| Financial assets purchased for resale | | |
| Inventories | 741,393,173.05 | 867,808,744.86 |
| Contract assets | 577,593,930.50 | 360,753,744.24 |
| Held-for-sale assets | – | – |
| Non-current assets due within one year | | |
| Other current assets | 28,148,914.74 | 34,724,089.13 |
| Total current assets | 4,755,992,627.97 | 4,613,589,828.57 |

Assets**31 March 2019** 31 December 2018**Non-current assets:**

| | | |
|---|---------------------------------------|---------------------------------------|
| Loans and advances to customers | | |
| Available-for-sale financial assets | | |
| Held-to-maturity investments | | |
| Debenture investments | | |
| Other debenture investments | | |
| Long-term receivables | | |
| Long-term equity investments | 306,445,766.84 | 293,775,084.76 |
| Other investments in equity instruments | 3,917,680.54 | 3,905,351.83 |
| Other non-current financial assets | | |
| Investment properties | 18,042,893.74 | 19,461,979.00 |
| Fixed assets | 861,741,382.24 | 826,049,821.47 |
| Construction in progress | 263,808,318.53 | 304,808,394.92 |
| Biological assets for production | | |
| Fuel assets | | |
| Right-of-use assets | 3,892,510.00 | |
| Intangible assets | 106,795,812.76 | 109,121,966.50 |
| Development expenses | – | – |
| Goodwill | | |
| Long-term deferred expenses | 1,121,962.46 | 1,289,730.68 |
| Deferred income tax assets | 12,539,652.72 | 12,616,866.25 |
| Other non-current assets | | |
| Total non-current assets | <u>1,578,305,979.83</u> | <u>1,571,029,195.41</u> |
| Total assets | <u><u>6,334,298,607.80</u></u> | <u><u>6,184,619,023.98</u></u> |

Liabilities and owners' equity**31 March 2019** 31 December 2018**Current liabilities:**

| | | |
|---|-------------------------|------------------|
| Short-term loans | 95,000,000.00 | 95,000,000.00 |
| Borrowing from PBOC | | |
| Customer and interbank deposits | | |
| Borrowing from interbank | | |
| Financial liabilities measured at fair value and the changes are recorded into the profits and losses of the current period | | |
| Financial liabilities held for trading | | |
| Derivative financial liabilities | | |
| Notes and accounts payable | 1,804,827,199.61 | 1,731,819,795.27 |
| Receipts in advance | 4,556,279.84 | 2,051,740.10 |
| Contract liabilities | 293,409,386.71 | 221,380,505.81 |
| Financial assets sold under repurchase agreements | | |
| Bank charges and commissions due | | |
| Salaries payable | 20,332,919.49 | 34,316,099.14 |
| Taxes payable | 173,956,524.70 | 185,387,137.32 |
| Other payables | 115,174,455.20 | 101,554,174.51 |
| Reinsurers due | | |
| Insurance contract reserves | | |
| Customers' deposits held for securities brokerage | | |
| Securities underwriting | | |
| Liabilities held for sale | | |
| Non-current liabilities due within one year | | |
| Other current liabilities | 75,016,572.69 | 86,456,520.71 |
| Total current liabilities | 2,582,273,338.24 | 2,457,965,972.86 |

Liabilities and owners' equity**31 March 2019** 31 December 2018**Non-current liabilities:**

| | | |
|--------------------------------------|--------------------------------|--------------------------------|
| Non-current liabilities: | – | – |
| Long-term loans | – | – |
| Bonds payables | – | |
| Including: Preferred shares | | |
| Perpetual bonds | | |
| Lease liabilities | 3,841,523.19 | |
| Long-term payables | – | |
| Long-term staff salaries payable | 24,509,858.48 | 24,722,333.29 |
| Estimated liabilities | – | 2,900,000.00 |
| Deferred income | 6,816,700.15 | 7,050,224.14 |
| Deferred income tax liabilities | 105,214.57 | 102,132.39 |
| Other non-current liabilities | | |
| Total non-current liabilities | <u>35,273,296.39</u> | <u>34,774,689.82</u> |
| Total liabilities | <u>2,617,546,634.63</u> | <u>2,492,740,662.68</u> |

| Liabilities and owners' equity | 31 March 2019 | 31 December 2018 |
|---|--------------------------------|--------------------------------|
| Owners' equity: | | |
| Share capital | 913,838,529.00 | 913,838,529.00 |
| Other equity instruments | | |
| Including: Preferred shares | | |
| Perpetual bonds | | |
| Capital reserve | 1,470,691,800.13 | 1,470,691,800.13 |
| Less: treasury share | | |
| Other comprehensive income | 200,760.40 | 191,513.87 |
| Special reserve | | |
| Surplus reserve | 258,647,274.54 | 258,647,274.54 |
| General risk reserve | | |
| Undistributed profits | 838,516,535.33 | 825,055,181.86 |
| Sub-total shareholders' equity attributable | | |
| to the parent company | 3,481,894,899.40 | 3,468,424,299.40 |
| Minority interests | 234,857,073.77 | 223,454,061.90 |
| Total owners' equity | <u>3,716,751,973.17</u> | <u>3,691,878,361.30</u> |
| Total liabilities and owners' equity | <u>6,334,298,607.80</u> | <u>6,184,619,023.98</u> |

| | | |
|-------------------------------|--------------------------|-------------------------------|
| <i>Legal representative :</i> | <i>Chief Accountant:</i> | <i>Head of the</i> |
| Xia Dechuan | Shen Jianlong | <i>Accounting Department:</i> |
| | | Liu Xianfang |

