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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)

2023 FIRST 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. Hu Huichun, 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 first 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 (January-March)	Changes for the reporting period as compared to the corresponding period of the previous year (%)	
		For the reporting period (January-March)	Changes for the reporting period as compared to the corresponding period of the previous year (%)
Operating income	558,119,921.10		-47.36
Net profit attributable to shareholders of the Company	-30,450,577.25		N/A
Net profit attributable to shareholders of the Company after deducting extraordinary profit and loss	-35,580,878.66		N/A
Net cash flows from operating activities	-173,980,108.81		-457.38
Basic earnings per share (RMB/share)	-0.0333		N/A
Diluted earnings per share (RMB/share)	-0.0333		N/A
Return on net assets (weighted average) (%)	-0.86		N/A
			Changes for the end of the reporting period as compared to the end of the previous year (%)
	As at the end of the reporting period	As at the end of the previous year	
Total assets	5,573,845,377.14	5,863,034,744.88	-4.93
Owners' equity attributable to shareholders of the Company	3,524,473,519.38	3,554,025,351.32	-0.83

Explanation:

The reasons for the decrease in net profit attributable to shareholders of the Company and net profit attributable to shareholders of the Company after deducting extraordinary profit and loss were mainly due to the delay in settlement due to the impact of project progress on some of the smart transportation business and the decrease in some business orders in the green and service-oriented electronic manufacturing segment. The reasons for the decrease in net cash flows from operating activities were mainly due to the year-on-year decrease in cash received from sales of products and provision of services.

(II) Extraordinary items and amounts

Applicable Not applicable

Unit: RMB (Yuan)

Items	Amount for the reporting period (January-March)	Explanation
Profit and loss from disposal of non-current assets	-20,660.86	
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)	2,008,972.01	
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, 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 debt investment	2,814,552.00	
Non-operating income and expenses other than the aforesaid items	554,466.78	
Other items of gain or loss in accordance with the definition of extraordinary profit and loss	263,273.88	
Less: Impact of income tax	629,803.01	
Impact of minority interest (after-tax)	-139,500.61	
Total	<u><u>5,130,301.41</u></u>	

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

Item	Percentage of change (%)	Major reason
Financial assets held for trading	-47.77	Mainly due to the maturity of some bank wealth management products for the period which were not yet due at the beginning of the period
Notes receivable	-53.06	Mainly due to the maturity of some notes for the period which were not yet due at the beginning of the period
Accounts receivable financing	48.74	The Company classified the bank acceptance bills with higher credit ratings and primary purpose for endorsement or discounting as accounts receivable financing, and the receipt of such bills during the period increased
Advance payments	36.87	Mainly due to the increase in prepayments for purchase during the period
Contract assets	-59.43	Mainly due to the transfer of some contract assets recognised at the beginning of the period to accounts receivable during the period
Short-term loans	N/A	Mainly due to the transfer of some payments received on accounts receivable due to the conduct of recourse factoring business during the period
Receipts in advance	139.31	Mainly due to the increase in rent received in advance during the period
Salaries payable	-64.12	Mainly due to the payment of salaries, bonuses and wages expenses during the period
Lease liabilities	-34.91	Mainly due to the decrease in lease liabilities as a result of the payment of corresponding lease expenses in the period
Operating income	-47.36	Mainly due to the year-on-year decrease in income due to the impact of project progress on some of the smart transportation business; the year-on-year decrease in income due to the decrease in some business orders in the green and service-oriented electronic manufacturing segment

