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南京熊猫電子股份有限公司
NANJING PANDA ELECTRONICS COMPANY LIMITED

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 00553)

SUMMARY OF 2023 INTERIM REPORT

I. IMPORTANT NOTICE

1. The summary of the results of Nanjing Panda Electronics Company Limited (the "**Company**") and its subsidiaries (the "**Group**") for the six months ended 30 June 2023 (the "**Reporting Period**") is set out below. The financial statements contained in this report are unaudited. The summary of 2023 Interim Report is based on the full-length 2023 Interim Report. Investors who wish to know more details should carefully read the full text of the Interim Report simultaneously posted on the websites designated by the China Securities Regulatory Commission ("**CSRC**"), such as the website of the Shanghai Stock Exchange.

2. The board of directors, the supervisory committee, the directors, supervisors and senior management of the Company confirm that the information in this interim report is true, accurate and complete and does not contain any false representation, misleading statement or material omission, and jointly and severally accept full responsibility for the contents herein.

3. All directors of the Company attended the Board meeting.

4. This interim report of the Company is unaudited.

5. The Company would not make any profit distribution or capitalization of capital reserve for the first half of 2023.

II. BASIC INFORMATION ABOUT THE COMPANY

2.1 Company profile

Overview of stock

Class of stock	The stock exchange on which the shares are listed	Stock abbreviation	Stock code	Stock abbreviation before change
A Share(s)	Shanghai Stock Exchange	NPEC	600775	N/A
H Share(s)	The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**")	NPEC	00553	N/A

Contact persons and contact information	Secretary to the Board	Representative of securities affairs
Name	Wang Dongdong	Wang Dongdong
Telephone	(8625) 8480 1144	(8625) 8480 1144
Facsimile	(8625) 8482 0729	(8625) 8482 0729
E-mail	dms@panda.cn	dms@panda.cn

Interim results

The board of directors (the "**Board**") of the Company hereby announces the unaudited interim results of the Group for the Reporting Period prepared in accordance with the PRC Accounting Standards for Business Enterprises.

As the Company adopts merely the PRC Accounting Standards for Business Enterprises for preparing its financial statements from 2016, the relevant financial data for the first half of 2023 have been presented in accordance with the PRC Accounting Standards for Business Enterprises in this announcement.

2.2 Major financial data of the Company (Unaudited)

Unit: Yuan Currency: RMB

	At the end of the Reporting Period (30 June 2023)	At the end of last year (31 December 2022)	Change from the end of last year *(%)*
Total assets	5,656,812,111.90	5,863,034,744.88	-3.52
Net assets attributable to shareholders of the Company	3,514,689,652.41	3,554,025,351.32	-1.11

	Reporting Period (January – June 2023)	Corresponding period of last year (January – June 2022)	Change from corresponding period of last year *(%)*
Operating income	1,362,865,645.74	2,033,290,915.24	-32.97
Net profit attributable to shareholders of the Company	-27,340,386.93	12,000,168.67	-327.83
Net profit attributable to shareholders of the Company after deducting extraordinary profit and loss	-38,368,903.27	956,526.34	-4,111.28
Net cash flow from operating activities	-129,525,399.05	93,063,171.19	-239.18
Weighted average return on net assets *(%)*	-0.77	0.34	Decreased by 1.11 percentage points
Basic earnings per share *(RMB/share)*	-0.0299	0.0131	-328.24
Diluted earnings per share *(RMB/share)*	-0.0299	0.0131	-328.24

Explanations on major accounting information and financial indicators of the Company:

The decreases 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 adjustment of some of the Company's business segments, the overall market that was weaker than expectations and the adjustment of the delivery cycle of certain businesses which did not reach the settlement requirements, therefore resulting in year-on-year decrease in both incomes and profits. During the Reporting Period, the Company recorded significant decline in revenue from Industrial Internet and smart manufacturing, green and service-oriented electronic manufacturing. Meanwhile, the Company earnestly fulfilled the social responsibility and the obligation of promoting regional development as a participant of regional economy, further cutting some rents for tenants of micro-and small-sized enterprises and privately-owned businesses in the Reporting Period, which affected net profit attributable to shareholders of the Company, net profit attributable to shareholders of the Company after deducting extraordinary profit and loss, basic earnings per share and diluted earnings per share to some extent. The decrease of net cash flow from operating activities was primarily attributable to the decrease in cash received from sales of goods and provision of services in the period.

2.3 Total number of shareholders, shareholdings of the top ten shareholders as at the end of the Reporting Period

Unit: shares

Total number of shareholders as at the end of the Reporting Period 36,049

Shareholdings of top ten shareholders

Name of Shareholder	Type of shareholders	Percentage of shareholding *(%)*	Number of shares held	Number of shares held subject to trading moratorium	Number of pledged, tagged or frozen shares	
HKSCC (Nominees) Limited	Overseas legal person	26.89	245,706,736	0	Unknown	
Panda Electronics Group Limited ("**PEGL**")	State-owned legal person	23.05	210,661,444	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	4.89	44,741,255	0	Unknown	
Nanjing Electronics Information Industrial Corporation ("**NEIIC**")	State-owned legal person	3.93	35,888,611	0	Unknown	
Lu Ping (呂平)	Domestic natural person	0.83	7,642,600	0	Unknown	
Chen Linfa (陳林法)	Domestic natural person	0.43	3,976,500	0	Unknown	
Tang Jun (唐俊)	Domestic natural person	0.33	2,998,500	0	Unknown	
Jinzhou Beifa Investment Co., Ltd. (錦州北發投資有限責任公司)	Other	0.30	2,740,000	0	Unknown	
Chen Hui (陳輝)	Domestic natural person	0.25	2,333,200	0	Unknown	
Liu Jinhua (劉金華)	Domestic natural person	0.22	2,070,000	0	Unknown	
Description on 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% equity interests of the Company. CEIEC (H.K.) Limited (華電有限公司), a wholly-owned subsidiary of China Electronics Corporation ("**CEC**"), holds 27,414,000 H shares of the Company, representing 3% of the total number of 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 disclosed above, the Company is not aware of any connected relationship or party acting in concert among the aforesaid shareholders.					

