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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)

2020 THIRD 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 held on 29 October 2020 to consider the quarterly report.
- 1.3 Mr. Xia Dechuan, the responsible person of the Company, Mr. Hu Dali, the Chief Accountant, and Ms. Liu Xianfang, the head of Accounting Department (person in charge of accounting matters) of the Company have declared the truthfulness, accuracy and completeness of the financial statements contained in the quarterly report.
- 1.4 The Company’s financial statements for the third quarter were unaudited.

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

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

Unit: RMB (Yuan)

	As at the end of the reporting period	As at the end of the previous year	Changes from the end of the previous year (%)
Total assets	6,053,794,468.33	6,020,147,479.47	0.56
Net assets attributable to shareholders of the Company	3,455,588,823.01	3,448,072,752.25	0.22
	From the beginning of the year to the end of the reporting period (January–September)	From the beginning of the previous year to the end of the reporting period of the previous year (January–September)	Changes as compared to the corresponding period of the previous year (%)
Net cash flows from operating activities	253,680,180.69	-325,086,251.88	N/A
	From the beginning of the year to the end of the reporting period (January–September)	From the beginning of the previous year to the end of the reporting period of the previous year (January–September)	Changes as compared to the corresponding period of the previous year (%)
Operating income	2,765,011,602.15	3,202,900,092.07	-13.67
Net profit attributable to shareholders of the Company	23,504,780.20	47,333,692.55	-50.34
Net profit attributable to shareholders of the Company after extraordinary items	9,731,051.96	30,307,994.45	-67.89
Return on net assets (weighted average) (%)	0.68	1.37	Decreased by 0.69 percentage point
Basic earnings per share (<i>yuan/share</i>)	0.0257	0.0518	-50.34
Diluted earnings per share (<i>yuan/share</i>)	0.0257	0.0518	-50.34

Remarks: Increase in net cash flows from operating activities was mainly due to collection of receivables for sales of goods during the period; while the decreases in net profit attributable to shareholders of the Company and net profit attributable to shareholders of the Company after extraordinary items mainly resulted from the decrease in revenue and the decline in profit of the Company's intelligent factories and system engineering businesses for the period. In addition, it was also due to the impact on the overall production and operation and sales of the Company brought about by the outbreak of the COVID-19 pandemic and the prevention and control measures against it.

Extraordinary items and amounts

☒ Applicable ☐ Not applicable

Unit: RMB (Yuan)

Items	Amount for the period (July– September)	Amount from the beginning of the year to the end of the reporting period (January– September)	Explanation
Profit and loss from disposal of non-current assets	-106,912.89	19,700.94	
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 granted continuously according to certain standardised amounts or quotas)	833,427.96	3,636,460.13	
Apart from effective 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	1,922,651.50	6,547,612.11	
Reversal of provisions for impairment of accounts receivable and contract assets individually tested for impairment	117,111.02	2,528,996.02	
Non-operating income and expenses other than the aforesaid items	172,980.72	6,522,505.45	
Impact of minority interest (after-tax)	-359,135.11	-1,475,932.33	
Impact of income tax	-560,931.21	-4,005,614.08	
Total	<u>2,019,191.99</u>	<u>13,773,728.24</u>	

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

Unit: Share

Total number of shareholders 63,796 (in particular: A shareholders: 63,770; H shareholders: 26)

Shareholdings of the top 10 shareholders

Full name of shareholders	Number of shares held as at the end of the reporting period	Percentage (%)	Number of shares held subject to trading moratorium	Pledged or frozen Status of share	Number	Nature of shareholder
HKSCC (Nominees) Limited	245,501,994	26.86	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)	64,471,891	7.06	0	Unknown		State-owned legal person
Nanjing Electronics Information Industrial Corporation	35,888,611	3.93	0	Unknown		State-owned legal person
Guoxin Investment Co., Ltd.	21,720,941	2.38	0	Unknown		State-owned legal person
Zhao Dongling (趙東嶺)	4,345,400	0.48	0	Unknown		Domestic natural person
Ma Jiangfeng (馬江峰)	2,451,416	0.27	0	Unknown		Domestic natural person
Zhong zhitan (鍾志坦)	2,049,032	0.22	0	Unknown		Domestic natural person
Cai Yan (蔡炎)	1,708,545	0.19	0	Unknown		Domestic natural person
Wang Chun-Chieh (王俊燕)	1,429,578	0.16	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	245,501,994	Overseas listed foreign shares	241,655,470
		RMB denominated ordinary shares	3,846,524
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)	64,471,891	RMB denominated ordinary shares	64,471,891
Nanjing Electronics Information Industrial Corporation (“NEIIC”)	35,888,611	RMB denominated ordinary shares	22,120,611
		Overseas listed foreign shares	13,768,000
Guoxin Investment Co., Ltd.	21,720,941	RMB denominated ordinary shares	21,720,941
Zhao Dongling (趙東嶺)	4,345,400	RMB denominated ordinary shares	4,345,400
Ma Jiangfeng (馬江峰)	2,451,416	RMB denominated ordinary shares	2,451,416
Zhong zhitan (鍾志坦)	2,049,032	RMB denominated ordinary shares	2,049,032
Cai Yan (蔡炎)	1,708,545	RMB denominated ordinary shares	1,708,545
Wang Chun-Chieh (王俊燕)	1,429,578	RMB denominated ordinary shares	1,429,578