Item	Percentage of change (%)	Major reason
Operating cost	-48.05	Mainly due to the year-on-year decrease in cost due to the impact of project progress on some of the smart transportation business; the year-on-year decrease in cost due to the decrease in some business orders in the green and service-oriented electronic manufacturing segment
Investment income	55.35	Mainly due to the increase in investment income from associates during the period
Income from change in fair value	N/A	Mainly due to the corresponding gains from changes in fair value provided for bank wealth management products which were not yet due
Loss in credit impairment	-93.71	Mainly due to the decrease in the reversal of the provision for bad debts for accounts receivable during the period as compared to the previous period
Loss in assets impairment	N/A	Mainly due to the reversal of certain provision for decline in value of inventories during the period
Gains on disposal of assets	N/A	Mainly due to the disposal of non-current assets in the previous period
Non-operating income	459.55	Mainly due to the increase in the amount not needed to pay during the period
Non-operating expenses	142.47	Mainly due to the increase in loss on disposal of non-current assets during the period
Net profit attributable to shareholders of the Company	N/A	Mainly due the impact of project progress on some of the smart transportation business and the decrease in some business orders in the green and service-oriented electronic manufacturing segment, leading to the year-on-year decrease in net profit attributable to shareholders of the Company
Net profit attributable to shareholders of the Company after deducting extraordinary profit and loss	N/A	Mainly due the impact of project progress on some of the smart transportation business and the decrease in some business orders in the green and service-oriented electronic manufacturing segment, leading to the year-on-year decrease in net profit attributable to shareholders of the Company after deducting extraordinary profit and loss
Net cash flows from operating activities	-457.38	Mainly due the year-on-year decrease in cash received from the sale of goods and rendering services

II. INFORMATION ON SHAREHOLDERS

(I) Total number of shareholders of ordinary shares and the number of holders of preference shares with restored voting rights and shareholdings of the top ten shareholders

Unit: Share

Total number of ordinary shareholders as at the end of the reporting period	34,996	Total number of shareholders of preference shares with restored voting rights as at the end of the reporting period (if any)	0
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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	247,692,253	27.10	0	Unknown	
Panda Electronics Group Limited (“PEGL”)	State-owned legal person	210,661,444	23.05	0	Pledged	105,091,430
CITIC Securities - China Huarong Asset Management Company Limited - CITIC Securities - Yunfan Single Asset Management Plan (雲帆單一資產管理計劃)	Other	36,346,000	3.98	0	Unknown	
Nanjing Electronics Information Industrial Corporation (“NEIIC”)	State-owned legal person	35,888,611	3.93	0	Unknown	
China Huarong Asset Management Co., Ltd. (中國華融資產管理股份有限公司)	State-owned legal person	15,809,524	1.73	0	Unknown	
Lv Ping (呂平)	Domestic natural person	7,178,700	0.79	0	Unknown	
Chen Linfa (陳林法)	Domestic natural person	3,976,500	0.44	0	Unknown	
Beijing Friendly Asset Management Co., Ltd. - Fortune 1 Securities Investment Fund (富潤1期證券投資基金)	Other	3,053,300	0.33	0	Unknown	
Tang Jun (唐俊)	Domestic natural person	2,690,000	0.29	0	Unknown	
Chen Hui (陳輝)	Domestic natural person	2,210,500	0.24	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	247,692,253	Overseas listed foreign shares	241,673,450
		RMB denominated ordinary shares	6,018,803
Panda Electronics Group Limited	210,661,444	RMB denominated ordinary shares	210,661,444
CITIC Securities - China Huarong Asset Management Company Limited - CITIC Securities - Yunfan Single Asset Management Plan (雲帆單一資產管理計劃)	36,346,000	RMB denominated ordinary shares	36,346,000
Nanjing Electronics Information Industrial Corporation	35,888,611	RMB denominated ordinary shares	22,120,611
		Overseas listed foreign shares	13,768,000
China Huarong Asset Management Co., Ltd. (中國華融資產管理股份有限公司)	15,809,524	RMB denominated ordinary shares	15,809,524
Lu Ping (呂平)	7,178,700	RMB denominated ordinary shares	7,178,700
Chen Linfa (陳林法)	3,976,500	RMB denominated ordinary shares	3,976,500
Beijing Friendly Asset Management Co., Ltd. - Fortune 1 Securities Investment Fund (富潤1期證券投資基金)	3,053,300	RMB denominated ordinary shares	3,053,300
Tang Jun (唐俊)	2,690,000	RMB denominated ordinary shares	2,690,000
Chen Hui (陳輝)	2,210,500	RMB denominated ordinary shares	2,210,500

Description of the connected relationship or party acting in concert among the aforesaid shareholders

NEIC holds 100% equity interests of PEGL, the controlling shareholder of the Company. NEIC 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. NEIC indirectly holds 210,661,444 A shares of the Company through PEGL, representing 23.05% of the total number of shares. In total, NEIC 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 (“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.

