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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)

2021 THIRD QUARTERLY REPORT

IMPORTANT NOTICE

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**”) warrant that the information in this quarterly report is truthful, accurate and complete, and does not contain any misrepresentation, misleading statement, or material omission, and severally and jointly accept legal responsibility.
2. 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.
3. The Company’s financial statements for the third quarter were unaudited.

I. MAJOR FINANCIAL DATA

(I) Major accounting data and financial indicators (prepared in accordance with the PRC Accounting Standards for Business Enterprises, unaudited)

Unit: RMB (Yuan)

Items	For the reporting period (July–September)	Changes for the reporting period as compared to the corresponding period of the previous year (%)	From the beginning of the year to the end of the reporting period (January–September)	Changes from the beginning of the year to the end of the reporting period as compared to the corresponding period of the previous year (%)
Operating income	1,166,076,932.14	10.96	3,335,533,233.86	20.63
Net profit attributable to shareholders of the Company	-14,938,216.60	-238.04	3,334,794.35	-85.81
Net profit attributable to shareholders of the Company after extraordinary items	-18,814,278.39	-313.74	-12,801,306.02	-231.55
Net cash flows from operating activities	N/A	N/A	13,313,662.62	-94.75
Basic earnings per share (yuan/share)	-0.0163	-238.04	0.0036	-85.81
Diluted earnings per share (yuan/share)	-0.0163	-238.04	0.0036	-85.81
Return on net assets (weighted average) (%)	-0.43	Decreased by 0.74 percentage point	0.10	Decreased by 0.58 percentage point
	As at the end of the reporting period		As at the end of the previous year	Changes for the end of the reporting period as compared to the end of the previous year (%)
Total assets	6,202,061,998.00		6,001,947,699.44	3.33
Enquiry attributable to shareholders of the Company	3,489,681,687.53		3,509,430,717.97	-0.56

(II) Extraordinary items and amounts

Applicable Not applicable

Unit: RMB (Yuan)

Items	Amount for the reporting 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 (including write-offs of asset impairment provision)	-59,232.09	-637,505.40	
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)	1,495,497.59	5,976,107.03	
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, financial liabilities held for trading, and investment income from disposal of financial assets held for trading, financial liabilities held for trading, and available-for-sale financial assets	3,678,274.91	10,548,724.42	
Reversal of provisions for impairment of accounts receivable and contract assets individually tested for impairment	0.00	3,966,431.17	
Non-operating income and expenses other than the aforesaid items	61,136.52	715,549.62	
Less: Impact of income tax	738,862.43	3,494,666.61	
Impact of minority interest (after-tax)	560,752.71	938,539.86	
Total	<u><u>3,876,061.79</u></u>	<u><u>16,136,100.37</u></u>	

(III) Changes in major accounting data and financial indicators and the reasons

Item	Percentage of change (%)	Major reason
Net profit attributable to shareholders of the Company—for the reporting period	-238.04	It was mainly due to the rise of price in bulk commodities and chips and other materials, and hence, the gross profit of principal business of the Company decreased. Besides, the investment income from associates in the period decreased compared to that of the corresponding period of the previous year, and the production and operation of the Company was affected to some extent by power shortage
Net profit attributable to shareholders of the Company—from the beginning of the year to the end of the reporting period	-85.81	Same as above
Net profit attributable to shareholders of the Company after extraordinary items—for the reporting period	-313.74	It was mainly due to the rise of price in bulk commodities and chips and other materials, and hence, the gross profit of principal business of the Company decreased. Besides, the investment income from associates in the period decreased compared to that of the corresponding period of the previous year, and the production and operation of the Company was affected to some extent by power shortage
Net profit attributable to shareholders of the Company after extraordinary items—from the beginning of the year to the end of the reporting period	-231.55	Same as above