Notes:

1. As at the end of the Reporting Period, HKSCC (Nominees) Limited held 245,706,736 shares (including 241,673,450 H shares and 4,033,286 A shares) of the Company on behalf of a number of clients, representing 26.89% of the total issued share capital of the Company, which includes 13,768,000 H shares held by NEIIC 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 total issued share capital of the Company.

2. On 2 August 2021, the Company received a notice from PEGL, the controlling shareholder of the Company, that part of the shares it held in the Company were pledged. Pursuant to the notice, PEGL pledged 105,091,430 shares in the Company, accounting for 49.89% of the total shares it held in the Company and 11.50% of the total share capital of the Company. For details, please refer to the relevant announcement of the Company published in China Securities Journal and Shanghai Securities News and on the websites of the Shanghai Stock Exchange on 3 August 2021.

2.4 Particulars of the total number of holders of preferred shares and the top 10 holders of preferred shares as at the end of the Reporting Period

☐ Applicable ☑ N/A

2.5 Change in the controlling shareholder or the de facto controller

☐ Applicable ☑ N/A

During the Reporting Period, there was no change in the controlling shareholder and the de facto controller of the Company, being PEGL and CEC, respectively.

2.6 Information on bonds outstanding as at the date on which the interim report was approved for publication

☐ Applicable ☑ N/A

III. MANAGEMENT DISCUSSION AND ANALYSIS

3.1 The discussion and analysis on the operation

In the first half of 2023, the Company's overall operating results declined under the combined effect of furious market competition, structural adjustment to the business portfolio and transition of business model advanced within the organization. During the Reporting Period, the Company recorded revenue of RMB1,362,865,600, total profit of RMB1,666,500 and net profit attributable to the parent company of RMB-27,340,400.

During the Reporting Period, some business segments of the Company underwent adjustments; the overall market was weaker than expectations; certain businesses adjusted the delivery cycle but failed to meet the settlement requirements, which led to year-on-year decrease in both incomes and profits. Accordingly, the Company recorded significant decline in revenue from Industrial Internet and smart manufacturing, green and service-oriented electronic manufacturing in the Reporting Period. Meanwhile, the Company earnestly fulfilled the social responsibility and the obligation of promoting regional development as a participant of regional economy, further cutting some rents for tenants of micro-and small-sized enterprises and privately-owned businesses in the Reporting Period.

3.1.1 Analysis of principal operations

(1) Analysis of changes in relevant items in the financial statements (Unaudited)

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the corresponding period of last year	Change *(%)*
Operating income	1,362,865,645.74	2,033,290,915.24	-32.97
Operating costs	1,164,944,388.28	1,783,237,901.63	-34.67
Cost of sales	22,266,432.31	19,195,793.89	16.00
Administrative expenses	122,809,936.74	116,077,148.70	5.80
Financial expenses	-5,247,662.54	936,528.15	-660.33
R&D expenses	97,087,795.96	114,297,434.42	-15.06
Net cash flows from operating activities	-129,525,399.05	93,063,171.19	-239.18
Net cash flows from investing activities	165,528,840.46	35,919,510.23	360.83
Net cash flows from financing activities	16,133,385.86	-32,148,271.49	N/A
Other income	7,589,937.04	11,160,362.03	-31.99
Gain from change in fair value	-2,586,155.54	-1,483,336.59	N/A
Credit impairment losses	-4,912,421.80	-1,560,256.71	N/A
Asset impairment losses	1,121,190.71	-8,169,906.19	N/A
Gains on disposal of assets	-20,702.97	120,045.79	-117.25
Non-operating income	1,718,066.03	972,116.26	76.73
Non-operating expenses	96,464.35	144,390.35	-33.19

Reasons for change:

(1) Reasons for the change in operating income: mainly due to the adjustment of some of the Company's business segments, the overall market that was weaker than expectations and the adjustment of the delivery cycle of certain businesses which did not reach the settlement requirements, therefore resulting in year-on-year decrease in incomes;

(2) Reasons for the change in operating costs: mainly due to the adjustment of some of the Company's business segments, the overall market that was weaker than expectations and the adjustment of the delivery cycle of certain businesses which did not reach the settlement requirements, therefore resulting in year-on-year decrease in costs;

(3) Reasons for the change in cost of sales: mainly due to the year-on-year increase in labor costs of sales staff and advertising and exhibition expenses;

(4) Reasons for the change in administrative expenses: mainly due to the year-on-year increase in depreciation and amortization;

(5) Reasons for the change in financial expenses: mainly due to the year-on-year decrease in exchange losses affected by the fluctuation of RMB exchange rate;

(6) Reasons for the change in R&D expenses: mainly due to the year-on-year decrease in labor costs of R&D staff and material, fuel and power costs;

(7) Reasons for the change in net cash flows from operating activities: mainly due to the decrease in cash received from sales of goods and provision of services during the period;

(8) Reasons for the change in net cash flows from investing activities: mainly due to the decrease in the purchase of financial products during the period;

(9) Reasons for the change in net cash flows from financing activities: mainly due to the payment of dividends for the previous period to some minority shareholders;

(10) Reasons for the change in other income: mainly due to the decrease in government grants related to operations during the period;

(11) Reasons for the change in gain from change in fair value: mainly due to the reversal of gain or loss on fair value changes recognized for financial products that remain outstanding at the end of the previous year;

(12) Reasons for the change in credit impairment losses: mainly due to the provision for bad debts related to certain accounts receivable in the period;

(13) Reasons for the change in asset impairment losses: mainly due to the reversal of certain provision for decline in value of inventories for the period;

(14) Reasons for the change in gains on disposal of assets: mainly due to the increase in loss on disposal of non-current assets in the period;

(15) Reasons for the change in non-operating income: mainly due to the increase in unnecessary payments in the period;

(16) Reasons for the change in non-operating expenses: mainly due to the decrease in relevant charges and other expenditures in the period.