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)	As of the end of the reporting period, among the top 10 shareholders and the top 10 holders of shares not subject to trading moratorium, Lv Ping (呂平) held 7,178,700 shares through credit securities account, Tang Jun (唐俊) held 2,690,000 shares through credit securities account, and Beijing Friendly Asset Management Co., Ltd. – Fortune 1 Securities Investment Fund (富潤1期證券投資基金) held 3,053,300 shares through credit securities account.
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Notes:

1. As at the end of the reporting period, HKSCC (Nominees) Limited held 247,692,253 shares (in particular: 241,673,450 H shares, 6,018,803 A shares) of the Company on behalf of several clients, representing 27.10% of the issued share capital of the Company, including 13,768,000 H shares held by NEIC 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 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 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 and the website of Shanghai Stock Exchange on 3 August 2021.

III. OTHER REMINDERS

Other important information related to the Company’s operating conditions during the reporting period that investors need to be reminded to pay attention to

Applicable Not applicable

On 20 March 2023, an extraordinary meeting of the tenth session of the Board of the Company was convened, at which the resolution in relation to the “Ordinary Related Party Transaction of the Company for 2023” was considered and approved, pursuant to which the estimated amount of ordinary related party transaction of the Company and relevant subsidiaries for 2023 was approved, namely the sales of materials, components and the provision of subcontracting services to Chengdu BOE Display Technology Co., Ltd. (成都京東方顯示科技有限公司), Nanjing Ericsson Panda Communication Co., Ltd. (南京愛立信熊貓通信有限公司), and Nanjing LG-Panda Appliances Co., Ltd. (南京樂金熊貓電器有限公司) respectively, with an annual amount of not exceeding RMB171 million, RMB46 million and RMB11 million respectively (inclusive).

For details of such matter, please refer to the relevant announcements published by the Company on China Securities Journal, Shanghai Securities News and the website of the Shanghai Stock Exchange on 21 March 2023.

IV. QUARTERLY FINANCIAL STATEMENTS

(I) **2023 first quarterly financial statements (prepared in accordance with the PRC Accounting Standards for Business Enterprises, unaudited)**

Consolidated Balance Sheet

31 March 2023

Prepared by: Nanjing Panda Electronics Company Limited

*Unit: RMB
(Yuan)*

Assets	31 March 2023	31 December 2022
Current assets:		
Monetary Funds	1,100,823,878.99	1,059,391,006.10
Settlement provisions		
Placements with banks and other financial institutions		
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	263,129,851.60	503,810,792.61
Derivative financial assets		
Notes receivable	34,760,730.61	74,058,103.09
Accounts receivable	1,119,801,340.06	1,184,902,988.01
Financing receivables	79,346,686.86	53,346,403.19
Advance to suppliers	61,452,146.54	44,898,734.03
Premiums receivable		
Reinsurance receivable		
Reinsurance contract reserve receivable		
Other receivables	45,407,457.10	44,370,789.73
Financial assets purchased for resale		
Inventories	668,064,681.08	601,451,915.31
Contract assets	78,306,808.49	192,997,877.85
Held-for-sale assets		
Non-current assets due within one year	1,747,508.96	1,747,508.96
Other current assets	148,166,066.88	121,751,216.36
Total current assets	<u>3,601,007,157.17</u>	<u>3,882,727,335.24</u>