Description of the connected relationship or party 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, 22,120,611 A shares and 13,768,000 H shares of the Company, representing 3.93% 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 26.98% of the shares of the Company. CEIEC (H.K.) Limited (華電有限公司), a wholly-owned subsidiary of China Electronics Corporation (hereinafter referred to as “CEC”), the de facto controller of the Company, holds 27,414,000 H shares of the Company, representing 3% of the total shares, which are held under the name of HKSCC (Nominees) Limited. In conclusion, CEC, the de facto controller of the Company, holds 29.98% shares of the Company through its subsidiaries. Save as the above, the Company is not aware of any connected relationship or party acting in concert among other shareholders.

Notes:

HKSCC (Nominees) Limited held 245,501,994 shares (in particular: 241,655,470 H shares, 3,846,524 A shares) of the Company on behalf of several clients, representing 26.86% of the issued share capital of the Company, including 13,768,000 H shares held by NEIIC in the Company, and 27,414,000 H shares held by CEIEC (H.K.) Limited (華電有限公司), a wholly-owned subsidiary of CEC, the de facto controller of the Company. Save as disclosed above, 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

☒ Applicable ☐ Not applicable

3.1.1 Changes in items of balance sheet:

Unit: RMB (Yuan)

Items	Closing balance	Opening balance	Changes (%)	Remarks
Advance payments	188,565,273.04	113,341,943.82	66.37	Mainly due to the advance payment for purchasing raw materials during the period
Other receivables	63,679,981.90	48,020,435.60	32.61	Mainly due to the deposits paid during the period
Contract assets	253,655,385.94	541,978,173.94	-53.20	Mainly due to the contract assets recognised at the beginning of the period were included in receivables during the period
Other current assets	19,247,599.02	55,089,857.84	-65.06	Mainly due to the receipt of the incremental retention tax credit refunded in the period and others under 2019 No. 39 of Ministry of Finance
Development expenses	23,690,558.52		N/A	Mainly due to the capitalized research and development expenditures for the period
Short-term loans		50,000,000.00	-100.00	Mainly due to the repayment of the short-term loans to the bank during the period
Contract liabilities	317,533,881.76	160,540,186.87	97.79	Mainly due to the increase in obligation to transfer goods to customers for the consideration received during the period
Salaries payable	25,066,161.49	39,274,102.16	-36.18	Mainly due to the payment of salaries, bonuses and wages expenses during the period
Taxes payable	38,341,855.06	21,404,214.61	79.13	Mainly due to the receipt of the incremental retention tax credit refunded in the period and input tax transferred out
Lease liabilities	12,309,054.12	8,926,407.51	37.89	Mainly due to the increase in the operating lease with lease period over one year

3.1.2 Changes in items of income statement

Unit: RMB (Yuan)

Items	Amount for the current period	Amount for the corresponding period in prior year	Changes (%)	Remarks
Financial expenses	-2,272,048.19	-971,360.77	N/A	Mainly due to the receipt of interest subsidies during the period
Other incomes	10,947,953.33	6,713,488.62	63.07	Mainly due to the increase in government subsidy received related to operation
Income from change in fair value	615,143.36	1,521,027.39	-59.56	Mainly due to the fair value changes in financial assets held for trading for the period
Credit impairment loss	-203,147.42	942,656.73	-121.55	Mainly due to the provisions for impairment of financial asset for the period
Assets impairment loss	-3,532,210.25	-18,822,627.58	N/A	Mainly due to the provisions for impairment loss on the long-term equity investment for the previous period
Gain from the disposal of assets	19,700.94	222,766.72	-91.16	Mainly due to the decrease on disposal of non-current assets
Non-operating income	8,156,303.05	5,231,951.08	55.89	Mainly due to the tax prepaid in the previous period having been refunded

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

☐ Applicable ☒ Not applicable

3.3 Overdue undertakings 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 from the corresponding period of last year and the explanations thereof

☒ Applicable ☐ Not applicable

The decrease in revenue and the decline in profit of the Company's intelligent factories and system engineering businesses resulted from the increasing market competition in the industry during the period. In addition, it was due to the impact on the overall production and operation and sales of the Company brought about by the outbreak of the COVID-19 pandemic and the prevention and control measures against it. The Company predicts that the net profit attributable to the parent company for the year will decrease by approximately 38% as compared to that of the previous period.