Item	Percentage of change (%)	Major reason
Net cash flows from operating activities— from the beginning of the year to the end of the reporting period	-94.75	It was mainly due to the increase in cash paid for purchase of goods and services received
Basic earnings per share (<i>yuan/share</i>)—for the reporting period	-238.04	It was mainly due to the rise of price in bulk commodities and chips and other materials, and hence, the gross profit of principal business of the Company decreased. Besides, the investment income from associates in the period decreased compared to that of the corresponding period of the previous year, and the production and operation of the Company was affected to some extent by power shortage
Basic earnings per share (<i>yuan/share</i>)—from the beginning of the year to the end of the reporting period	-85.81	Same as above
Diluted earnings per share (<i>yuan/share</i>)—for the reporting period	-238.04	It was mainly due to the rise of price in bulk commodities and chips and other materials, and hence, the gross profit of principal business of the Company decreased. Besides, the investment income from associates in the period decreased compared to that of the corresponding period of the previous year, and the production and operation of the Company was affected to some extent by power shortage

Item	Percentage of change (%)	Major reason
Diluted earnings per share (<i>yuan/share</i>)—from the beginning of the year to the end of the reporting period	-85.81	Same as above
Return on net assets (weighted average) (%)—for the reporting period	Decreased by 0.74 percentage point	It was mainly due to the rise of price in bulk commodities and chips and other materials, and hence, the gross profit of principal business of the Company decreased. Besides, the investment income from associates in the period decreased compared to that of the corresponding period of the previous year, and the production and operation of the Company was affected to some extent by power shortage
Return on net assets (weighted average) (%)—from the beginning of the year to the end of the reporting period	Decreased by 0.58 percentage point	Same as above

II. INFORMATION ON SHAREHOLDERS

(I) 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 50,611

Shareholdings of the top 10 shareholders

Name of shareholders	Nature of shareholder	Number of shares held	Percentage (%)	Number of shares held subject to trading moratorium	Status of share	Pledged, marked or frozen	Number
HKSCC (Nominees) Limited	Overseas legal person	243,294,624	26.62	0	Unknown		
Panda Electronics Group Limited (“PEGL”)	State-owned legal person	210,661,444	23.05	0	Pledged		105,091,430
China Huarong Asset Management Co., Ltd. (中國華融資產管理股份有限公司)	State-owned legal person	64,471,891	7.06	0	Unknown		
Nanjing Electronics Information Industrial Corporation (“NEIIC”)	State-owned legal person	35,888,611	3.93	0	Unknown		
Guoxin Investment Co., Ltd.	State-owned legal person	21,720,941	2.38	0	Unknown		
Zhang Desheng (張德勝)	Domestic natural person	5,266,582	0.58	0	Unknown		
Chen Linfa (陳林法)	Domestic natural person	2,709,000	0.30	0	Unknown		
Lin Jiatuan (林加團)	Domestic natural person	2,498,000	0.27	0	Unknown		
Ma Jiangfeng (馬江峰)	Domestic natural person	2,451,416	0.27	0	Unknown		
Li Qiong (李瓊)	Domestic natural person	2,117,050	0.23	0	Unknown		

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	243,294,624	Overseas listed foreign shares	241,665,470
		RMB denominated ordinary shares	1,629,154
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
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
Zhang Desheng (張德勝)	5,266,582	RMB denominated ordinary shares	5,266,582
Chen Linfa (陳林法)	2,709,000	RMB denominated ordinary shares	2,709,000
Lin Jiatuan (林加團)	2,498,000	RMB denominated ordinary shares	2,498,000
Ma Jiangfeng (馬江峰)	2,451,416	RMB denominated ordinary shares	2,451,416
Li Qiong (李瓊)	2,117,050	RMB denominated ordinary shares	2,117,050

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"), 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.