(2) Analysis of assets and liabilities

Unit: Yuan Currency: RMB

Item	Amount at the end of the period	Amount at the end of the period as a percentage of the total assets (%)	Amount at the end of the previous period	Amount at the end of the previous period as a percentage of the total assets (%)	Change in the amount at the end of the period as compared to the amount at the end of the previous period (%)	Remarks
Monetary Funds	**1,087,831,832.83**	**19.23**	1,059,391,006.10	18.07	2.68	
Accounts receivable	**1,222,858,410.96**	**21.62**	1,184,902,988.01	20.21	3.20	
Inventories	**544,204,531.08**	**9.62**	601,451,915.31	10.26	-9.52	
Contract assets	**133,366,408.47**	**2.36**	192,997,877.85	3.29	-30.90	Mainly due to the transfer of contract assets recognized at the beginning of the year to accounts receivable
Investment property	**209,435,508.94**	**3.70**	215,564,833.38	3.68	-2.84	
Long-term equity investments	**697,249,546.89**	**12.33**	717,388,041.95	12.24	-2.81	
Fixed assets	**819,828,278.67**	**14.49**	854,263,641.46	14.57	-4.03	
Construction in progress	**311,414.66**	**0.01**	1,218,625.66	0.02	-74.45	Mainly due to the transfer of certain items of construction in progress to long-term amortization during the period
Right-of-use assets	**8,893,673.78**	**0.16**	11,757,911.22	0.20	-24.36	
Financial assets held for trading	**291,224,637.07**	**5.15**	503,810,792.61	8.59	-42.20	Mainly due to maturity of outstanding banking products at the beginning of the period
Financing receivables	**74,685,151.06**	**1.32**	53,346,403.19	0.91	40.00	The increase in bank acceptance bills of high credit ratings, held by the Company mainly for the purpose of endorsement or discounting , which the Company classified as financial receivables
Other current assets	**226,826,874.80**	**4.01**	121,751,216.36	2.08	86.30	Mainly due to the increase in certificates of deposit to be transferred within one year during the period
Long-term expenses to be amortised	**16,399,258.03**	**0.29**	10,982,839.77	0.19	49.32	Mainly due to the increase in renovation projects during the period

Item	Amount at the end of the period	Amount at the end of the period as a percentage of the total assets (%)	Amount at the end of the previous period	Amount at the end of the previous period as a percentage of the total assets (%)	Change in the amount at the end of the period as compared to the amount at the end of the previous period (%)	Remarks
Other non-current assets	**28,678,806.53**	**0.51**	16,690,475.03	0.28	71.83	Mainly due to the increase in project guarantee deposit of more than one year
Short-term loans	**18,113,510.72**	**0.32**			N/A	Mainly due to the amount received from the transfer of certain accounts receivable in respect of the factoring business with recourse during the period
Contract liabilities	**94,656,569.69**	**1.67**	67,641,115.11	1.15	39.94	Mainly due to the increase in advance receipts from customers during the period
Lease liabilities	**3,070,315.51**	**0.05**	5,196,356.93	0.09	-40.91	Mainly due to the rental payments during the period
Notes payables	**95,910,943.76**	**1.70**	140,306,918.37	2.39	-31.64	Mainly due to the decrease in bank acceptance bills payable during the period
Advance receipts from customers	**901,371.73**	**0.02**	126,201.33	0.00	614.23	Mainly due to the increase in rentals received in advance during the period
Staff salaries payable	**27,293,672.46**	**0.48**	54,607,592.56	0.93	-50.02	Mainly due to the payment of salaries, bonuses and salary expenses during the period
Taxes payable	**34,259,650.44**	**0.61**	52,072,391.92	0.89	-34.21	Mainly due to the decrease in value-added tax and enterprise income tax payable at the end of the period
Special reserve	**864,952.00**	**0.02**		N/A	N/A	Mainly due to the provision for unused production safety costs

3.2 Analysis of investments

3.2.1 Overall analysis of equity investment

In the first half of 2023, the Company proceeded with investments in fixed assets and relevant projects in a prudent, standardized and disciplined manner as required by the Board and in strict compliance with the annual capital expenditure budget and actual operating situation.

3.2.2 Analysis of major subsidiaries and investee companies

(1) Information of major subsidiaries

From January to June in 2023, the Company delved into its three principal businesses and exerted great efforts in expanding the market. The overview of major subsidiaries is set out below:

Unit: 0'000 Currency: RMB

		30 June 2023				January to June 2023	
Subsidiary	Major products or services	Registered capital	Percentage of shareholding	Total assets	Net assets	Operating income	Net profit
Nanjing Panda Electronics Equipment Co., Ltd	Manufacture and sale of automatic transmission equipment and industrial robots	19,000.00	100%	35,549	436	4,209	-5,644
Nanjing Panda Information Industry Co., Ltd	Production and sale of AFC and ACC systems and equipment of railway transit, building intellectualization and system integration	USD3,194.6435	82%	153,608	54,565	37,083	2,085
Nanjing Panda Electronic Manufacture Co., Ltd	EMS services	USD2,000	75%	72,385	50,371	32,565	-521
Nanjing Panda Communications Technology Co., Ltd	Manufacture and sale of mobile communication, digital communication and network communication systems and products	10,000.00	100%	28,906	18,030	6,435	500
Nanjing Panda Xinxing Industrial Co., Ltd.	Property and catering services	2,000.00	100%	5,994	4,352	3,346	-10
Nanjing Panda Electronic Technology Development Company Limited	Manufacturing of general purpose equipment, software development, and property management	70,000.00	100%	55,425	55,168	756	-529
Shenzhen Jinghua Electronics Co., Ltd.	Research and development, manufacturing and sales of communication equipment and digital products	11,507.00	43.34%	59,706	44,350	33,652	3,472
Chengdu Panda Electronic Technology Co., Ltd.	Electronic manufacturing service	5,000	100%	25,106	11,871	15,178	443

Note: On 17 April 2023, an extraordinary meeting of the tenth session of the Board of the Company was convened, at which the resolution on the Absorption and Merger of Nanjing Panda Electronic Technology Development Co., Ltd. was considered and passed, and the Company and Nanjing Panda Electronic Technology Development Co., Ltd. entered into a Merger Agreement, pursuant to which, the Company intended to merge Nanjing Panda Electronic Technology Development Co., Ltd. by way of absorption and merger. The matter was considered and approved at the 2022 annual general meeting of the Company. Upon the merger, Nanjing Panda Electronic Technology Development Co., Ltd. will be dissolved and deregistered, and all of its assets, creditor's rights and liabilities will be inherited by the Company in accordance with the law. The absorption and merger will not affect the net assets and current profit in the consolidated statement of the Company. At present, the Company is in the process of implementing the industrial and commercial, taxation and other related work in an orderly manner in accordance with the requirements of the relevant national laws and regulations.