By order of the Board
Nanjing Panda Electronics Company Limited
Zhou Guixiang
Chairman

Nanjing, the People's Republic of China
29 October 2020

As at the date of this announcement, the Board comprises Executive Directors: Mr. Zhou Guixiang, Mr. Lu Qing and Mr. Xia Dechuan; Non-executive Directors: Mr. Shen Jianlong, Mr. Deng Weiming and Mr. Li Changjiang; and Independent Non-executive Directors: Ms. Du Jie, Mr. Zhang Chun and Mr. Gao Yajun.

IV. APPENDIX

4.1 2020 third quarterly financial statements (unaudited) (prepared in accordance with the PRC Accounting Standards for Business Enterprises)

Consolidated Balance Sheet

30 September 2020

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB
(Yuan)

Assets	Closing Balance	Opening Balance
Current assets:		
Cash and bank balances	1,293,216,416.24	1,053,869,767.19
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	301,084,969.85	300,469,826.49
Derivative financial assets		
Notes receivable	17,341,545.72	21,780,418.49
Accounts receivable	1,069,528,727.57	996,359,257.15
Financing receivables	321,124,969.96	347,259,336.87
Advance payments	188,565,273.04	113,341,943.82
Premiums receivable		
Reinsurance receivable		
Reinsurance contract reserve receivable		
Other receivables	63,679,981.90	48,020,435.60
Financial assets purchased for resale		
Inventories	772,153,779.85	816,955,476.60
Contract assets	253,655,385.94	541,978,173.94
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	19,247,599.02	55,089,857.84
Total current assets	<u>4,299,598,649.09</u>	<u>4,295,124,493.99</u>

Assets	Closing Balance	Opening Balance
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	312,903,801.70	276,388,843.98
Other investments in equity instruments	4,036,940.57	4,035,539.29
Other non-current financial assets		
Investment properties	16,419,781.08	21,096,325.77
Fixed assets	1,156,474,740.53	1,188,174,150.27
Construction in progress	34,661,067.44	31,407,899.18
Biological assets for production		
Fuel assets		
Right-of-use assets	14,226,512.98	12,456,669.33
Intangible assets	117,817,833.80	109,121,914.00
Development expenses	23,690,558.52	
Goodwill		
Long-term deferred expenses	9,791,522.95	11,720,569.43
Deferred income tax assets	15,176,790.38	15,345,449.29
Other non-current assets	48,996,269.29	55,275,624.94
Total non-current assets	<u>1,754,195,819.24</u>	<u>1,725,022,985.48</u>
Total assets	<u>6,053,794,468.33</u>	<u>6,020,147,479.47</u>

<i>Legal representative:</i>	<i>Chief Accountant:</i>	<i>Head of the Accounting</i>
Xia Dechuan	Hu Dali	<i>Department:</i>
		Liu Xianfang

Consolidated Balance Sheet (Continued)*30 September 2020*

Prepared by: Nanjing Panda Electronics Company Limited

*Unit: RMB
(Yuan)*

Liabilities and owners' equity	Closing Balance	Opening Balance
Current liabilities:		
Short-term loans		50,000,000.00
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 payable	174,369,851.85	234,736,827.23
Accounts payable	1,565,275,537.74	1,628,435,817.44
Receipts in advance	2,377,173.49	2,581,558.74
Contract liabilities	317,533,881.76	160,540,186.87
Financial assets sold under repurchase agreements		
Bank charges and commissions due		
Salaries payable	25,066,161.49	39,274,102.16
Taxes payable	38,341,855.06	21,404,214.61
Other payables	100,796,479.35	78,425,560.86
Reinsurers due		
Insurance contract reserves		
Customers' deposits held for securities brokerage		
Securities underwriting		
Liabilities held for sale		
Non-current liabilities due within one year	3,961,676.87	3,451,972.08
Other current liabilities	55,986,698.68	66,677,266.21
Total current liabilities	<u>2,283,709,316.29</u>	<u>2,285,527,506.20</u>

Liabilities and owners' equity	Closing Balance	Opening Balance
Non-current liabilities:		
Non-current liabilities:		
Long-term loans		
Bonds payables		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	12,309,054.12	8,926,407.51
Long-term payables		
Long-term staff salaries payable	17,376,371.32	19,767,429.75
Estimated liabilities		
Deferred income	14,822,704.46	17,261,888.00
Deferred income tax liabilities	107,791.74	107,441.42
Other non-current liabilities		
Total non-current liabilities	<u>44,615,921.64</u>	<u>46,063,166.68</u>
Total liabilities	<u>2,328,325,237.93</u>	<u>2,331,590,672.88</u>
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	290,205.42	289,154.46
Special reserve		
Surplus reserve	258,647,274.54	258,647,274.54
General risk reserve		
Undistributed profits	<u>812,121,013.92</u>	<u>804,605,994.12</u>
Sub-total shareholders' equity attributable to the parent company	<u>3,455,588,823.01</u>	<u>3,448,072,752.25</u>
Minority interests	<u>269,880,407.39</u>	<u>240,484,054.34</u>
Total owners' equity	<u>3,725,469,230.40</u>	<u>3,688,556,806.59</u>
Total liabilities and owners' equity	<u>6,053,794,468.33</u>	<u>6,020,147,479.47</u>