Balance Sheet*31 March 2019**(All amounts in RMB Yuan unless otherwise stated)*

| Assets | 31 March 2019 | 31 December 2018 |
|--|------------------------------|------------------------------|
| Current assets: | | |
| Cash and cash equivalents | 164,396,833.79 | 238,805,153.90 |
| Financial assets measured at fair value and the changes are recorded into the profits and losses of the current period | | |
| Financial assets held for trading | 360,000,000.00 | 310,000,000.00 |
| Derivative financial assets | | |
| Notes and accounts receivable | 67,410,170.21 | 53,407,782.74 |
| Advance payments | 3,586,886.10 | 3,768,695.26 |
| Other receivables | 285,276,857.00 | 295,423,983.44 |
| Inventories | 24,144,804.11 | 20,183,017.20 |
| Contract assets | — | |
| Held-for-sale assets | — | — |
| Non-current assets due within one year | | |
| Other current assets | — | |
| Total current assets | <u>904,815,551.21</u> | <u>921,588,632.54</u> |

Assets**31 March 2019** 31 December 2018**Non-current assets:**

| | | |
|---|--------------------------------|--------------------------------|
| Available-for-sale financial assets | | |
| Held-to-maturity investments | | |
| Debenture investments | | |
| Other debenture investments | | |
| Long-term receivables | | |
| Long-term equity investments | 1,746,361,670.35 | 1,733,874,170.35 |
| Other investments in equity instruments | 3,917,680.54 | 3,905,351.83 |
| Other non-current financial assets | – | |
| Investment properties | 11,519,359.62 | 176,978,570.90 |
| Fixed assets | 227,194,556.93 | 64,501,654.72 |
| Construction in progress | 250,978,140.95 | 248,705,534.64 |
| Biological assets for production | | |
| Fuel assets | | |
| Right-of-use assets | | |
| Intangible assets | 12,819,997.59 | 13,069,376.80 |
| Development expenses | | |
| Goodwill | | |
| Long-term deferred expenses | | |
| Deferred income tax assets | | |
| Other non-current assets | | |
| Total non-current assets | <u>2,252,791,405.98</u> | <u>2,241,034,659.24</u> |
| Total assets | <u>3,157,606,957.19</u> | <u>3,162,623,291.78</u> |

Liabilities and shareholders' equity**31 March 2019** 31 December 2018**Current liabilities:**

| | | |
|---|------------------------------|------------------------------|
| Short-term loans | | – |
| Financial liabilities measured at fair value and the changes are recorded into the profits and losses of the current period | | |
| Financial liabilities held for trading | | |
| Derivative financial liabilities | | |
| Notes and accounts payable | 35,004,818.32 | 38,708,811.11 |
| Receipts in advance | 151,800.00 | 4,000.00 |
| Contract liabilities | | |
| Staff salaries payable | 1,836,406.35 | 2,946,015.92 |
| Taxes payable | 155,840,653.31 | 153,711,832.83 |
| Other payables | 153,676,382.27 | 154,312,183.92 |
| Liabilities held for sale | | |
| Non-current liabilities due within one year | | |
| Other current liabilities | – | |
| Total current liabilities | <u>346,510,060.25</u> | <u>349,682,843.78</u> |

Liabilities and shareholders' equity**31 March 2019** 31 December 2018**Non-current liabilities:**

| | | |
|--------------------------------------|------------------------------|------------------------------|
| Long-term loans | | |
| Bonds payables | | |
| Including: Preferred shares | | |
| Perpetual bonds | | |
| Lease liabilities | | |
| Long-term payables | | |
| Long-term staff salaries payable | 2,998,820.29 | 2,998,820.29 |
| Estimated liabilities | – | 2,900,000.00 |
| Deferred income | | |
| Deferred income tax liabilities | 66,920.14 | 63,837.96 |
| Other non-current liabilities | | |
| | <hr/> | <hr/> |
| Total non-current liabilities | <u>3,065,740.43</u> | <u>5,962,658.25</u> |
| Total liabilities | <u>349,575,800.68</u> | <u>355,645,502.03</u> |

| Liabilities and shareholders' equity | 31 March 2019 | 31 December 2018 |
|---|---------------------------------------|---------------------------------------|
| Owners' equity: | | |
| Share capital | 913,838,529.00 | 913,838,529.00 |
| Other equity instruments | | |
| Including: Preferred shares | | |
| Perpetual bonds | | |
| Capital reserve | 1,434,870,834.28 | 1,434,870,834.28 |
| Less: treasury share | — | — |
| Other comprehensive income | 200,760.40 | 191,513.87 |
| Special reserve | | |
| Surplus reserve | 258,647,274.54 | 258,647,274.54 |
| Undistributed profits | <u>200,473,758.29</u> | <u>199,429,638.06</u> |
| Total shareholders' equity | <u><u>2,808,031,156.51</u></u> | <u><u>2,806,977,789.75</u></u> |
| Total liabilities and shareholders' equity | <u><u>3,157,606,957.19</u></u> | <u><u>3,162,623,291.78</u></u> |

| | | |
|-------------------------------|--------------------------|-------------------------------|
| <i>Legal representative :</i> | <i>Chief Accountant:</i> | <i>Head of the</i> |
| Xia Dechuan | Shen Jianlong | <i>Accounting Department:</i> |
| | | Liu Xianfang |