(2) Information of major investee companies (January to June 2023)

- Nanjing Ericsson Panda Communication Co., Ltd.

Unit: 0'000 Currency: RMB

Name of investee company	Operating income	Net Profit	Equity interests held by the Company	Investment Income received by the Company
Nanjing Ericsson Panda Communication Co., Ltd. ("**ENC**")	272,425.95	5,499.99	27%	1,485

ENC was set up on 15 September 1992 with a total investment of US$40.88 million and a registered capital of US$20.9 million. ENC is held as to 27% by the Company, 51% by Ericsson (China) Company Limited, 20% by China Potevio Co., Ltd., and 2% by Yung Shing Enterprise, Hong Kong. ENC mainly engages in production of mobile telecommunication system equipment and public network communications system equipment, and is now mainly in charge of the industrialization and mass production of the products that Ericsson developed and makes delivery and shipment to customers worldwide.

Operating income of ENC from January to June 2023 amounted to RMB2,724,259,500, representing a year-on-year increase of 8.08%; net profit amounted to RMB54,999,900, representing a year-on-year increase of 37.77%. Reason(s) for changes in the main indicators: backlog of other materials and higher provision for decline in value of inventories resulted from a shortage of semiconductor components, compared to the significant increase of net profit under a better situation this year.

- Nanjing LG Panda Appliances Co., Ltd.

Unit: 0'000 Currency: RMB

Invested company	Operating income	Net profit	Shareholding of the Company	Investment income received by the Company
Nanjing LG Panda Appliances Co., Ltd. (LG Panda Appliances)	210,242.76	11,707.42	30%	2,501.17

LG Panda Appliances was established on 21 December 1995 with a registered capital of USD35.70 million. The Company holds 30%, LG Electronics Co., Ltd. holds 50%, and LG Electronics (China) Co., Ltd. holds 20%. LG Panda Appliances is mainly engaged in the development and production of fully automatic washing machines and related parts. It is currently the largest washing machine production base other than LGE's local company in Korea.

From January to June 2023, the operating income of LG Panda Appliances amounted to RMB2,102,427,600, representing a year-on-year decrease of 29.69%; net profit amounted to RMB117,074,200, representing a year-on-year decrease of 0.89%. Reason(s) for changes in the main indicators: the decrease in revenue due to the decline of orders, but offset by the increase in gross profit of bulk items, which resulted in a slight decrease of net profit.

(3) Others

In April 2023, an extraordinary meeting of the tenth session of the Board of the Company was convened, at which the resolution on the Liquidation and Deregistration of Jiangsu Urban Rail Transit Research and Design Institute Co., Ltd. was considered and passed. Jiangsu Urban Rail Transit Research and Design Institute Co., Ltd. (hereinafter referred to as "**Jiangsu Rail Transit Institute**") was established on 23 August 2011 with a registered capital of RMB50 million and a capital of RMB3.65 million contributed by Nanjing Panda Electronics Company Limited, accounting for 7.3% of the total share capital. Jiangsu Rail Transit Institute was mainly engaged in planning, design and consultation of rail transit, construction and operation of rail transit projects, project supervision, research and development, testing and inspection of rail transit products and other businesses. In view of the current actual operation situation of Jiangsu Rail Transit Institute, the shareholders intended to liquidate and deregister it. The liquidation of Jiangsu Rail Transit Institute has not affected the profit and loss of the Company for the current period and has not had any significant impact on the net assets of the Company.

3.3 Plan for Profit Distribution or Capitalization of Capital Reserve

3.3.1 Plans for profit distribution and capitalization of capital reserve for the first half year

The Company will not make any profit distribution or convert any capital reserve into share capital for the first half of 2023.

3.3.2 Implementation of or adjustment to the profit distribution plan during the Reporting Period

The resolution in relation to the profit distribution plan for the year 2022 was considered and approved at the fifteenth meeting of the tenth session of the Board of the Company and the 2022 annual general meeting of the Company, pursuant to which, a cash dividend of RMB0.14 (tax inclusive) for every ten shares was distributed to all the shareholders on the basis of a total share capital of 913,838,529 shares as at 31 December 2022, with the total cash dividend distributed amounting to RMB12,793,739.41, and the remaining profits will be carried forward to next year. The Company would not make any capitalization of capital reserve. As at the date of this report, the profit distribution plan had been duly implemented. For details, please refer to the announcements published by the Company in China Securities Journal and Shanghai Securities News and on the website of Shanghai Stock Exchange on 31 March 2023, 28 June 2023 and 5 July 2023 and on the website of the Hong Kong Stock Exchange on 30 March 2023, 27 June 2023 and 4 July 2023, respectively.

3.4 Other matters

3.4.1 Liquidity of capital

As shown in the consolidated financial statements of the Company prepared under the PRC Accounting Standards for Business Enterprises, as of 30 June 2023, the Company's gearing ratio (the ratio of total liabilities to total assets) was 32.96%; current liabilities amounted to RMB1.805 billion; liquidity ratio was 2.07; quick ratio was 1.74; bank deposits and cash amounted to RMB1,009 million; and short-term bank and other loans amounted to RMB18 million.

According to the announcement of the National Interbank Funding Center authorized by the People's Bank of China, during the Reporting Period, as of 20 June 2023, the LPR for 1-year was 3.55%, and the LPR for more than 5-year was 4.2%; as of 21 August 2023, the LPR for 1-year was 3.45%, and the LPR for more than 5-year was 4.2%.

3.4.2 Purchase, sale or redemption of the Company's listed shares

During the Reporting Period, the Group did not purchase, sell or redeem any of the Company's listed shares.

3.4.3 Liability insurance for Directors, supervisors and senior management

During the Reporting Period, the Company purchased liability insurance for its Directors, supervisors and senior management in compliance with relevant requirements under the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "**Listing Rules**").