Legal representative:
Xia Dechuan

Chief Accountant:
Hu Dali

Head of the Accounting Department:
Liu Xianfang

Consolidated Income Statement

January–September 2020

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB
(Yuan)

Items	Amount for the current period	Amount for the corresponding period in prior year
1. Total operating income	2,765,011,602.15	3,202,900,092.07
Including: Operating income	2,765,011,602.15	3,202,900,092.07
Interests income		
Premiums earned		
Income from bank charges and commissions		
2. Total operating cost	2,744,035,813.50	3,129,673,047.79
Including: Operating cost	2,383,085,423.45	2,759,794,938.25
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	18,664,802.35	15,791,597.70
Selling expenses	37,477,022.16	35,165,474.01
Administrative expenses	165,000,317.40	159,886,234.10
R&D costs	142,080,296.33	160,006,164.50
Financial expenses	-2,272,048.19	-971,360.77
Including: Interest expense	-1,317,291.66	2,861,438.44
Interest incomes	7,340,102.75	8,987,749.89
Add: Other gain	10,947,953.33	6,713,488.62
Investment income (losses are represented by “-”)	41,716,081.80	57,009,266.19
Including: Investment income of associates and joint ventures	36,514,957.72	45,967,479.14

Items	Amount for the current period	Amount for the corresponding period in prior year
Income on hedging the net exposure (losses are represented by “-”)		
Income from change in fair value (losses are represented by “-”)	615,143.36	1,521,027.39
Loss in credit impairment (losses are represented by “-”)	-203,147.42	942,656.73
Loss in assets impairment (losses are represented by “-”)	-3,532,210.25	-18,822,627.58
Gains on disposal of assets (losses are represented by “-”)	19,700.94	222,766.72
Exchange gain (losses are represented by “-”)		
3. Operating profit (losses are represented by“-”)	70,539,310.41	120,813,622.35
Add: Non-operating income	8,156,303.05	5,231,951.08
Less: Non-operating expenses	846,788.75	678,694.56
4. Total Profit (total losses are represented by “-”)	77,848,824.71	125,366,878.87
Less: Income tax expense	24,947,691.46	31,312,343.18
5. Net Profit (net losses are represented by “-”)	52,901,133.25	94,054,535.69
(1) Classified by the business continuity		
1. Net profit for going concern (net losses are represented by “-”)	52,901,133.25	94,054,535.69
2. Net profit for discontinued operation (net losses are represented by “-”)		
(2) Classified by the attribution of the ownership		
1. Minority interests	29,396,353.05	46,720,843.14
2. Net Profit attributable to the equity shareholders of the parent company	23,504,780.20	47,333,692.55

Items	Amount for the current period	Amount for the corresponding period in prior year
6. Net other comprehensive income after tax	1,050.96	-105,410.12
Net other comprehensive income after tax attributable to shareholders of the parent company	1,050.96	-105,410.12
(1) Other comprehensive income which will not be reclassified subsequently to profit and loss	1,050.96	-105,410.12
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	1,050.96	-105,410.12
4. Changes in fair value of the enterprise's own credit risk		
(2) Other comprehensive income which will be reclassified to profit and loss		
1. Other comprehensive income accounted for using equity method which will be reclassified to profit and loss		
2. Gains or losses arising from changes in fair value of available-for-sale financial assets		
3. Gains or losses arising from reclassification of held- to-maturity investments as available- for-sale financial assets		
4. Changes in fair value of other debt investment		
5. Amount of financial assets reclassified to other comprehensive income		

Items	Amount for the current period	Amount for the corresponding period in prior year
6. Provision for credit impairment of other debenture investment		
7. Cash flow hedging reserve		
8. Translation difference of financial statements in foreign currencies		
9. Others		
Net other comprehensive income after tax attributable to minority interests		
7. Total comprehensive income	52,902,184.21	93,949,125.57
Total comprehensive income attributable to the equity holders of the parent company	23,505,831.16	47,228,282.43
Total comprehensive income attributable to minority shareholders	29,396,353.05	46,720,843.14
8. Earnings per share:		
(1) Basic earnings per share (RMB/share)	0.0257	0.0518
(2) Diluted earnings per share (RMB/share)	0.0257	0.0518
<i>Legal representative:</i> Xia Dechuan	<i>Chief Accountant:</i> Hu Dali	<i>Head of the Accounting Department:</i> Liu Xianfang

Consolidated Income Statement

July–September 2020

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB
(Yuan)