Consolidated Income Statement

January–March 2019

(All amounts in RMB Yuan unless otherwise stated)

| Items | Amount for the current period | Amount for the corresponding period in prior year |
|---|----------------------------------|--|
| 1. Total operating income | 1,076,443,782.90 | 1,034,726,458.86 |
| Including: Operating income | 1,076,443,782.90 | 1,034,726,458.86 |
| Interests income | | |
| Premiums earned | | |
| Income from bank charges and commissions | | |
| 2. Total operating cost | 1,063,115,999.69 | 1,008,983,385.82 |
| Including: Operating cost | 930,364,290.18 | 886,505,105.04 |
| Interests expenses | | |
| Bank charges and commissions expenses | | |
| Insurance withdrawal payment | – | |
| Net payment from indemnity | | |
| Net provisions for insurance contract | | |
| Insurance policy dividend paid | | |
| Reinsurance cost | | |
| Business taxes and surcharge | 6,468,601.78 | 5,330,952.02 |
| Selling expenses | 10,203,676.83 | 11,640,728.31 |
| Administrative expenses | 59,529,099.71 | 51,986,150.74 |
| R&D costs | 56,294,788.40 | 50,856,162.14 |
| Financial expenses | 264,677.21 | 2,971,495.48 |
| Including: Interest expense | 1,163,669.69 | 570,155.40 |
| Interest incomes | -2,760,313.97 | -2,748,706.93 |
| Loss in assets impairment | – | -307,207.91 |
| Loss in credit impairment | -9,134.42 | |

| Items | Amount for the current period | Amount for the corresponding period in prior year |
|---|----------------------------------|--|
| Add: Other gain | 4,517,178.74 | 480,829.30 |
| Investment income (losses are represented by “-”) | 16,193,711.29 | 14,176,005.34 |
| Including: Investment income of associates and joint ventures | 12,670,682.08 | 9,126,320.68 |
| Income on hedging the net exposure (losses are represented by “-”) | | |
| Income from change in fair value (losses are represented by “-”) | | |
| Gains on disposal of assets (losses are represented by “-”) | -63,558.97 | -116,213.17 |
| Exchange gain (losses are represented by “-”) | – | |
| 3. Operating profit (losses are represented by “-”) | 33,975,114.27 | 40,283,694.51 |
| Add: Non-operating income | 222,476.53 | 1,965,266.21 |
| Less: Non-operating expenses | 96,725.62 | 119,262.65 |
| 4. Total Profit (total losses are represented by “-”) | 34,100,865.18 | 42,129,698.07 |
| Less: Income tax expense | 9,236,499.84 | 7,914,474.64 |
| 5. Net Profit (net losses are represented by “-”) | 24,864,365.34 | 34,215,223.43 |
| (1) Classified by the business continuity | | |
| 1. Net profit for going concern (net losses are represented by “-”) | 24,864,365.34 | 34,215,223.43 |
| 2. Net profit for discontinued operation (net losses are represented by “-”) | | |
| (2) Classified by the attribution of the ownership | | |
| 1. Minority interests | 11,403,011.87 | 7,722,690.21 |
| 2. Net Profit attributable to the equity shareholders of the parent company | 13,461,353.47 | 26,492,533.22 |

| Items | Amount for the current period | Amount for the corresponding period in prior year |
|---|----------------------------------|--|
| 6. Net other comprehensive income after tax | 9,246.53 | |
| Net other comprehensive income after tax attributable to shareholders of the parent company | 9,246.53 | |
| (1) Other comprehensive income which will not be reclassified subsequently to profit and loss | 9,246.53 | |
| 1. Changes as a result of remeasurement of defined benefit plan | | |
| 2. Other comprehensive income accounted for using equity method which will not be reclassified to profit and loss | | |
| 3. Changes in fair value of other equity instruments investment | 9,246.53 | |
| 4. Changes in fair value of the enterprise's own credit risk | | |
| (2) Other comprehensive income which will be reclassified to profit and loss | | |
| i. Other comprehensive income accounted for using equity method which will be reclassified to profit and loss | | |
| ii. Gains or losses arising from changes in fair value of available-for-sale financial assets | | |
| iii. Gains or losses arising from reclassification of held-to-maturity investments as available- for-sale financial assets | | |
| iv. Changes in fair value of other debt investment | | |
| v. Amount of financial assets reclassified to other comprehensive income | | |
| vi. Provision for credit impairment of other debenture investment | | |
| vii. Cash flow hedging reserve | | |
| viii. Translation difference of financial statements in foreign currencies | | |
| ix. Others | | |
| Net other comprehensive income after tax attributable to minority interests | | |

| Items | Amount for the current period | Amount for the corresponding period in prior year |
|--|----------------------------------|--|
| 7. Total comprehensive income | 24,873,611.87 | 34,215,223.43 |
| Total comprehensive income attributable to the equity holders of the parent company | 13,470,600.00 | 26,492,533.22 |
| Total comprehensive income attributable to minority shareholders | 11,403,011.87 | 7,722,690.21 |
| 8. Earnings per share: | | |
| (1) Basic earnings per share (<i>RMB/share</i>) | 0.0147 | 0.0290 |
| (2) Diluted earnings per share (<i>RMB/share</i>) | 0.0147 | 0.0290 |