Description of the participation in margin financing and securities lending and margin and securities refinancing business by the top 10 shareholders and the top 10 holders of shares not subject to trading moratorium (If any)

Zhang Desheng (張德勝), a shareholder of the Company holds 4,266,582 shares with the ordinary securities account, 1,000,000 shares with credit securities account of investor, and the aggregate of both are 5,266,582 shares; Lin Jiatuan (林加團), a shareholder of the Company holds 2,498,000 of the aggregate shares via credit securities account of investor; Li Qiong (李瓊), a shareholder of the Company holds 2,117,050 of the aggregate shares via credit securities account of investor.

Notes:

- (1) As at the end of the reporting period, HKSCC (Nominees) Limited held 243,294,624 shares (in particular: 241,665,470 H shares, 1,629,154 A shares) of the Company on behalf of several clients, representing 26.62% 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. Save as disclosed above, the Company is not aware of any other individual client holding more than 5% of the issued share capital of the Company.
- (2) The Company received the notice from PEGL, the controlling shareholder of the Company on 2 August 2021, which mentioned that part of the shares of the Company held by PEGL has been pledged. PEGL pledged 105,091,430 shares of the Company, representing 49.89% of the total shares of the Company held by it and 11.50% of the total share capital of the Company. For details of this matter, please refer to the relevant announcements published by the Company on the China Securities Journal, Shanghai Securities News, the website of Shanghai Stock Exchange on 3 August 2021 and on the website of the Hong Kong Stock Exchange on 2 August 2021.
- (3) The Company received written documents relating to proposed reduction of shareholding sent by China Huarong Asset Management Co., Ltd. on 24 September 2021. For details of this matter, please refer to the relevant announcements published by the Company on the China Securities Journal, Shanghai Securities News, the website of Shanghai Stock Exchange on 25 September 2021 and on the website of the Hong Kong Stock Exchange on 24 September 2021.

III. OTHER REMINDERS

1. On 25 October 2021, at the extraordinary meeting of the tenth session of the Board of the Company, the resolution on the Related Party Transaction in relation to the Acquisition of 30% Equity Interest in Lejin Panda held by PEGL Group was considered and passed. The related party transaction in respect of the equity interest acquisition is subject to consideration at the general meeting of the Company. For details of this matter, please refer to the relevant announcements published on the China Securities Journal, Shanghai Securities News and the website of Shanghai Stock Exchange on 26 October 2021 and on the website of the Hong Kong Stock Exchange on 25 October 2021.
2. On 26 October 2021, at the extraordinary meeting of the tenth session of the Board of the Company, the resolution on Change of Registered Address of the Company and Amendments to the Corresponding Article of the Articles of Association was considered and passed. The resolution is subject to the consideration at the general meeting of the Company. For details of this matter, please refer to the relevant announcements published on the China Securities Journal, Shanghai Securities News and the website of Shanghai Stock Exchange on 27 October 2021 and on the website of the Hong Kong Stock Exchange on 26 October 2021.

IV. APPENDIX

(I) **2021 third quarterly financial statements (prepared in accordance with the PRC Accounting Standards for Business Enterprises unaudited)**

Consolidated Balance Sheet

30 September 2021

Prepared by: Nanjing Panda Electronics Company Limited

*Unit: RMB
(Yuan)*

Assets	30 September 2021	31 December 2020
Current assets:		
Cash and bank balances	1,388,041,466.75	1,315,726,827.97
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	426,895,204.42	501,356,576.18
Derivative financial assets		
Notes receivable	27,016,615.60	35,394,835.82
Accounts receivable	1,327,925,372.80	1,161,870,914.59
Financing receivables	115,231,890.20	144,969,078.62
Advance payments	111,784,031.22	109,660,420.50
Premiums receivable		
Reinsurance receivable		
Reinsurance contract reserve receivable		
Other receivables	55,994,125.94	50,074,829.20
Financial assets purchased for resale		
Inventories	1,054,834,198.45	791,346,543.93
Contract assets	8,246,438.41	76,231,842.63
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	30,935,211.54	28,763,433.11
Total current assets	<u>4,546,904,555.33</u>	<u>4,215,395,302.55</u>