Items	Amount for the current period	Amount for the corresponding period in prior year
1. Total operating income	1,050,856,587.79	1,073,554,315.53
Including: Operating income	1,050,856,587.79	1,073,554,315.53
Interests income		
Premiums earned		
Income from bank charges and commissions		
2. Total operating cost	1,038,401,895.22	1,065,505,792.88
Including: Operating cost	909,556,346.52	936,241,617.76
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	6,326,335.54	5,135,889.57
Selling expenses	13,307,667.48	13,272,881.53
Administrative expenses	53,031,075.44	54,470,940.47
R&D costs	59,350,180.90	56,513,044.08
Financial expenses	-3,169,710.66	-128,580.53
Including: Interest expense	-2,000,000.00	427,933.97
Interest incomes	2,547,022.00	3,693,538.86

Items	Amount for the current period	Amount for the corresponding period in prior year
Add: Other gains	2,457,380.94	947,207.45
Investment income (losses are represented by “-”)	13,993,925.09	25,428,295.91
Including: Investment income from associates and joint ventures	12,203,258.51	21,251,454.35
Income on hedging the net exposure (losses are represented by “-”)		
Income from change in fair value (losses are represented by “-”)	47,284.92	-1,454,232.88
Loss in credit impairment	72,412.80	
Loss in assets impairment	-52,263.33	
Gains on disposal of assets (losses are represented by “-”)	-106,912.89	31,880.96
Exchange gain (losses are represented by “-”)		
3. Operating profit (losses are represented by“-”)	28,866,520.10	33,001,674.09
Add: Non-operating income	1,116,551.35	2,624,778.13
Less: Non-operating expenses	325,570.63	373,105.11
4. Total Profit (total losses are represented by “-”)	29,657,500.82	35,253,347.11
Less: Income tax expense	8,998,711.48	10,404,980.52
5. Net Profit (net losses are represented by “-”)	20,658,789.34	24,848,366.59
(1) Classified by the business continuity		
1. Net profit for going concern (net losses are represented by “-”)	20,658,789.34	24,848,366.59
2. Net profit for discontinued operation (net losses are represented by “-”)		

Items	Amount for the current period	Amount for the corresponding period in prior year
(2) Classified by the attribution of the ownership		
1. Minority interests	9,837,164.05	19,337,143.76
2. Net Profit attributable to the equity shareholders of the parent company	10,821,625.29	5,511,222.83
6. Net other comprehensive income after tax	-11,796.56	-110,104.16
Net other comprehensive income after tax attributable to shareholders of the parent company	-11,796.56	-110,104.16
(1) Other comprehensive income which will not be reclassified subsequently to profit and loss	-11,796.56	-110,104.16
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	-11,796.56	-110,104.16
4. Changes in fair value of the enterprise's own credit risk		
(2) Other comprehensive income which will be reclassified to profit and loss		
1. Other comprehensive income accounted for using equity method which will be reclassified to profit and loss		
2. Gains or losses arising from changes in fair value of available-for-sale financial assets		

Items	Amount for the current period	Amount for the corresponding period in prior year
3 Gains or losses arising from reclassification of held- to-maturity investments as available- for-sale financial assets		
4. Changes in fair value of other debt investment		
5. Amount of financial assets reclassified to other comprehensive income		
6. Provision for credit impairment of other debenture investment		
7. Cash flow hedging reserve		
8. Translation difference of financial statements in foreign currencies		
9. Others		
Net other comprehensive income after tax attributable to minority interests		
7. Total comprehensive income	20,646,992.78	24,738,262.43
Total comprehensive income attributable to the equity holders of the parent company	10,809,828.73	5,401,118.67
Total comprehensive income attributable to minority shareholders	9,837,164.05	19,337,143.76
8. Earnings per share:		
(1) Basic earnings per share (RMB/share)	0.0118	0.0060
(2) Diluted earnings per share (RMB/share)	0.0118	0.0060

Legal representative:
Xia Dechuan

Chief Accountant:
Hu Dali

*Head of the Accounting
Department:*
Liu Xianfang

Consolidated Cash Flow Statement

January–September 2020

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB
(Yuan)

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	2,749,972,244.12	2,950,166,253.88
Net increase in deposits and placements from financial institutions		
Net increase in borrowings due to central bank		
Net increase in loans from banks and 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	35,548,013.84	61,116,632.17
Cash received relating to other operating activities	239,374,644.32	184,035,041.36
Sub-total of cash inflows from operating activities	<u>3,024,894,902.28</u>	<u>3,195,317,927.41</u>

Items	Amount for the current period	Amount for the corresponding period in prior year
Cash paid for purchase of goods and services received	2,025,534,609.45	2,882,418,019.51
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	393,744,381.28	385,111,246.12
Cash paid for all types of taxes	119,744,550.07	116,203,652.71
Cash paid relating to other operating activities	<u>232,191,180.79</u>	<u>136,671,260.95</u>
Sub-total of cash outflows from operating activities	<u><u>2,771,214,721.59</u></u>	<u><u>3,520,404,179.29</u></u>
Net cash flows from operating activities	<u><u>253,680,180.69</u></u>	<u><u>-325,086,251.88</u></u>