In the case of business combinations involving entities under common control occurred in the current period, the net profit realised by combined party prior to the business combinations was RMB0.00, and the net profit realised by combined party in the prior period was RMB0.00.

| | | |
|-------------------------------|--------------------------|-------------------------------|
| <i>Legal representative :</i> | <i>Chief Accountant:</i> | <i>Head of the</i> |
| Xia Dechuan | Shen Jianlong | <i>Accounting Department:</i> |
| | | Liu Xianfang |

Income Statement

January–March 2019

(All amounts in RMB Yuan unless otherwise stated)

| Items | Amount for the current period | Amount for the corresponding period in prior year |
|---|----------------------------------|--|
| 1. Total operating income | 24,696,354.15 | 34,018,308.47 |
| Less: Operating cost | 9,818,972.07 | 18,681,710.32 |
| Business taxes and surcharge | 1,163,892.28 | 1,410,322.87 |
| Selling expenses | 523,481.36 | 1,354,316.81 |
| Administrative expenses | 25,630,893.45 | 26,741,785.68 |
| R&D costs | 2,723,622.18 | 1,542,316.62 |
| Financial expenses | -576,343.04 | -663,338.37 |
| Including: Interest expense | – | – |
| Interest incomes | -515,484.73 | -514,920.95 |
| Loss in assets impairment | – | -134,280.00 |
| Loss in credit impairment | – | – |
| Add: Other gain | 25,993.99 | – |
| Investment income (losses are represented by “-”) | 15,606,290.39 | 7,818,032.82 |
| Including: Investment income of associates and joint ventures | 12,487,500.00 | 8,775,000.00 |
| Income on hedging the net exposure (losses are represented by “-”) | – | – |
| Income from change in fair value (losses are represented by “-”) | – | – |
| Gains on disposal of assets (losses are represented by “-”) | – | 854.70 |

| Items | Amount for the current period | Amount for the corresponding period in prior year |
|--|----------------------------------|--|
| 2. Operating profit (losses are represented by “-”) | 1,044,120.23 | -7,095,637.94 |
| Add: Non-operating income | – | 9,127.36 |
| Less: Non-operating expenses | – | |
| 3. Total Profit (total losses are represented by “-”) | 1,044,120.23 | -7,086,510.58 |
| Less: Income tax expense | – | |
| 4. Net Profit (net losses are represented by “-”) | 1,044,120.23 | -7,086,510.58 |
| i. Net profit for going concern (net losses are represented by “-”) | 1,044,120.23 | -7,086,510.58 |
| ii. Net profit for discontinued operation (net losses are represented by “-”) | | |
| 5. Net other comprehensive income after tax | 9,246.53 | |
| a) Other comprehensive income which will not be reclassified subsequently to profit and loss | 9,246.53 | |
| i. Changes as a result of remeasurement of defined benefit plan | | |
| ii. Other comprehensive income accounted for using equity method which will not be reclassified to profit and loss | | |
| iii. Changes in fair value of other equity instruments investment | 9,246.53 | |
| iv. Changes in fair value of the enterprise’s own credit risk | | |

| Items | Amount for the current period | Amount for the corresponding period in prior year |
|---|--|--|
| <ul style="list-style-type: none"> b) Other comprehensive income which will be reclassified to profit and loss <ul style="list-style-type: none"> i. Other comprehensive income accounted for using equity method which will be reclassified to profit and loss ii. Gains or losses arising from changes in fair value of available-for-sale financial assets iii. Gains or losses arising from reclassification of held-to-maturity investments as available- for-sale financial assets iv. Changes in fair value of other debt investment v. Amount of financial assets reclassified to other comprehensive income vi. Provision for credit impairment of other debenture investment vii. Cash flow hedging reserve viii. Translation difference of financial statements in foreign currencies ix. Others Net other comprehensive income after tax attributable to minority interests | | |

| | | |
|--------------------------------------|---------------------|----------------------|
| 6. Total comprehensive income | 1,053,366.76 | -7,086,510.58 |
|--------------------------------------|---------------------|----------------------|

7. Earnings per share:

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

| | | |
|-------------------------------|--------------------------|---|
| <i>Legal representative :</i> | <i>Chief Accountant:</i> | <i>Head of the Accounting Department:</i> |
| Xia Dechuan | Shen Jianlong | Liu Xianfang |