Assets**31 March 2023** 31 December 2022**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	742,939,388.40	717,388,041.95
Other equity instruments investments	2,385,926.53	2,385,926.53
Other non-current financial assets		
Investment properties	211,014,334.86	215,564,833.38
Fixed assets	837,871,918.24	854,263,641.46
Construction in progress	1,335,288.72	1,218,625.66
Biological assets for production		
Fuel assets		
Right-of-use assets	10,217,839.41	11,757,911.22
Intangible assets	125,815,612.01	130,570,044.29
Development expenses		
Goodwill		
Long-term expenses to be amortised	10,157,109.35	10,982,839.77
Deferred income tax assets	19,346,385.05	19,485,070.35
Other non-current assets	11,754,417.40	16,690,475.03
Total non-current assets	<u>1,972,838,219.97</u>	<u>1,980,307,409.64</u>
Total assets	<u>5,573,845,377.14</u>	<u>5,863,034,744.88</u>

Head of the Company:
Hu Huichun

Chief Accountant:
Hu Dali

*Head of the Accounting
Department:*
Liu Xianfang

Consolidated Balance Sheet (Continued)

31 March 2023

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB
(Yuan)

Liabilities and owners' equity	31 March 2023	31 December 2022
Current liabilities:		
Short-term loans	18,113,510.72	
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	101,447,696.80	140,306,918.37
Accounts payable	1,358,021,436.91	1,533,543,158.65
Receipts in advance	302,014.54	126,201.33
Contract liabilities	74,168,841.36	67,641,115.11
Financial assets sold under repurchase agreements		
Bank charges and commissions due		
Salaries payable	19,592,829.30	54,607,592.56
Taxes payable	42,410,076.91	52,072,391.92
Other payables	76,926,857.50	105,899,337.51
Reinsurers due		
Insurance contract reserves		
Customers' deposits held for securities brokerage		
Securities underwriting		
Liabilities held for sale		
Non-current liabilities due within one year	6,782,336.14	6,117,127.14
Other current liabilities	24,335,567.87	27,520,425.14
Total current liabilities	<u>1,722,101,168.05</u>	<u>1,987,834,267.73</u>

Liabilities and owners' equity	31 March 2023	31 December 2022
Non-current liabilities:		
Long-term loans		
Bonds payables		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	3,382,446.87	5,196,356.93
Long-term payables		
Long-term staff salaries payable	8,204,313.98	8,729,912.08
Estimated liabilities		
Deferred income	44,955,424.32	46,537,325.13
Deferred income tax liabilities	4,761,432.61	4,422,747.53
Other non-current liabilities		
	<hr/>	<hr/>
Total non-current liabilities	<u>61,303,617.78</u>	<u>64,886,341.67</u>
	<hr/>	<hr/>
Total liabilities	<u>1,783,404,785.83</u>	<u>2,052,720,609.40</u>
	<hr/>	<hr/>
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	-948,055.10	-948,055.10
Special reserve	898,745.31	
Surplus reserve	286,530,634.83	286,530,634.83
General risk reserve		
Undistributed profits	853,461,865.21	883,912,442.46
	<hr/>	<hr/>
Sub-total shareholders' equity attributable to the parent company	3,524,473,519.38	3,554,025,351.32
Minority interests	265,967,071.93	256,288,784.16
	<hr/>	<hr/>
Total owners' equity	<u>3,790,440,591.31</u>	<u>3,810,314,135.48</u>
	<hr/>	<hr/>
Total liabilities and owners' equity	<u>5,573,845,377.14</u>	<u>5,863,034,744.88</u>

Head of the Company:
Hu Huichun

Chief Accountant:
Hu Dali

*Head of the Accounting
Department:*
Liu Xianfang

Consolidated Income Statement

January-March 2023

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB
(Yuan)