Assets	30 September 2021	31 December 2020
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	256,037,757.86	295,182,882.84
Other investments in equity instruments	4,608,894.92	4,074,939.80
Other non-current financial assets		
Investment properties	229,004,320.41	235,008,179.80
Fixed assets	931,127,688.34	964,778,076.38
Construction in progress	2,811,515.82	7,346,214.86
Biological assets for production		
Fuel assets		
Right-of-use assets	9,709,770.30	13,522,566.06
Intangible assets	148,625,895.57	157,943,967.01
Development expenses		
Goodwill		
Long-term deferred expenses	8,327,604.11	10,767,289.92
Deferred income tax assets	16,036,461.73	16,160,839.46
Other non-current assets	48,867,533.61	81,767,440.76
	<hr/>	<hr/>
Total non-current assets	<u>1,655,157,442.67</u>	<u>1,786,552,396.89</u>
	<hr/>	<hr/>
Total assets	<u>6,202,061,998.00</u>	<u>6,001,947,699.44</u>

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

Consolidated Balance Sheet (Continued)
30 September 2021

Prepared by: Nanjing Panda Electronics Company Limited

*Unit: RMB
(Yuan)*

Liabilities and owners' equity	30 September 2021	31 December 2020
Current liabilities:		
Short-term loans		
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	227,833,885.15	193,125,064.34
Accounts payable	1,757,413,740.14	1,598,171,215.24
Receipts in advance	3,761,439.75	3,394,006.00
Contract liabilities	180,897,730.22	183,520,790.45
Financial assets sold under repurchase agreements		
Bank charges and commissions due		
Salaries payable	24,288,404.95	37,405,445.62
Taxes payable	34,198,543.46	30,758,945.68
Other payables	116,398,181.27	90,865,482.11
Reinsurers due		
Insurance contract reserves		
Customers' deposits held for securities brokerage		
Securities underwriting		
Liabilities held for sale		
Non-current liabilities due within one year	9,383,674.95	8,170,178.10
Other current liabilities	61,873,900.69	70,422,975.07
Total current liabilities	<u>2,416,049,500.58</u>	<u>2,215,834,102.61</u>

Liabilities and owners' equity	30 September 2021	31 December 2020
Non-current liabilities:		
Long-term loans		
Bonds payables		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	3,836,059.33	8,141,702.09
Long-term payables		
Long-term staff salaries payable	12,916,424.86	15,981,789.25
Estimated liabilities		
Deferred income	12,266,758.05	15,283,181.46
Deferred income tax liabilities	481,955.08	326,863.37
Other non-current liabilities		
	<hr/>	<hr/>
Total non-current liabilities	<u>29,501,197.32</u>	<u>39,733,536.17</u>
Total liabilities	<u>2,445,550,697.90</u>	<u>2,255,567,638.78</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	719,171.18	318,704.84
Special reserve	274,880.98	
Surplus reserve	267,682,027.88	267,682,027.88
General risk reserve		
Undistributed profits	836,475,278.36	856,899,656.12
	<hr/>	<hr/>
Sub-total shareholders' equity attributable to the parent company	3,489,681,687.53	3,509,430,717.97
Minority interests	266,829,612.57	236,949,342.69
	<hr/>	<hr/>
Total owners' equity	<u>3,756,511,300.10</u>	<u>3,746,380,060.66</u>
Total liabilities and owners' equity	<u>6,202,061,998.00</u>	<u>6,001,947,699.44</u>

<i>Head of the Company:</i> Xia Dechuan	<i>Chief Accountant:</i> Hu Dali	<i>Head of the Accounting Department:</i> Liu Xianfang
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Consolidated Income Statement
January–September 2021