Items	Amount for the current period	Amount for the corresponding period in prior year
2. Cash flows from investing activities:		
Cash received from disposal of investments		
Cash received from return on investments	6,025,935.72	78,342,815.24
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	545,982.90	3,364,133.92
Net cash received from disposal of subsidiaries and other operating entities		
Cash received relating to other investment activities	<u>947,394,283.50</u>	<u>1,350,000,000.00</u>
Sub-total of cash inflows from investing activities	<u>953,966,202.12</u>	<u>1,431,706,949.16</u>
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	52,086,417.99	132,065,281.69
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	<u>948,424,283.50</u>	<u>1,250,000,000.00</u>
Sub-total of cash outflows from investing activities	<u>1,000,510,701.49</u>	<u>1,382,065,281.69</u>
Net cash flows from investing activities	<u>-46,544,499.37</u>	<u>49,641,667.47</u>

Items	Amount for the current period	Amount for the corresponding period in prior year
3. Cash flows from financing activities:		
Cash received from investments		
Including: Cash received by subsidiaries from minority shareholders' investment		
Cash received from borrowings		95,000,000.00
Cash received from issuing bonds		
Cash received from other financing activities	<u>55,485,396.40</u>	<u>85,981,497.35</u>
Sub-total of cash inflows from financing activities	<u>55,485,396.40</u>	<u>180,981,497.35</u>
Cash paid on repayment of borrowings	50,000,000.00	140,000,000.00
Cash paid on distribution of dividends or profits, or interest expenses	15,992,174.26	75,968,520.76
Including: Dividend and profit paid to minority shareholders by subsidiaries		
Cash paid on other financing activities	<u>4,722,469.31</u>	<u>646,982.64</u>
Sub-total of cash outflows from financing activities	<u>70,714,643.57</u>	<u>216,615,503.40</u>
Net cash flows from financing activities	<u>-15,229,247.17</u>	<u>-35,634,006.05</u>
4. Effect of fluctuations in exchange rates on cash and cash equivalents	<u>-3,845,293.05</u>	<u>1,926,552.04</u>
5. Net increase in cash and cash equivalents	188,061,141.10	-309,152,038.42
Add: Balance of cash and cash equivalents at the beginning of the period	<u>863,141,377.23</u>	<u>1,292,114,192.80</u>
6. Balance of cash and cash equivalents at the end of the period	<u>1,051,202,518.33</u>	<u>982,962,154.38</u>

Legal representative:
Xia Dechuan

Chief Accountant:
Hu Dali

Head of the Accounting
Department:
Liu Xianfang

Balance Sheet
30 September 2020

Prepared by: Nanjing Panda Electronics Company Limited

*Unit: RMB
(Yuan)*

Assets	Closing Balance	Opening Balance
Current assets:		
Cash and bank balances	77,217,932.40	59,376,665.62
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	75,182,553.42	120,011,835.62
Derivative financial assets		
Notes receivable		
Accounts receivable	73,330,398.22	77,883,947.57
Financing receivables	5,600,000.00	6,000,000.00
Advance payments	8,177,537.00	1,623,591.01
Other receivables	459,207,009.80	395,937,554.47
Inventories	26,886,292.50	22,621,153.30
Contract assets		
Held-for-sale assets		
Non-current assets due within one year		
Other current assets		27,552,360.61
Total current assets	<u>725,601,723.34</u>	<u>711,007,108.20</u>

Assets	Closing Balance	Opening Balance
Non-current assets:		
Available-for-sale financial assets		
Held-to-maturity investments		
Debenture investments		
Other debenture investments		
Long-term receivables		
Long-term equity investments	1,746,668,813.58	1,710,218,840.58
Other investments in equity instruments	4,036,940.57	4,035,539.29
Other non-current financial assets		
Investment properties	156,484,790.25	159,384,219.01
Fixed assets	292,869,666.21	302,786,588.45
Construction in progress	2,319,713.81	2,319,713.81
Biological assets for production		
Fuel assets		
Right-of-use assets		
Intangible assets	11,340,048.66	12,090,267.24
Development expenses		
Goodwill		
Long-term deferred expenses	3,503,504.31	3,922,128.00
Deferred income tax assets		
Other non-current assets		
Total non-current assets	<u>2,217,223,477.39</u>	<u>2,194,757,296.38</u>
Total assets	<u>2,942,825,200.73</u>	<u>2,905,764,404.58</u>