Items	Amount for the period	Amount for the same period last year
1. Total operating income	558,119,921.10	1,060,341,055.39
Including: Operating income	558,119,921.10	1,060,341,055.39
Interests income		
Premiums earned		
Income from bank charges and commissions		
2. Total operating cost	608,208,774.74	1,080,030,209.01
Including: Operating cost	485,753,105.40	935,067,757.11
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	5,367,498.61	5,324,937.72
Selling expenses	10,884,959.03	10,006,963.63
Administrative expenses	58,866,138.49	63,271,289.81
R&D costs	50,851,851.93	70,122,582.05
Financial expenses	-3,514,778.72	-3,763,321.31
Including: Interest expense	64,718.40	206,774.58
Interest incomes	3,323,862.24	3,059,259.22
Add: Other gain	3,423,570.49	2,965,923.07
Investment income (losses are represented by "-")	29,916,770.01	19,257,496.64
Including: Investment income of associates and joint ventures	25,551,346.45	15,359,590.26

Items	Amount for the period	Amount for the same period last year
Income on hedging the net exposure (losses are represented by “-”)		
Income from change in fair value (losses are represented by “-”)	-680,941.01	-1,485,621.33
Loss in credit impairment (losses are represented by “-”)	11,820.23	187,922.64
Loss in assets impairment (losses are represented by “-”)	1,956,503.72	-4,269,969.56
Gains on disposal of assets (losses are represented by “-”)		123,732.29
Exchange gain (losses are represented by “-”)		
3. Operating profit (losses are represented by “-”)	-15,461,130.20	-2,909,669.87
Add: Non-operating income	621,938.25	111,149.84
Less: Non-operating expenses	88,132.33	36,347.25
4. Total Profit (total losses are represented by “-”)	-14,927,324.28	-2,834,867.28
Less: Income tax expense	5,844,965.20	6,969,791.45
5. Net Profit (net losses are represented by “-”)	-20,772,289.48	-9,804,658.73
(1) Classified by the business continuity		
1. Net profit for going concern (net losses are represented by “-”)	-20,772,289.48	-9,804,658.73
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	-30,450,577.25	-16,953,897.29
2. Minority interests	9,678,287.77	7,149,238.56

Items	Amount for the period	Amount for the same period last year
6. Net other comprehensive income after tax		-27,166.45
Net other comprehensive income after tax attributable to shareholders of the parent company		-27,166.45
(1) Other comprehensive income which will not be reclassified subsequently to profit and loss		-27,166.45
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		-27,166.45
4. Changes in fair value of the enterprise's own credit risk		

Items	Amount for the period	Amount for the same period last year
(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	Amount for the period	Amount for the same period last year
7. Total comprehensive income	-20,772,289.48	-9,831,825.18
Total comprehensive income attributable to the equity holders of the parent company	-30,450,577.25	-16,981,063.74
Total comprehensive income attributable to minority shareholders	9,678,287.77	7,149,238.56
8. Earnings per share:		
(1) Basic earnings per share <i>(RMB/share)</i>	-0.0333	-0.0186
(2) Diluted earnings per share <i>(RMB/share)</i>	-0.0333	-0.0186

Head of the Company:
Hu Huichun

Chief Accountant:
Hu Dali

*Head of the Accounting
Department:*
Liu Xianfang

Consolidated Cash Flow Statement

January-March 2023

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB
(Yuan)

Items	Amount for the period	Amount for the same period last year
1. Cash flows from operating activities:		
Cash received from the sale of goods and rendering services	823,578,261.59	1,100,731,595.12
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	3,477,940.38	5,700,010.42
Cash received relating to other operating activities	57,826,902.03	68,259,562.88
Sub-total of cash inflows from operating activities	884,883,104.00	1,174,691,168.42

Items	Amount for the period	Amount for the same period last year
Cash paid for purchase of goods and services received	754,157,736.74	813,242,980.95
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	191,718,450.97	201,847,019.71
Cash paid for all types of taxes	50,318,702.98	39,706,799.77
Cash paid relating to other operating activities	62,668,322.12	71,211,796.04
Sub-total of cash outflows from operating activities	<u>1,058,863,212.81</u>	<u>1,126,008,596.47</u>
Net cash flows from operating activities	<u>-173,980,108.81</u>	<u>48,682,571.95</u>
2. Cash flows from investing activities:		
Cash received from disposal of investments		
Cash received from return on investments	4,496,597.96	3,156,465.75
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	82,890.00	561,721.36
Net cash received from disposal of subsidiaries and other operating entities		
Cash received relating to other investment activities	350,000,000.00	470,000,000.00
Sub-total of cash inflows from investing activities	<u>354,579,487.96</u>	<u>473,718,187.11</u>