Consolidated Cash flow statement*January–March 2019**(All amounts in RMB Yuan unless otherwise stated)*

| Items | Amount for the current period | Amount for the corresponding period in prior year |
|---|--|--|
| 1. Cash flows from operating activities: | | |
| Cash received from the sale of goods and rendering of services | 985,491,184.14 | 1,091,057,541.01 |
| Net increase in deposits and placements from financial institutions | | |
| Net increase in borrowings due to central bank | | |
| Net increase in loans from other financial institutions | | |
| Cash received from premiums of original insurance contract | | |
| Net amount of reinsurance business | | |
| Net increase in deposits of the insured and investment | | |
| Net increase in disposal of financial assets at fair value through profit or loss | | |
| Cash received from interests, fees and commissions | – | |
| Net increase in placements from banks and other financial institutions | | |
| Net increase in repurchasing | | |
| Refunds of taxes | 12,333,083.44 | 19,146,825.76 |
| Cash received relating to other operating activities | 78,367,774.43 | 70,713,846.14 |
| Sub-total of cash inflows from operating activities | <u>1,076,192,042.01</u> | <u>1,180,918,212.91</u> |

| Items | Amount for the current period | Amount for the corresponding period in prior year |
|---|--|--|
| Cash paid on purchase of goods and services received | 1,082,247,350.61 | 1,037,667,686.26 |
| Net increase in loans and advances | | |
| Net increase in deposits in the Central Bank and other financial institutions | | |
| Cash paid for claim settlements on original insurance contract | | |
| Cash paid for interests, fees and commissions | | |
| Cash paid for policy dividends | | |
| Cash paid to and on behalf of employees | 154,319,141.24 | 133,011,492.49 |
| Cash paid for all types of taxes | 46,646,181.15 | 69,193,738.93 |
| Cash paid relating to other operating activities | 31,550,453.54 | 64,344,162.04 |
| Sub-total of cash outflows from operating activities | 1,314,763,126.54 | 1,304,217,079.72 |
| Net cash flows from operating activities | -238,571,084.53 | -123,298,866.81 |
| 2. Cash flows from investing activities: | | |
| Cash received from disposal and returns of investments | – | |
| Cash received from return on investments | 22,382,868.76 | 5,049,684.66 |
| Net cash received from the disposal of fixed assets, intangible assets and other long-term assets | 5,000.00 | 99,375.00 |
| Net cash received from disposal of subsidiaries and other operating entities | – | – |
| Cash received relating to other investment activities | 360,000,000.00 | 450,000,000.00 |
| Sub-total of cash inflows from investing activities | 382,387,868.76 | 455,149,059.66 |

| Items | Amount for the current period | Amount for the corresponding period in prior year |
|---|--|--|
| Cash paid on purchase of fixed assets, intangible assets and other long-term assets | 16,471,028.03 | 9,274,679.92 |
| Cash paid for investments | – | – |
| Net increase in secured loans | | |
| Net cash paid on acquisition of subsidiaries and other operating entities | – | – |
| Cash paid relating to other investment activities | 500,000,000.00 | 500,000,000.00 |
| Sub-total of cash outflows from investing activities | 516,471,028.03 | 509,274,679.92 |
| Net cash flows from investing activities | -134,083,159.27 | -54,125,620.26 |
| 3. Cash flows from financing activities | | |
| Cash received from investment | – | – |
| Including: cash received by subsidiaries from minority shareholders' investment | – | – |
| Cash received from borrowings | 45,000,000.00 | |
| Cash received from issuing bonds | | |
| Cash received from other financing activities | 7,628,479.99 | |
| Sub-total of cash inflows from financing activities | 52,628,479.99 | – |

| Items | Amount for the current period | Amount for the corresponding period in prior year |
|---|--|--|
| Cash paid on repayment of borrowings | 45,000,000.00 | |
| Cash paid on distribution of dividends or profits, or interests expenses | 1,163,669.69 | 570,155.40 |
| Including: bonus and profit paid to minority shareholders by subsidiaries | — | |
| Cash paid on other financing activities | 53,399.36 | |
| Sub-total of cash outflows from financing activities | 46,217,069.05 | 570,155.40 |
| Net cash flows from financing activities | 6,411,410.94 | -570,155.40 |
| 4. Effect of fluctuations in exchange rates on cash and cash equivalents | -3,276,218.03 | -3,547,962.40 |
| 5. Net increase in cash and cash equivalents | -369,519,050.89 | -181,542,604.87 |
| Add: balance of cash and cash equivalents at the beginning of the period | 1,292,114,192.80 | 1,191,597,115.73 |
| 6. Balance of cash and cash equivalents at the end of the period | 922,595,141.91 | 1,010,054,510.86 |
| <i>Legal representative :</i> Xia Dechuan | <i>Chief Accountant:</i> Shen Jianlong | <i>Head of the Accounting Department:</i> Liu Xianfang |

Cash Flow Statement

January–March 2019

(All amounts in RMB Yuan unless otherwise stated)

| Items | Amount for the current period | Amount for the corresponding period in prior year |
|--|----------------------------------|--|
| 1. Cash flows from operating activities: | | |
| Cash received from the sale of goods and rendering of services | 9,791,997.63 | 30,392,574.17 |
| Net increase in deposits and placements from financial institutions | | |
| Net increase in borrowings due to central bank | | |
| Net increase in loans from other financial institutions | | |
| Cash received from premiums of original insurance contract | | |
| Net amount of reinsurance business | | |
| Net increase in deposits of the insured and investment | | |
| Net increase in disposal of financial assets held for trading | | |
| Cash received from interests, fees and commissions | – | |
| Net increase in placements from banks and other financial institutions | | |
| Net increase in repurchasing | | |
| Refunds of taxes | – | – |
| Cash received relating to other operating activities | 14,164,292.64 | 46,482,697.51 |
| Sub-total of cash inflows from operating activities | 23,956,290.27 | 76,875,271.68 |