3.4.4 Corporate Governance Code

The Company and Directors recognize the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Company so as to achieve effective accountability.

During the Reporting Period, the Company has been in compliance with the code provisions stated in the CG Code contained in Appendix 14 of the Listing Rules.

3.4.5 Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code")

During the Reporting Period, the Company has adopted and complied with the Model Code as set out in Appendix 10 to the Listing Rules. Having made specific enquiries to the Directors, all Directors have confirmed that they complied with the Model Code during the Reporting Period.

3.4.6 Events after the Reporting Period

As of the date of this announcement, the Group did not record any material events after the Reporting Period.

3.5 Audit committee

The audit committee and the management of the Company have reviewed the accounting principles and accounting standards and methods adopted by the Company, discussed the matters relating to internal control and reviewed the interim results for the Reporting Period. The audit committee is of the opinion that the relevant financial report complies with the applicable accounting standards and laws and that adequate disclosure has been made.

The audit committee convened a meeting on 30 March 2023 to review 2022 financial report of the Company and the summary report on audit work in 2022 performed by BDO China Shu Lun Pan Certified Public Accountants LLP and agreed to submit the same to the Board for review. The appointment of BDO China Shu Lun Pan Certified Public Accountants LLP as the Company's international, domestic and internal control auditors for 2023 was agreed at the meeting and relevant proposal was submitted to the Board for consideration.

Having reviewed the unaudited financial report of the Company for the six months ended 30 June 2023, the audit committee is of the opinion that the financial report complies with the applicable accounting standards and laws and that adequate disclosure has been made.

3.6 Appointment and Removal of Auditors

At the fifteenth meeting of the tenth session of the Board, the resolution in relation to the Appointment of the Auditors for 2023 was considered and approved, whereby it was proposed that BDO China Shu Lun Pan Certified Public Accountants LLP be re-appointed as the Company's international auditor, PRC auditor and internal control auditor for 2023 and that their remuneration be determined within the limit of RMB2.48 million and it was agreed that the same be submitted to the 2022 annual general meeting of the Company for shareholders' consideration.

The 2022 annual general meeting of the Company considered and approved the reappointment of BDO China Shu Lun Pan Certified Public Accountants LLP as the Company's international auditor, PRC auditor and internal control auditor for 2023, and authorized the Board to determine their remuneration within the limit of RMB2.48 million.

For details, please refer to the relevant announcements of the Company published in China Securities Journal and Shanghai Securities News and on the website of Shanghai Stock Exchange on 31 March 2023 and 28 June 2023 and on the website of the Hong Kong Stock Exchange on 30 March 2023 and 27 June 2023.

IV. SIGNIFICANT EVENTS

The Company shall explain the major changes in its business operations during the Reporting Period and those events occurring during the Reporting Period and with a significant impact on the business operations of the Company and expected to have a significant impact in the future in accordance with the principle of materiality.

☐ Applicable ☑ Not Applicable

V. FINANCIAL REPORT (PREPARED IN ACCORDANCE WITH THE PRC ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES)

Consolidated Balance Sheet
As at 30 June 2023

Prepared by: Nanjing Panda Electronics Company Limited *Unit: RMB*

ASSETS	**Closing balance**	Opening balance
Current assets:		
Cash and cash equivalents	**1,087,831,832.83**	1,059,391,006.10
Settlement provisions		
Placements with banks and other financial institutions		
Financial assets held for trading	**291,224,637.07**	503,810,792.61
Derivative financial assets		
Notes receivable	**51,934,594.67**	74,058,103.09
Accounts receivable	**1,222,858,410.96**	1,184,902,988.01
Receivables financing	**74,685,151.06**	53,346,403.19
Advance to suppliers	**50,493,934.99**	44,898,734.03
Premiums receivable		
Reinsurance receivable		
Reinsurance contract reserve receivable		
Other receivables	**46,318,369.46**	44,370,789.73
Financial assets held under resale agreements		
Inventories	**544,204,531.08**	601,451,915.31
Contract assets	**133,366,408.47**	192,997,877.85
Held-for-sale assets		
Non-current assets due within one year	**1,244,897.62**	1,747,508.96
Other current assets	**226,826,874.80**	121,751,216.36
Total current assets	**3,730,989,643.01**	3,882,727,335.24

Consolidated Balance Sheet (Continued)
As at 30 June 2023

Prepared by: Nanjing Panda Electronics Company Limited *Unit: RMB*

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	**697,249,546.89**	717,388,041.95
Other equity instruments investments	**2,385,926.53**	2,385,926.53
Other non-current financial assets		
Investment properties	**209,435,508.94**	215,564,833.38
Fixed assets	**819,828,278.67**	854,263,641.46
Construction in progress	**311,414.66**	1,218,625.66
Biological assets for production		
Fuel assets		
Right-of-use assets	**8,893,673.78**	11,757,911.22
Intangible assets	**121,101,637.55**	130,570,044.29
Development expenses	**–**	–
Goodwill		
Long-term expenses to be amortised	**16,399,258.03**	10,982,839.77
Deferred income tax assets	**21,538,417.31**	19,485,070.35
Other non-current assets	**28,678,806.53**	16,690,475.03
Total non-current assets	**1,925,822,468.89**	1,980,307,409.64
Total assets	**5,656,812,111.90**	5,863,034,744.88

Legal representative:	*Chief Accountant:*	*Head of the Accounting Department:*
Hu Huichun	**Hu Dali**	**Liu Xianfang**

Consolidated Balance Sheet (Continued)
As at 30 June 2023

Prepared by: Nanjing Panda Electronics Company Limited *Unit: RMB*

Liabilities and owners' equity	**Closing balance**	Opening balance
Current liabilities:		
Short-term borrowings	**18,113,510.72**	–
Borrowings from central bank		
Customer deposits and deposits from banks and other financial institutions		
Placements from banks and other financial institutions		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable	**95,910,943.76**	140,306,918.37
Accounts payable	**1,382,751,660.71**	1,533,543,158.65
Advance receipts from customers	**901,371.73**	126,201.33
Contract liabilities	**94,656,569.69**	67,641,115.11
Financial assets sold under repurchase agreements		
Bank charges and commissions due		
Staff salaries payable	**27,293,672.46**	54,607,592.56
Taxes payable	**34,259,650.44**	52,072,391.92
Other payables	**113,196,270.78**	105,899,337.51
Reinsurers due		
Security trading of agency		
Securities underwriting		
Liabilities held for sale		
Non-current liabilities due within one year	**6,712,016.16**	6,117,127.14
Other current liabilities	**30,996,921.57**	27,520,425.14
Total current liabilities	**1,804,792,588.02**	1,987,834,267.73