Items	Amount for the period	Amount for the same period last year
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	2,171,451.89	9,025,200.79
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>125,000,000.00</u>	<u>210,000,000.00</u>
Sub-total of cash outflows from investing activities	<u>127,171,451.89</u>	<u>219,025,200.79</u>
Net cash flows from investing activities	<u>227,408,036.07</u>	<u>254,692,986.32</u>
3. Cash flows from financing activities:		
Cash received from investments		
Including: Cash received by subsidiaries from minority shareholders' investment		
Cash received from borrowings	18,113,510.72	
Cash received from issuing bonds		
Cash received from other financing activities		
Sub-total of cash inflows from financing activities	<u>18,113,510.72</u>	

Items	Amount for the period	Amount for the same period last year
Cash paid on repayment of borrowings		
Cash paid on distribution of dividends or profits, or interest expenses	48,822.24	
Including: Dividend and profit paid to minority shareholders by subsidiaries	48,822.24	
Cash paid on other financing activities	_____	_____
Sub-total of cash outflows from financing activities	48,822.24	_____
Net cash flows from financing activities	18,064,688.48	_____
4. Effect of fluctuations in exchange rates on cash and cash equivalents	202,587.51	7,851.76
5. Net increase in cash and cash equivalents	71,695,203.25	303,383,410.03
Add: Balance of cash and cash equivalents at the beginning of the period	954,544,289.85	848,233,503.66
6. Balance of cash and cash equivalents at the end of the period	1,026,239,493.10	1,151,616,913.69

Head of Company:
Hu Huichun

Chief Accountant:
Hu Dali

*Head of the Accounting
Department:*
Liu Xianfang

Balance Sheet

31 March 2023

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB
(Yuan)

ASSETS	31 March 2023	31 December 2022
Current assets:		
Monetary Funds	25,949,990.82	124,596,356.25
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	222,749,183.79	151,001,712.33
Derivative financial assets		
Notes receivable	13,418,465.52	29,223,397.62
Accounts receivable	109,947,277.18	99,507,284.59
Financing receivables		
Prepayments	3,103,407.22	3,092,196.84
Other receivables	219,084,048.88	197,206,292.54
Inventories	52,056,538.64	55,204,331.62
Contract assets		
Held-for-sale assets		
Non-current assets due within one year		
Other current assets		110,596.19
Total current assets	646,308,912.05	659,942,167.98

ASSETS**31 March 2023** 31 December 2022**Non-current assets:**

Available-for-sale financial assets		
Held-to-maturity investments		
Debenture investments		
Other debenture investments		
Long-term receivables		
Long-term equity investments	2,206,974,157.20	2,181,414,815.51
Other equity instruments investments	2,385,926.53	2,385,926.53
Other non-current financial assets		
Investment properties	330,640,221.67	337,298,667.83
Fixed assets	70,126,026.55	68,531,092.35
Construction in progress	1,296,030.05	1,265,605.52
Biological assets for production		
Fuel assets		
Right-of-use assets		
Intangible assets	14,133,644.77	14,477,449.20
Development expenses		
Goodwill		
Long-term expenses to be amortised	8,773,345.07	9,457,514.64
Deferred income tax assets	316,018.37	316,018.37
Other non-current assets		
	<hr/>	<hr/>
Total non-current assets	<u>2,634,645,370.21</u>	<u>2,615,147,089.95</u>
Total assets	<u>3,280,954,282.26</u>	<u>3,275,089,257.93</u>