| Items | Amount for the current period | Amount for the corresponding period in prior year |
|---|--|--|
| Cash paid on purchase of goods and services received | 11,378,773.03 | 22,360,325.54 |
| Net increase in loans and advances | | |
| Net increase in deposits in the Central Bank and other financial institutions | | |
| Cash paid for claim settlements on original insurance contract | | |
| Cash paid for interests, fees and commissions | | |
| Cash paid for policy dividends | | |
| Cash paid to and on behalf of employees | 34,827,909.02 | 32,035,646.94 |
| Cash paid for all types of taxes | 2,044,040.27 | 4,809,510.38 |
| Cash paid relating to other operating activities | 21,435,171.86 | 75,469,097.48 |
| Sub-total of cash outflows from operating activities | 69,685,894.18 | 134,674,580.34 |
| Net cash flows from operating activities | -45,729,603.91 | -57,799,308.66 |
| 2. Cash flows from investing activities: | | |
| Cash received from disposal and returns of investments | — | — |
| Cash received from return on investments | 21,978,629.94 | 5,057,430.85 |
| 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 | 310,000,000.00 | 450,000,000.00 |
| Sub-total of cash inflows from investing activities | 331,978,629.94 | 455,057,430.85 |

| Items | Amount for the current period | Amount for the corresponding period in prior year |
|---|----------------------------------|--|
| Cash paid on purchase of fixed assets, intangible assets and other long-term assets | – | – |
| Cash paid for investments | – | 10,000,000.00 |
| Net increase in secured loans | | |
| Net cash paid on acquisition of subsidiaries and other operating entities | – | – |
| Cash paid relating to other investment activities | <u>360,000,000.00</u> | <u>450,000,000.00</u> |
| Sub-total of cash outflows from investing activities | <u>360,000,000.00</u> | <u>460,000,000.00</u> |
| Net cash flows from investing activities | <u>-28,021,370.06</u> | <u>-4,942,569.15</u> |
| 3. Cash flows from financing activities: | | |
| Cash received from investment | – | |
| Including: cash received by subsidiaries from minority shareholders' investment | | |
| Cash received from borrowings | – | |
| Cash received from issuing bonds | | |
| Cash received from other financing activities | <u>–</u> | <u>–</u> |
| Sub-total of cash inflows from financing activities | <u>–</u> | <u>–</u> |

| Items | Amount for the current period | Amount for the corresponding period in prior year |
|---|----------------------------------|--|
| Cash paid on repayment of borrowings | — | |
| Cash paid on distribution of dividends or profits, or interests expenses | — | |
| Including: bonus and profit paid to minority shareholders by subsidiaries | | |
| Cash paid on other financing activities | — | — |
| Sub-total of cash outflows from financing activities | — | — |
| Net cash flows from financing activities | — | — |
| 4. Effect of fluctuations in exchange rates on cash and cash equivalents | — | |
| 5. Net increase in cash and cash equivalents | -73,750,973.97 | -62,741,877.81 |
| Add: balance of cash and cash equivalents at the beginning of the period | 236,485,704.31 | 171,036,014.33 |
| 6. Balance of cash and cash equivalents at the end of the period | 162,734,730.34 | 108,294,136.52 |

| | | |
|---|--|--|
| <i>Legal representative :</i> Xia Dechuan | <i>Chief Accountant:</i> Shen Jianlong | <i>Head of the Accounting Department:</i> Liu Xianfang |
|---|--|--|

4.2 Adjustments to relevant items of financial statement at the beginning of the year upon initial adoption of new financial instrument standards, new revenue standards and new lease standards

Consolidated Balance Sheet

Audited company: Nanjing Panda Electronics Company Limited

Unit: RMB (Yuan)

| Asset | 31 December 2018 | 1 January 2019 | Adjustment |
|--|-------------------------|-------------------------|------------|
| Current assets: | | | |
| Cash and cash equivalents | 1,448,751,802.35 | 1,448,751,802.35 | |
| Settlement provisions | | | |
| Placement | | | |
| Financial assets held for trading | 360,000,000.00 | 360,000,000.00 | |
| Financial assets measured at fair value and the changes are recorded into the profits and losses of the current period | | | |
| Derivative financial assets | | | |
| Notes and accounts receivable | 1,271,710,843.86 | 1,271,710,843.86 | |
| Advance payments | 181,267,525.19 | 181,267,525.19 | |
| Premiums receivable | | | |
| Reinsurance receivable | | | |
| Reinsurance contract reserve receivable | | | |
| Other receivables | 88,573,078.94 | 88,573,078.94 | |
| Financial assets purchased for resale | | | |
| Inventories | 867,808,744.86 | 867,808,744.86 | |
| Contract assets | 360,753,744.24 | 360,753,744.24 | |
| Held-for-sale assets | | | |
| Non-current assets due within one year | | | |
| Other current assets | 34,724,089.13 | 34,724,089.13 | |
| Total current assets | 4,613,589,828.57 | 4,613,589,828.57 | |