Consolidated Balance Sheet (Continued)
As at 30 June 2023

Prepared by: Nanjing Panda Electronics Company Limited *Unit: RMB*

Liabilities and owners' equity	**Closing balance**	Opening balance
Non-current liabilities:		
Long-term loan	**–**	**–**
Bonds payables	**–**	**–**
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	**3,070,315.51**	5,196,356.93
Long-term payables	**–**	–
Long-term staff salaries payables	**7,352,887.79**	8,729,912.08
Estimated liabilities	**–**	–
Deferred income	**43,576,342.13**	46,537,325.13
Deferred income tax liabilities	**5,638,382.10**	4,422,747.53
Other non-current liabilities		
Total non-current liabilities	**59,637,927.53**	64,886,341.67
Total liabilities	**1,864,430,515.55**	2,052,720,609.40

Consolidated Balance Sheet (Continued)
As at 30 June 2023

Prepared by: Nanjing Panda Electronics Company Limited *Unit: RMB*

Liabilities and owners' equity	**Closing balance**	Opening balance
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 shares		
Other comprehensive income	**-948,055.10**	-948,055.10
Special reserve	**864,952.00**	–
Surplus reserve	**286,530,634.83**	286,530,634.83
General risk reserve		
Undistributed profit	**843,711,791.55**	883,912,442.46
Subtotal of equity attributable to the shareholders of the parent company	**3,514,689,652.41**	3,554,025,351.32
Minority interests	**277,691,943.94**	256,288,784.16
Total shareholders' equity	**3,792,381,596.35**	3,810,314,135.48
Total liabilities and shareholders' equity	**5,656,812,111.90**	5,863,034,744.88

Legal representative:	*Chief Accountant:*	*Head of the Accounting Department:*
Hu Huichun	**Hu Dali**	**Liu Xianfang**

Consolidated Income Statement

January – June 2023

Prepared by: Nanjing Panda Electronics Company Limited *Unit: RMB*

Items		Amount for the current period	Amount for corresponding period of last year
1.	**Revenue**	**1,362,865,645.74**	2,033,290,915.24
	Including: Operating income	**1,362,865,645.74**	2,033,290,915.24
	Interest income		
	Premiums earned		
	Fee and commission income		
2.	**Total operating cost**	**1,413,123,794.72**	2,044,277,446.23
	Including: Operating costs	**1,164,944,388.28**	1,783,237,901.63
	Interest expenses		
	Fee and commission expense		
	Surrenders		
	Net payment from indemnity		
	Net provisions for insurance contract		
	Insurance policy dividend paid		
	Reinsurance cost		
	Tax and surcharges	**11,262,903.97**	10,532,639.44
	Selling expenses	**22,266,432.31**	19,195,793.89
	Administrative expenses	**122,809,936.74**	116,077,148.70
	R&D costs	**97,087,795.96**	114,297,434.42
	Financial expenses	**-5,247,662.54**	936,528.15
	Including: Interest expense	**230,894.62**	209,404.12
	Interest income	**6,843,795.85**	7,982,407.86
	Add: Other gains	**7,589,937.04**	11,160,362.03
	Investment income (losses are represented by "-")	**49,111,183.90**	43,958,109.96
	Including: Investment income of associates and joint ventures	**39,861,504.94**	37,273,948.13
	Income on hedging the net exposure (losses are represented by "-")		
	Gains arising from changes in fair value (losses are represented by "-")	**-2,586,155.54**	-1,483,336.59
	Credit impairment loss (losses are represented by "-")	**-4,912,421.80**	-1,560,256.71
	Asset impairment loss (losses are represented by "-")	**1,121,190.71**	-8,169,906.19
	Gains on disposal of assets (losses are represented by "-")	**-20,702.97**	120,045.79
	Exchange gain (losses are represented by "-")		

Consolidated Income Statement (Continued)

January – June 2023

Prepared by: Nanjing Panda Electronics Company Limited *Unit: RMB*

Items		Amount for the current period	Amount for corresponding period of last year
3.	**Operating profit (losses are represented by "-")**	**44,882.36**	33,038,487.30
	Add: Non-operating income	**1,718,066.03**	972,116.26
	Less: Non-operating expenses	**96,464.35**	144,390.35
4.	**Total profit (total losses are represented by "-")**	**1,666,484.04**	33,866,213.21
	Less: Income tax expense	**7,604,131.78**	8,598,947.17
5.	**Net profit (net losses are represented by "-")**	**-5,937,647.74**	25,267,266.04
	(1) Classified by the business continuity		
	1. Net profit for going concern (net losses are represented by "-")	**-5,937,647.74**	25,267,266.04
	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 shareholders of the parent company	**-27,340,386.93**	12,000,168.67
	2. Minority interest	**21,402,739.19**	13,267,097.37
6.	**Net other comprehensive income after tax**	**–**	-82,916.29
	Net other comprehensive income after tax attributable to the shareholders of the parent company	**–**	-82,916.29
	(1) Other comprehensive income which will not be reclassified subsequently to profit and loss	**–**	-82,916.29
	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	**–**	-82,916.29
	4. Changes in fair value of the enterprise's own credit risk		

Consolidated Income Statement (Continued)

January – June 2023

Prepared by: Nanjing Panda Electronics Company Limited *Unit: RMB*

Items		Amount for the current period	Amount for corresponding period of 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. Changes in fair value of other equity instruments investment		
	3. Amount of financial assets reclassified to other comprehensive income		
	4. Provision for credit impairment of other bonds investment		
	5. Cash flow hedging reserve		
	6. Translation difference of financial statements in foreign currencies		
	7. Others		
	Net other comprehensive income after tax attributable to minority shareholders		
7.	**Total comprehensive income**	**-5,937,647.74**	25,184,349.75
	Total comprehensive income attributable to the equity holders of the parent company	**-27,340,386.93**	11,917,252.38
	Total comprehensive income attributable to minority shareholders	**21,402,739.19**	13,267,097.37
8.	**Earnings per share:**		
	(1) Basic earnings per share *(RMB/share)*	**-0.0299**	0.0131
	(2) Diluted earnings per share *(RMB/share)*	**-0.0299**	0.0131