Legal representative:
Xia Dechuan

Chief Accountant:
Hu Dali

*Head of the Accounting
Department:*
Liu Xianfang

Balance Sheet (Continued)*30 September 2020*

Prepared by: Nanjing Panda Electronics Company Limited

*Unit: RMB
(Yuan)*

Liabilities and owners' equity	Closing Balance	Opening Balance
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 payable	7,313,973.46	2,525,779.62
Accounts payable	48,132,490.12	63,661,767.44
Receipts in advance	119,159.02	160,842.29
Contract liabilities	6,313,456.24	157,964.60
Salaries payable	2,148,437.18	2,134,066.65
Taxes payable	5,100,244.84	1,685,195.08
Other payables	116,615,095.01	119,765,500.53
Liabilities held for sale		
Non-current liabilities due within one year		
Other current liabilities		20,535.40
Total current liabilities	<u>185,742,855.87</u>	<u>190,111,651.61</u>

Liabilities and owners' equity	Closing Balance	Opening Balance
Non-current liabilities:		
Long-term loans		
Bonds payables		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term staff salaries payable	2,368,340.27	1,961,534.25
Estimated liabilities		
Deferred income		
Deferred income tax liabilities	96,735.15	96,384.83
Other non-current liabilities		
Total non-current liabilities	<u>2,465,075.42</u>	<u>2,057,919.08</u>
Total liabilities	<u>188,207,931.29</u>	<u>192,169,570.69</u>
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	290,205.42	289,154.46
Special reserve		
Surplus reserve	258,647,274.54	258,647,274.54
Undistributed profits	<u>146,970,426.20</u>	<u>105,949,041.61</u>
Total owners' equity	<u>2,754,617,269.44</u>	<u>2,713,594,833.89</u>
Total liabilities and owners' equity	<u>2,942,825,200.73</u>	<u>2,905,764,404.58</u>

<i>Legal representative:</i>	<i>Chief Accountant:</i>	<i>Head of the Accounting</i>
Xia Dechuan	Hu Dali	Department:
		Liu Xianfang

Income Statement
January–September 2020

Prepared by: Nanjing Panda Electronics Company Limited

*Unit: RMB
(Yuan)*

Items	Amount for the current period	Amount for the corresponding period in prior year
1. Total operating income	60,920,374.09	51,725,346.55
Less: Operating cost	36,098,695.81	32,532,819.19
Business taxes and surcharge	6,464,763.57	2,973,829.14
Selling expenses	2,560,542.13	1,783,580.65
Administrative expenses	74,913,940.40	69,989,498.75
R&D costs	13,959,346.71	12,616,769.54
Financial expenses	-6,268,867.10	-2,124,916.51
Including: Interest expense		
Interest incomes	495,691.74	1,166,179.39
Add: Other gain	165,830.09	25,993.99
Investment income (losses are represented by “-”)	118,007,756.02	80,995,849.28
Including: Investment income of associates and joint ventures	36,449,973.00	45,832,500.00
Income on hedging the net exposure (losses are represented by “-”)		
Income from change in fair value (losses are represented by “-”)	170,717.80	1,209,863.01
Loss in credit impairment		
Loss in assets impairment		-13,192,317.99
Gains on disposal of assets (losses are represented by “-”)	9,680.10	-32,467.60

Items	Amount for the current period	Amount for the corresponding period in prior year
2. Operating profit (losses are represented by “-”)	51,545,936.58	2,960,686.48
Add: Non-operating income	6,109,278.81	
Less: Non-operating expenses	644,070.40	495,104.71
3. Total Profit (total losses are represented by “-”)	57,011,144.99	2,465,581.77
Less: Income tax expense		
4. Net Profit (net losses are represented by “-”)	57,011,144.99	2,465,581.77
(1) Net profit for going concern (net losses are represented by “-”)	57,011,144.99	2,465,581.77
(2) Net profit for discontinued operation (net losses are represented by “-”)		
5. Net other comprehensive income after tax	1,050.96	-105,410.12
(1) Other comprehensive income which will not be reclassified subsequently to profit and loss	1,050.96	-105,410.12
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	1,050.96	-105,410.12
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
(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		
6. Total comprehensive income	57,012,195.95	2,360,171.65
7. Earnings per share:		
(1) Basic earnings per share		
(2) Diluted earnings per share		
<i>Legal representative:</i> Xia Dechuan	<i>Chief Accountant:</i> Hu Dali	<i>Head of the Accounting Department:</i> Liu Xianfang