Prepared by: Nanjing Panda Electronics Company Limited

*Unit: RMB
(Yuan)*

Items	First three quarters of 2021 (January– September)	First three quarters of 2020 (January– September)
1. Total operating income	3,335,533,233.86	2,765,011,602.15
Including: Operating income	3,335,533,233.86	2,765,011,602.15
Interests income		
Premiums earned		
Income from bank charges and commissions		
2. Total operating cost	3,324,722,096.29	2,744,035,813.50
Including: Operating cost	2,942,762,050.24	2,383,085,423.45
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	14,270,721.09	18,664,802.35
Selling expenses	43,203,507.36	37,477,022.16
Administrative expenses	188,514,645.48	165,000,317.40
R&D costs	152,622,562.84	142,080,296.33
Financial expenses	-16,651,390.72	-2,272,048.19
Including: Interest expense	317,873.74	-1,317,291.66
Interest incomes	14,481,985.61	7,340,102.75
Add: Other gain	8,899,757.15	10,947,953.33
Investment income (losses are represented by “-”)	36,010,107.13	41,716,081.80
Including: Investment income of associates and joint ventures	26,163,955.43	36,514,957.72

Items	First three quarters of 2021 (January– September)	First three quarters of 2020 (January– September)
Income on hedging the net exposure (losses are represented by “-”)		
Income from change in fair value (losses are represented by “-”)	538,628.24	615,143.36
Loss in credit impairment (losses are represented by “-”)	4,962,919.89	-203,147.42
Loss in assets impairment (losses are represented by “-”)	-4,778,161.34	-3,532,210.25
Gains on disposal of assets (losses are represented by “-”)	-693,808.00	19,700.94
Exchange gain (losses are represented by “-”)		
3. Operating profit (losses are represented by “-”)	55,750,580.64	70,539,310.41
Add: Non-operating income	1,047,754.73	8,156,303.05
Less: Non-operating expenses	239,102.51	846,788.75
4. Total Profit (total losses are represented by “-”)	56,559,232.86	77,848,824.71
Less: Income tax expense	23,344,168.63	24,947,691.46
5. Net Profit (net losses are represented by “-”)	33,215,064.23	52,901,133.25
(1) Classified by the business continuity		
1. Net profit for going concern (net losses are represented by “-”)	33,215,064.23	52,901,133.25
2. Net profit for discontinued operation (net losses are represented by “-”)		
(2) Classified by the attribution of the ownership		
1. Net Profit attributable to the equity shareholders of the parent company	3,334,794.35	23,504,780.20
2. Minority interests	29,880,269.88	29,396,353.05

Items	First three quarters of 2021 (January– September)	First three quarters of 2020 (January– September)
6. Net other comprehensive income after tax	400,466.34	1,050.96
Net other comprehensive income after tax attributable to shareholders of the parent company	400,466.34	1,050.96
(1) Other comprehensive income which will not be reclassified subsequently to profit and loss	400,466.34	1,050.96
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	400,466.34	1,050.96
4. Changes in fair value of the enterprise's own credit risk		

Items	First three quarters of 2021 (January– September)	First three quarters of 2020 (January– September)
(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		
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		

Items	First three quarters of 2021 (January– September)	First three quarters of 2020 (January– September)
7. Total comprehensive income	33,615,530.57	52,902,184.21
Total comprehensive income attributable to the equity holders of the parent company	3,735,260.69	23,505,831.16
Total comprehensive income attributable to minority shareholders	29,880,269.88	29,396,353.05
8. Earnings per share:		
(1) Basic earnings per share <i>(RMB/share)</i>	0.0036	0.0257
(2) Diluted earnings per share <i>(RMB/share)</i>	0.0036	0.0257

Head of the Company:
Xia Dechuan

Chief Accountant:
Hu Dali

*Head of the Accounting
Department:*
Liu Xianfang

Consolidated Cash Flow Statement
January–September 2021

Prepared by: Nanjing Panda Electronics Company Limited

*Unit: RMB
(Yuan)*

Items	First three quarters of 2021 (January– September)	First three quarters of 2020 (January– September)
1. Cash flows from operating activities:		
Cash received from the sale of goods and rendering of services	3,617,829,411.46	2,749,972,244.12
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 received from 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	52,846,363.73	35,548,013.84
Cash received relating to other operating activities	206,413,186.10	239,374,644.32
Sub-total of cash inflows from operating activities	<u>3,877,088,961.29</u>	<u>3,024,894,902.28</u>