Legal representative:	*Chief Accountant:*	*Head of the Accounting Department:*
Hu Huichun	**Hu Dali**	**Liu Xianfang**

Consolidated Statement of Changes in Shareholders' Equity

January – June 2023

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Amount for the current period												
	Equity attributable to the shareholders of parent company												
	Other equity instrument												
	Share capital	Preference shares	Perpetual bonds	Others	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Minority interests	Total shareholders' equity
I. Balance at the end of prior year	913,838,529.00				1,470,691,800.13	-	-948,055.10	-	286,530,634.83	-	883,912,442.46	256,288,784.16	3,810,314,135.48
Add: Changes in accounting policies	-				-	-	-	-	-	-	-66,524.57	420.59	-66,103.98
Error correction of previous period	-				-	-	-	-	-	-	-	-	-
Business combination involving entities under common control	-				-	-	-	-	-	-	-	-	-
Others	-				-	-	-	-	-	-	-	-	-
II. Balance at the beginning of current year	913,838,529.00				1,470,691,800.13	-	-948,055.10	-	286,530,634.83	-	883,845,917.89	256,289,204.75	3,810,248,031.50
III. Changes of current year (decreases are represented by "-")	-				-	-	-	864,952.00	-	-	-40,134,126.34	21,402,739.19	-17,866,435.15
(I) Total comprehensive income	-				-	-		-	-	-	-27,340,386.93	21,402,739.19	-5,937,647.74
(II) Share capital contributed or withdrawn by shareholders	-				-	-	-	-	-	-	-	-	-
1. Share capital contributed by shareholders	-				-	-	-	-	-	-	-	-	-
2. Capital contributed by holders of other equity instruments	-				-	-	-	-	-	-	-	-	-
3. Amount of share-based payment included in shareholders' equity	-				-	-	-	-	-	-	-	-	-
4. Others	-					-	-	-	-	-	-		-
(III) Profit distribution	-				-	-	-	-	-	-	-12,793,739.41	-	-12,793,739.41
1. Appropriation of surplus reserve	-				-		-	-	-	-	-	-	-
2. Appropriation of general risk reserve	-				-		-	-	-	-	-	-	-
3. Appropriation of profit to shareholders	-				-	-	-	-	-	-	-12,793,739.41	-	-12,793,739.41
4. Others	-				-	-	-	-	-	-	-	-	-

Consolidated Statement of Changes in Shareholders' Equity (Continued)

January – June 2023

Prepared by: Nanjing Panda Electronics Company Limited *Unit: RMB*

Items	Amount for the current period												
	Equity attributable to the shareholders of parent company												
	Other equity instrument												
	Share capital	Preference shares	Perpetual bonds	Others	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Minority interests	Total shareholders' equity
(IV) Internal carry-over within shareholders' equity	-				-	-	-	-	-	-	-	-	-
1. Transfer of capital reserve to share capital	-				-	-	-	-	-	-	-	-	-
2. Transfer of surplus reserve to share capital	-				-	-	-	-	-	-	-	-	-
3. Surplus reserve to cover losses	-				-	-	-	-	-	-	-	-	-
4. Change in defined benefit plan carried over to retained earnings	-				-	-	-	-	-	-	-	-	-
5. Other comprehensive income carried over to retained earnings													
6. Others	-				-	-	-	-	-	-	-	-	-
(V) Appropriation and application of special reserve	-				-	-	-	864,952.00	-	-	-	-	864,952.00
1. Appropriation for the current period	-				-	-	-	1,029,344.82	-	-	-	-	1,029,344.82
2. Application for the current period	-				-	-	-	164,392.82	-	-	-	-	164,392.82
(VI) Others	-					-	-	-	-	-	-	-	-
IV. Balance at the end of the year	913,838,529.00				1,470,691,800.13	-	-948,055.10	864,952.00	286,530,634.83	-	843,711,791.55	277,691,943.94	3,792,381,596.35

Legal representative: **Hu Huichun** *Chief Accountant:* **Hu Dali** *Head of the Accounting Department:* **Liu Xianfang**

Consolidated Statement of Changes in Shareholders' Equity (Continued)

January – June 2023

Prepared by: Nanjing Panda Electronics Company Limited *Unit: RMB*

Items	Amount for corresponding period of last year												
	Equity attributable to the shareholders of parent company												
	Other equity instrument												
	Share capital	Preference shares	Perpetual bonds	Others	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Minority interests	Total shareholders' equity
I. Balance at the end of prior year	913,838,529.00				1,470,691,800.13	–	-73,601.84	–	276,018,152.13	–	866,732,902.94	275,153,486.92	3,802,361,269.28
Add: Changes in accounting policies	–				–	–	–	–	–	–	–	–	–
Error correction of previous period	–				–	–	–	–	–	–	–	–	–
Business combination involving entities under common control	–					–	–	–	–	–	–	–	–
Others	–				–	–	–	–	–	–	–	–	–
II. Balance at the beginning of current year	913,838,529.00				1,470,691,800.13	–	-73,601.84	–	276,018,152.13	–	866,732,902.94	275,153,486.92	3,802,361,269.28
III. Changes of current year (decreases are represented by "-")	–				–	–	-82,916.29	173,174.20	–	–	-793,570.74	-38,889,281.03	-39,592,593.86
(I) Total comprehensive income	–				–	–	-82,916.29	–	–	–	12,000,168.67	13,267,097.37	25,184,349.75
(II) Share capital contributed or withdrawn by shareholders	–				–	–	–	–	–	–	–	–	–
1. Share capital contributed by shareholders	–				–	–	–	–	–	–	–	–	–
2. Capital contributed by holders of other equity instruments													
3. Amount of share-based payment included in shareholders' equity	–				–	–	–	–	–	–	–	–	–
4. Others	–					–	–	–	–	–	–	–	–
(III) Profit distribution	–				–	–	–	–	–	–	-12,793,739.41	-52,156,378.40	-64,950,117.81
1. Appropriation of surplus reserve	–				–	–	–	–	–	–	–	–	–
2. Appropriation of general risk reserve	–				–	–	–	–	–	–	–	–	–
3. Appropriation of profit to shareholders	–				–	–	–	–	–	–	-12,793,739.41	-52,156,378.40	-64,950,117.81
4. Others					–	–	–	–	–	–	–	–	–