Head of Company:
Hu Huichun

Chief Accountant:
Hu Dali

*Head of the Accounting
Department:*
Liu Xianfang

Balance Sheet (Continued)*31 March 2023*

Prepared by: Nanjing Panda Electronics Company Limited

*Unit: RMB
(Yuan)*

Liabilities and owners' equity	31 March 2023	31 December 2022
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	11,377,212.50	14,239,366.64
Accounts payable	50,430,566.44	49,025,777.54
Receipts in advance		
Contract liabilities	298,676.04	761,551.50
Salaries payable	1,419,613.95	1,453,976.33
Taxes payable	8,696,829.27	9,107,274.08
Other payables	254,470,040.22	249,453,197.30
Liabilities held for sale		
Non-current liabilities due within one year		
Other current liabilities	8,838,827.88	10,929,328.19
Total current liabilities	<u>335,531,766.30</u>	<u>334,970,471.58</u>
Non-current liabilities:		
Long-term loans		
Bonds payables		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term staff salaries payable	1,102,054.58	1,219,802.89
Estimated liabilities		
Deferred income		
Deferred income tax liabilities	687,295.95	250,428.08
Other non-current liabilities		
Total non-current liabilities	<u>1,789,350.53</u>	<u>1,470,230.97</u>
Total liabilities	<u>337,321,116.83</u>	<u>336,440,702.55</u>

Liabilities and owners' equity	31 March 2023	31 December 2022
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	-948,055.10	-948,055.10
Special reserve		
Surplus reserve	286,530,634.83	286,530,634.83
Undistributed profits	309,341,222.42	304,356,612.37
	<u>2,943,633,165.43</u>	<u>2,938,648,555.38</u>
Total owners' equity	<u>2,943,633,165.43</u>	<u>2,938,648,555.38</u>
Total liabilities and owners' equity	<u>3,280,954,282.26</u>	<u>3,275,089,257.93</u>

Head of Company:
Hu Huichun

Chief Accountant:
Hu Dali

*Head of the Accounting
Department:*
Liu Xianfang

Income Statement
January-March 2023

Prepared by: Nanjing Panda Electronics Company Limited

*Unit: RMB
(Yuan)*

Item	The first quarter in 2023 (January-March)	The first quarter in 2022 (January-March)
I. Total operating revenue	34,179,228.78	25,704,416.16
Less: Operating cost	21,629,465.97	14,395,756.45
Taxes and surcharge	1,353,536.26	607,547.38
Selling expenses	1,107,500.32	1,981,601.31
Administrative expenses	22,931,676.02	24,960,904.09
R&D costs	8,351,432.11	9,763,958.50
Financial expenses	749,575.30	-18,303.92
Including: Interest expense		
Interest revenue	216,335.52	128,599.75
Add: Other gains	59,332.90	309.92
Investment income (losses are represented by “-”)	25,559,341.69	15,789,867.66
Including: Investment income of associates and joint ventures	25,559,341.69	15,409,924.52
Income on hedging the net exposure (losses are represented by “-”)		
Income from change in fair value (losses are represented by “-”)	1,747,471.46	-14,383.56
Loss in credit impairment		180,498.00
Loss in assets impairment		
Gain on disposal of assets (losses are represented by “-”)		
II. Operating profit (losses are represented by “-”)	5,422,188.85	-10,030,755.63
Add: Non-operating revenue	146.87	9,000.00
Less: Non-operating expenses	857.80	

Item	The first quarter in 2023 (January-March)	The first quarter in 2022 (January-March)
III. Total Profit (total losses are represented by “-”)	5,421,477.92	-10,021,755.63
Less: Income tax expense	436,867.87	-3,595.89
IV. Net Profit (net losses are represented by “-”)	4,984,610.05	-10,018,159.74
(1) Net profit for going concern (net losses are represented by “-”)	4,984,610.05	-10,018,159.74
(2) Net profit for discontinued operation (net losses are represented by “-”)		
V. Net other comprehensive income after tax		-27,166.45
(1) Other comprehensive income which will not be reclassified subsequently to profit and loss		-27,166.45
1. Changes as a result of remeasurement of defined benefit plan		
2. Other comprehensive income accounted for using equity method which cannot be transferred to profit and loss		
3. Changes in fair value of other equity instruments investment		-27,166.45
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 can be transferred to profit and loss		
2. Gains or losses arising from changes in fair value of available-for-sale financial assets		