| Asset | 31 December 2018 | 1 January 2019 | Adjustment |
|---|-------------------------|--------------------------------|---------------------|
| Non-current assets: | | | |
| Loans and advances to customers | | | |
| Debenture investments | | | |
| Available-for-sale financial assets | | | |
| Other debenture investments | | | |
| Held-to-maturity investments | | | |
| Long-term receivables | | | |
| Long-term equity investments | 293,775,084.76 | 293,775,084.76 | |
| Other investments in equity instruments | 3,905,351.83 | 3,905,351.83 | |
| Other non-current financial assets | | | |
| Investment properties | 19,461,979.00 | 19,461,979.00 | |
| Fixed assets | 826,049,821.47 | 826,049,821.47 | |
| Construction in progress | 304,808,394.92 | 304,808,394.92 | |
| Biological assets for production | | | |
| Fuel assets | | | |
| Right-of-use assets | | 4,622,355.62 | 4,622,355.62 |
| Intangible assets | 109,121,966.50 | 109,121,966.50 | |
| Development expenses | | | |
| Goodwill | | | |
| Long-term deferred expenses | 1,289,730.68 | 1,289,730.68 | |
| Deferred income tax assets | 12,616,866.25 | 12,616,866.25 | |
| Other non-current assets | | | |
| Total non-current assets | <u>1,571,029,195.41</u> | <u>1,575,651,551.03</u> | <u>4,622,355.62</u> |
| Total assets | <u>6,184,619,023.98</u> | <u>6,189,241,379.60</u> | <u>4,622,355.62</u> |

| Liabilities and owners' equity | 31 December 2018 | 1 January 2019 | Adjustment |
|---|--------------------------------|---------------------------------------|-------------------|
| Current liabilities: | | | |
| Short-term loans | 95,000,000.00 | 95,000,000.00 | |
| Borrowing from PBOC | | | |
| Borrowing from interbank | | | |
| Financial liabilities held for trading | | | |
| Financial liabilities measured at fair value and the changes are recorded into the profits and losses of the current period | | | |
| Derivative financial liabilities | | | |
| Notes and accounts payable | 1,731,819,795.27 | 1,731,819,795.27 | |
| Receipts in advance | 2,051,740.10 | 2,051,740.10 | |
| Financial assets sold under repurchase agreements | | | |
| Customer and interbank deposits | | | |
| Customers' deposits held for securities brokerage | | | |
| Securities underwriting | | | |
| Salaries payable | 34,316,099.14 | 34,316,099.14 | |
| Taxes payable | 185,387,137.32 | 185,387,137.32 | |
| Other payables | 101,554,174.51 | 101,554,174.51 | |
| Bank charges and commissions due | | | |
| Reinsurers due | | | |
| Contract liabilities | 221,380,505.81 | 221,380,505.81 | |
| Liabilities held for sale | | | |
| Non-current liabilities due within one year | | | |
| Other current liabilities | <u>86,456,520.71</u> | <u>86,456,520.71</u> | |
| Total current liabilities | <u><u>2,457,965,972.86</u></u> | <u><u>2,457,965,972.86</u></u> | |

| Liabilities and owners' equity | 31 December 2018 | 1 January 2019 | Adjustment |
|---------------------------------------|-------------------------|-------------------------|---------------------|
| Non-current liabilities: | | | |
| Insurance contract reserves | | | |
| Long-term loans | | | |
| Bonds payables | | | |
| Including: Preferred shares | | | |
| Perpetual bonds | | | |
| Lease liabilities | | 4,622,355.62 | 4,622,355.62 |
| Long-term payables | | | |
| Long-term staff salaries payable | 24,722,333.29 | 24,722,333.29 | |
| Estimated liabilities | 2,900,000.00 | 2,900,000.00 | |
| Deferred income | 7,050,224.14 | 7,050,224.14 | |
| Deferred income tax liabilities | 102,132.39 | 102,132.39 | |
| Other non-current liabilities | | | |
| | | | |
| Total non-current liabilities | 34,774,689.82 | 39,397,045.44 | 4,622,355.62 |
| | | | |
| Total liabilities | 2,492,740,662.68 | 2,497,363,018.30 | 4,622,355.62 |

| Liabilities and owners' equity | 31 December 2018 | 1 January 2019 | Adjustment |
|---|--------------------------------|--------------------------------|----------------------------|
| Owners' equity: | | | |
| Share capital | 913,838,529.00 | 913,838,529.00 | |
| Other equity instruments | | | |
| Including: Preferred shares | | | |
| Perpetual bonds | | | |
| Capital reserve | 1,470,691,800.13 | 1,470,691,800.13 | |
| Less: treasury share | | | |
| Other comprehensive income | 191,513.87 | 191,513.87 | |
| Special reserve | | | |
| Surplus reserve | 258,647,274.54 | 258,647,274.54 | |
| General risk reserve | | | |
| Undistributed profits | 825,055,181.86 | 825,055,181.86 | |
| Total shareholders' equity | | | |
| attributable to the parent company | 3,468,424,299.40 | 3,468,424,299.40 | |
| Minority interests | <u>223,454,061.90</u> | <u>223,454,061.90</u> | |
| Total owners' equity | <u>3,691,878,361.30</u> | <u>3,691,878,361.30</u> | |
| Total liabilities and owners' equity | <u>6,184,619,023.98</u> | <u>6,189,241,379.60</u> | <u>4,622,355.62</u> |

Explanation on adjustments to the respective items:

New lease standards haven been implemented by the Company since 1 January 2019. Pursuant to the provisions for the transitional period, the operating lease before the implementation date of the new standards shall be measured as lease liabilities based on the present value of the remaining lease payment (discounted using the Company's incremental borrowing rate) on the initial implementation date; right-of-use assets are measured based on the amount equal to the lease liabilities and the prepaid rental.