Items	First three quarters of 2021 (January– September)	First three quarters of 2020 (January– September)
Cash paid for purchase of goods and services received	3,081,083,842.01	2,025,534,609.45
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	409,933,638.77	393,744,381.28
Cash paid for all types of taxes	101,052,859.79	119,744,550.07
Cash paid relating to other operating activities	<u>271,704,958.10</u>	<u>232,191,180.79</u>
Sub-total of cash outflows from operating activities	<u>3,863,775,298.67</u>	<u>2,771,214,721.59</u>
Net cash flows from operating activities	<u>13,313,662.62</u>	<u>253,680,180.69</u>
2. Cash flows from investing activities:		
Cash received from disposal of investments		
Cash received from return on investments	75,784,272.93	6,025,935.72
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	321,872.87	545,982.90
Net cash received from disposal of subsidiaries and other operating entities		
Cash received relating to other investment activities	<u>1,410,468,750.00</u>	<u>947,394,283.50</u>
Sub-total of cash inflows from investing activities	<u>1,486,574,895.80</u>	<u>953,966,202.12</u>

Items	First three quarters of 2021 (January– September)	First three quarters of 2020 (January– September)
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	46,084,061.66	52,086,417.99
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>1,339,381,086.02</u>	<u>948,424,283.50</u>
Sub-total of cash outflows from investing activities	<u>1,385,465,147.68</u>	<u>1,000,510,701.49</u>
Net cash flows from investing activities	<u>101,109,748.12</u>	<u>-46,544,499.37</u>
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	<u>11,836,055.52</u>	<u>55,485,396.40</u>
Sub-total of cash inflows from financing activities	<u>11,836,055.52</u>	<u>55,485,396.40</u>

Items	First three quarters of 2021 (January– September)	First three quarters of 2020 (January– September)
Cash paid on repayment of borrowings		50,000,000.00
Cash paid on distribution of dividends or profits, or interest expenses	23,495,349.17	15,992,174.26
Including: Dividend and profit paid to minority shareholders by subsidiaries		
Cash paid on other financing activities	<u>1,572,470.34</u>	<u>4,722,469.31</u>
Sub-total of cash outflows from financing activities	<u><u>25,067,819.51</u></u>	<u><u>70,714,643.57</u></u>
Net cash flows from financing activities	<u><u>-13,231,763.99</u></u>	<u><u>-15,229,247.17</u></u>

Items	First three quarters of 2021 (January– September)	First three quarters of 2020 (January– September)
4. Effect of fluctuations in exchange rates on cash and cash equivalents	<u>676,073.74</u>	<u>-3,845,293.05</u>
5. Net increase in cash and cash equivalents	101,867,720.49	188,061,141.10
Add: Balance of cash and cash equivalents at the beginning of the period	<u>1,149,052,807.58</u>	<u>863,141,377.23</u>
6. Balance of cash and cash equivalents at the end of the period	<u>1,250,920,528.07</u>	<u>1,051,202,518.33</u>

<i>Head of the Company:</i> Xia Dechuan	<i>Chief Accountant:</i> Hu Dali	<i>Head of the Accounting Department:</i> Liu Xianfang
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By Order of the Board
Nanjing Panda Electronics Company Limited
Zhou Guixiang
Chairman

Nanjing, the People's Republic of China
28 October 2021

As at the date of this announcement, the Board comprises Executive Directors: Mr. Zhou Guixiang, Mr. Li Renzhi and Mr. Xia Dechuan; Non-executive Directors: Mr. Shen Jianlong, Mr. Deng Weiming and Mr. Li Changjiang; and Independent Non-executive Directors: Mr. Dai Keqin, Ms. Xiong Yanren and Mr. Chu Wai Tsun, Baggio.