Item	The first quarter in 2023 (January-March)	The first quarter in 2022 (January-March)
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 shareholders		
VI. Total comprehensive income	4,984,610.05	-10,045,326.19
VII. Earnings per share:		
(1) Basic earnings per share		
(2) Diluted earnings per share		

Head of Company:
Hu Huichun

Chief Accountant:
Hu Dali

*Head of the Accounting
Department:*
Liu Xianfang

Cash Flow Statement

January-March 2023

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB
(Yuan)

Item	The first quarter in 2023 (January-March)	The first quarter in 2022 (January-March)
I. Cash flows from operating activities:		
Cash received from the sale of goods and rendering services	33,552,976.38	28,748,561.44
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 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	14,971,484.15	61,591,085.52
Sub-total of cash inflows from operating activities	48,524,460.53	90,339,646.96

Item	The first quarter in 2023 (January-March)	The first quarter in 2022 (January-March)
Cash paid for purchase of goods and services received	11,374,758.14	19,239,285.79
Net increase in loans and advances to customers		
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	36,162,764.65	31,214,427.97
Cash paid for all types of taxes	5,628,027.86	2,235,318.79
Cash paid relating to other operating activities	17,062,656.61	186,288,325.82
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Sub-total of cash outflows from operating activities	70,228,207.26	238,977,358.37
	<hr/> <hr/>	<hr/> <hr/>
Net cash flows from operating activities	-21,703,746.73	-148,637,711.41
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Item	The first quarter in 2023 (January-March)	The first quarter in 2022 (January-March)
II. Cash flows from investing activities:		
Cash received from disposal of investments		
Cash received from return on investments		402,739.73
Net cash received from 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	5,000,000.00	150,000,000.00
Sub-total of cash inflows from investing activities	<u>5,000,000.00</u>	<u>150,402,739.73</u>
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	58,689.74	2,478,738.90
Cash paid for investments		
Net cash paid for acquisition of subsidiaries and other operating entities		
Cash paid on other investment activities	91,000,000.00	
Sub-total of cash outflows from investing activities	<u>91,058,689.74</u>	<u>2,478,738.90</u>
Net cash flows from investing activities	<u>-86,058,689.74</u>	<u>147,924,000.83</u>

Item	The first quarter in 2023 (January-March)	The first quarter in 2022 (January-March)
III. 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>60,000,000.00</u>	<u> </u>
Sub-total of cash inflows from financing activities	<u>60,000,000.00</u>	<u> </u>
Cash paid on repayment of borrowings		
Cash paid on distribution of dividends or profits, or interest expenses		
Including: Dividend and profit paid to minority shareholders by subsidiaries		
Cash paid on other financing activities	<u>50,000,000.00</u>	<u> </u>
Sub-total of cash outflows from financing activities	<u>50,000,000.00</u>	<u> </u>
Net cash flows from financing activities	<u>10,000,000.00</u>	<u> </u>

Item	The first quarter in 2023 (January-March)	The first quarter in 2022 (January-March)
IV. Effect of fluctuations in exchange rates on cash and cash equivalents	<u>-85.94</u>	<u>-46.16</u>
V. Net increase in cash and cash equivalents	-97,762,522.41	-713,756.74
Add: Balance of cash and cash equivalents at the beginning of the period	<u>119,425,285.13</u>	<u>33,601,208.20</u>
VI. Balance of cash and cash equivalents at the end of the period	<u>21,662,762.72</u>	<u>32,887,451.46</u>

<i>Head of Company:</i> Hu Huichun	<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
27 April 2023

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