Balance Sheet of the Parent Company

Unit: RMB (Yuan)

| Items | 31 December 2018 | 1 January 2019 | Adjustment |
|--|-----------------------|------------------------------|------------|
| Current assets: | | | |
| Cash and cash equivalents | 238,805,153.90 | 238,805,153.90 | |
| Financial assets held for trading | 310,000,000.00 | 310,000,000.00 | |
| Financial assets measured at fair value and the changes are recorded into the profits and losses of the current period | | | |
| Derivative financial assets | | | |
| Notes and accounts receivable | 53,407,782.74 | 53,407,782.74 | |
| Including: Notes receivable | | | |
| Accounts receivable | | | |
| Advance payments | 3,768,695.26 | 3,768,695.26 | |
| Other receivables | 295,423,983.44 | 295,423,983.44 | |
| Including: Interests receivable | | | |
| Dividends receivable | | | |
| Inventories | 20,183,017.20 | 20,183,017.20 | |
| Contract assets | | | |
| Held-for-sale assets | | | |
| Non-current assets due within one year | | | |
| Other current assets | | | |
| Total current assets | <u>921,588,632.54</u> | <u>921,588,632.54</u> | |

| Items | 31 December 2018 | 1 January 2019 | Adjustment |
|---|-------------------------|--------------------------------|------------|
| Non-current assets: | | | |
| Debenture investments | | | |
| Available-for-sale financial assets | | | |
| Other debenture investments | | | |
| Held-to-maturity investments | | | |
| Long-term receivables | | | |
| Long-term equity investments | 1,733,874,170.35 | 1,733,874,170.35 | |
| Other investments in equity instruments | 3,905,351.83 | 3,905,351.83 | |
| Other non-current financial assets | | | |
| Investment properties | 176,978,570.90 | 176,978,570.90 | |
| Fixed assets | 64,501,654.72 | 64,501,654.72 | |
| Construction in progress | 248,705,534.64 | 248,705,534.64 | |
| Biological assets for production | | | |
| Fuel assets | | | |
| Right-of-use assets | | | |
| Intangible assets | 13,069,376.80 | 13,069,376.80 | |
| Development expenses | | | |
| Goodwill | | | |
| Long-term deferred expenses | | | |
| Deferred income tax assets | | | |
| Other non-current assets | | | |
| Total non-current assets | <u>2,241,034,659.24</u> | <u>2,241,034,659.24</u> | |
| Total assets | <u>3,162,623,291.78</u> | <u>3,162,623,291.78</u> | |

| Items | 31 December 2018 | 1 January 2019 | Adjustment |
|--|-----------------------|-----------------------|------------|
| Current liabilities: | | | |
| Short-term loans | | | |
| Financial liabilities held for trading | | | |
| Financial liabilities measured at fair value and the changes are recorded into the profits and losses of the current period | | | |
| Derivative financial liabilities | | | |
| Notes and accounts payable | 38,708,811.11 | 38,708,811.11 | |
| Receipts in advance | 4,000.00 | 4,000.00 | |
| Contract liabilities | | | |
| Staff salaries payable | 2,946,015.92 | 2,946,015.92 | |
| Taxes payable | 153,711,832.83 | 153,711,832.83 | |
| Other payables | 154,312,183.92 | 154,312,183.92 | |
| Including: Interests payable | | | |
| Dividend Payable | | | |
| Liabilities held for sale | | | |
| Non-current liabilities due within one year | | | |
| Other current liabilities | | | |
| Total current liabilities | 349,682,843.78 | 349,682,843.78 | |

| Items | 31 December 2018 | 1 January 2019 | Adjustment |
|---|-------------------------|-------------------------|------------|
| Non-current liabilities: | | | |
| Long-term loans | | | |
| Bonds payables | | | |
| Including: Preferred shares | | | |
| Perpetual bonds | | | |
| Lease liabilities | | | |
| Long-term payables | | | |
| Long-term staff salaries payable | 2,998,820.29 | 2,998,820.29 | |
| Estimated liabilities | 2,900,000.00 | 2,900,000.00 | |
| Deferred income | | | |
| Deferred income tax liabilities | 63,837.96 | 63,837.96 | |
| Other non-current liabilities | | | |
| Total non-current liabilities | 5,962,658.25 | 5,962,658.25 | |
| Total liabilities | 355,645,502.03 | 355,645,502.03 | |
| Owners' equity (or shareholders' equity): | | | |
| Paid-in capital (share capital) | 913,838,529.00 | 913,838,529.00 | |
| Other equity instruments | | | |
| Including: Preferred shares | | | |
| Perpetual bonds | | | |
| Capital reserve | 1,434,870,834.28 | 1,434,870,834.28 | |
| Less: treasury share | | | |
| Other comprehensive income | 191,513.87 | 191,513.87 | |
| Surplus reserve | 258,647,274.54 | 258,647,274.54 | |
| Undistributed profits | 199,429,638.06 | 199,429,638.06 | |
| Total owner's equity (or shareholders' equity) | 2,806,977,789.75 | 2,806,977,789.75 | |
| Total liabilities and owner's equity (or shareholders' equity) | 3,162,623,291.78 | 3,162,623,291.78 | |