Income Statement
July–September 2020

Prepared by: Nanjing Panda Electronics Company Limited

*Unit: RMB
(Yuan)*

Items	Amount for the current period	Amount for the corresponding period in prior year
1. Total operating income	20,475,813.06	15,746,191.36
Less: Operating cost	16,945,421.40	13,087,800.48
Business taxes and surcharge	2,080,156.65	779,208.37
Selling expenses	1,002,675.39	757,457.02
Administrative expenses	22,330,311.23	24,237,545.90
R&D costs	5,624,251.05	2,650,359.13
Financial expenses	-1,334,601.39	-947,707.76
Including: Interest expense		
Interest incomes	171,386.51	300,868.79
Add: Other gain		
Investment income (losses are represented by “-”)	92,247,052.86	49,677,325.98
Including: Investment income of associates and joint ventures	12,149,568.59	21,219,042.59
Income on hedging the net exposure (losses are represented by “-”)		
Income from change in fair value (losses are represented by “-”)	182,553.42	-959,232.88
Loss in credit impairment		
Loss in assets impairment		-3,600.00
Gains on disposal of assets (losses are represented by “-”)		
2. Operating profit (losses are represented by “-”)	66,257,205.01	23,896,021.32
Add: Non-operating income		
Less: Non-operating expenses	294,070.40	290,604.71

Items	Amount for the current period	Amount for the corresponding period in prior year
3. Total Profit (total losses are represented by “-”)	65,963,134.61	23,605,416.61
Less: Income tax expense		
4. Net Profit (net losses are represented by “-”)	65,963,134.61	23,605,416.61
(1) Net profit for going concern (net losses are represented by “-”)	65,963,134.61	23,605,416.61
(2) Net profit for discontinued operation (net losses are represented by “-”)		
5. Net other comprehensive income after tax	-11,796.56	-110,104.16
(1) Other comprehensive income which will not be reclassified subsequently to profit and loss	-11,796.56	-110,104.16
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	-11,796.56	-110,104.16
iv. 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		

Items	Amount for the current period	Amount for the corresponding period in prior year
<ul style="list-style-type: none"> 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	65,951,338.05	23,495,312.45
7. Earnings per share:		
(1) Basic earnings per share		
(2) Diluted earnings per share		
<i>Legal representative:</i> Xia Dechuan	<i>Chief Accountant:</i> Hu Dali	<i>Head of the Accounting Department:</i> Liu Xianfang

Cash Flow Statement
January–September 2020

Prepared by: Nanjing Panda Electronics Company Limited

*Unit: RMB
(Yuan)*

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	70,582,977.22	52,925,372.93
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 cash 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	197,909,536.79	141,276,936.93
Sub-total of cash inflows from operating activities	268,492,514.01	194,202,309.86

Items	Amount for the current period	Amount for the corresponding period in prior year
Cash paid on purchase of goods and services received	35,526,323.03	31,228,447.84
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	59,119,881.28	67,798,521.29
Cash paid for all types of taxes	9,723,500.58	8,039,217.73
Cash paid relating to other operating activities	251,097,831.39	93,621,118.43
Sub-total of cash outflows from operating activities	355,467,536.28	200,687,305.29
Net cash flows from operating activities	-86,975,022.27	-6,484,995.43

Items	Amount for the current period	Amount for the corresponding period in prior year
2. Cash flows from investing activities:		
Cash received from disposal of investments		
Cash received from return on investments	81,651,249.99	78,717,752.33
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	34,480.25	
Net cash received from disposal of subsidiaries and other operating entities		5,460,000.00
Cash received relating to other investment activities	<u>430,000,000.00</u>	<u>1,040,000,000.00</u>
Sub-total of cash inflows from investing activities	<u>511,685,730.24</u>	<u>1,124,177,752.33</u>
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	7,889,862.21	1,261,163.39
Cash paid for investments		
Net cash paid for acquisition of subsidiaries and other operating entities		
Cash paid on other investment activities	<u>385,000,000.00</u>	<u>850,000,000.00</u>
Sub-total of cash outflows from investing activities	<u>392,889,862.21</u>	<u>851,261,163.39</u>
Net cash flows from investing activities	<u><u>118,795,868.03</u></u>	<u><u>272,916,588.94</u></u>

Items	Amount for the current period	Amount for the corresponding period in prior year
3. Cash flows from financing activities:		
Cash received from investments		
Including: Cash received by subsidiaries from minority shareholders' investment		
Cash received from borrowings		
Cash received from issuing bonds		
Cash received from other financing activities		
Sub-total of cash inflows from financing activities		
Cash paid on repayment of borrowings		
Cash paid on distribution of dividends, profits, or interest expenses	15,992,174.26	73,107,082.32
Including: Dividend and profit paid to minority shareholders by subsidiaries		
Cash paid on other financing activities		
Sub-total of cash outflows from financing activities	15,992,174.26	73,107,082.32
Net cash flows from financing activities	-15,992,174.26	-73,107,082.32
4. Effect of fluctuations in exchange rates on cash and cash equivalents	-87.78	
5. Net increase in cash and cash equivalents	15,828,583.72	193,324,511.19
Add: Balance of cash and cash equivalents at the beginning of the period	56,919,306.88	236,485,704.31
6. Balance of cash and cash equivalents at the end of the period	72,747,890.60	429,810,215.50
<i>Legal representative:</i> Xia Dechuan	<i>Chief Accountant:</i> Hu Dali	<i>Head of the Accounting Department:</i> Liu Xianfang