Consolidated Statement of Changes in Shareholders' Equity (Continued)

January – June 2023

Prepared by: Nanjing Panda Electronics Company Limited *Unit: RMB*

Amount for corresponding period of last year

Items	Equity attributable to the shareholders of parent company												Minority interests	Total shareholders' equity
	Other equity instrument				Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit			
	Share capital	Preference shares	Perpetual bonds	Others										
(IV) Internal carry-over within shareholders' equity	–				–	–	–	–	–	–	–		–	–
1. Transfer of capital reserve to share capital	–				–	–	–	–	–	–	–		–	–
2. Transfer of surplus reserve to share capital	–				–	–	–	–	–	–	–		–	–
3. Surplus reserve to cover losses	–				–	–	–	–	–	–	–		–	–
4. Carry-over changes arising from remeasurement of net liabilities or net assets under defined benefit plan														–
5. Others	–				–	–	–	–	–	–	–		–	–
(V) Appropriation and application of special reserve	–				–	–	–	173,174.20	–	–	–		–	173,174.20
1. Appropriation for the current period	–				–	–	–	1,053,033.71	–	–	–		–	1,053,033.71
2. Application for the current period	–				–	–	–	879,859.51	–	–	–		–	879,859.51
(VI) Others	–				–	–	–	–	–	–	–		–	-
IV. Balance at the end of the year	913,838,529.00				1,470,691,800.13	–	-156,518.13	173,174.20	276,018,152.13	–	865,939,332.20		236,264,205.89	3,762,768,675.42

Legal representative: **Hu Huichun** *Chief Accountant:* **Hu Dali** *Head of the Accounting Department:* **Liu Xianfang**

Consolidated Statement of Cash Flows
January – June 2023

Prepared by: Nanjing Panda Electronics Company Limited *Unit: RMB*

Items		Amount for the current period	Amount for corresponding period of last year
1.	**Cash flows from operating activities**		
	Cash received from the sale of goods and rendering of services	**1,520,841,111.80**	2,219,145,838.54
	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		
	Cash received from interests, fees and commissions		
	Net increase in placements from banks and other financial institutions		
	Net increase in repurchasing		
	Refunds of taxes	**15,766,440.80**	27,439,959.03
	Cash received relating to other operating activities	**58,106,044.74**	153,106,543.93
	Sub-total of cash inflows from operating activities	**1,594,713,597.34**	2,399,692,341.50

Consolidated Statement of Cash Flows (Continued)
January – June 2023

Prepared by: Nanjing Panda Electronics Company Limited *Unit: RMB*

Items	**Amount for the current period**	Amount for corresponding period of last year
Cash paid on purchase of goods and services received	**1,215,783,083.41**	1,738,728,564.01
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		
Net increase in placements with banks and other financial institutions		
Cash paid for interests, fees and commissions		
Cash paid for policy dividends		
Cash paid to and on behalf of employees	**325,749,316.85**	343,210,495.88
Cash paid for all types of taxes	**82,127,989.05**	64,955,659.45
Cash paid relating to other operating activities	**100,578,607.08**	159,734,450.97
Sub-total of cash outflows from operating activities	**1,724,238,996.39**	2,306,629,170.31
Net cash flows generated from operating activities	**-129,525,399.05**	93,063,171.19

Consolidated Statement of Cash Flows (Continued)
January – June 2023

Prepared by: Nanjing Panda Electronics Company Limited *Unit: RMB*

Items		Amount for the current period	Amount for corresponding period of last year
2.	**Cash flows from investing activities**		
	Cash received from disposal of investments	**–**	–
	Cash received from return on investments	**69,049,539.06**	67,071,091.21
	Net cash received from the disposal of fixed assets, intangible assets and other long-term assets	**127,820.00**	1,830,151.34
	Net cash received from disposal of subsidiaries and other operating entities	**–**	–
	Cash received relating to other investing activities	**610,000,000.00**	680,000,000.00
	Sub-total of cash inflows from investing activities	**679,177,359.06**	748,901,242.55
	Cash paid on purchase of fixed assets, intangible assets and other long-term assets	**3,648,518.60**	12,981,732.32
	Cash paid for investments	**–**	–
	Net increase in secured loans		
	Net cash paid on acquisition of subsidiaries and other operating entities	**–**	–
	Cash paid relating to other investing activities	**510,000,000.00**	700,000,000.00
	Sub-total of cash outflows from investing activities	**513,648,518.60**	712,981,732.32
	Net cash flows generated from investing activities	**165,528,840.46**	35,919,510.23

Consolidated Statement of Cash Flows (Continued)
January – June 2023

Prepared by: Nanjing Panda Electronics Company Limited *Unit: RMB*

Items		Amount for the current period	Amount for corresponding period of last year
3.	**Cash flows generated from financing activities**		
	Cash received from investment	**–**	–
	Including: Cash received by subsidiaries from minority shareholders' investment	**–**	–
	Cash received from borrowings	**18,113,510.72**	
	Cash received from issuing bonds		
	Cash received relating to other financing activities	**–**	
	Sub-total of cash inflows from financing activities	**18,113,510.72**	–
	Cash paid on repayment of borrowings	**–**	
	Cash paid on distribution of dividends or profits, or interest expenses	**48,822.24**	25,810,923.64
	Including: bonus and profit paid to minority shareholders by subsidiaries	**48,822.24**	25,810,923.64
	Cash paid relating to other financing activities	**1,931,302.62**	6,337,347.85
	Sub-total of cash outflows from financing activities	**1,980,124.86**	32,148,271.49
	Net cash flows generated from financing activities	**16,133,385.86**	-32,148,271.49

Consolidated Statement of Cash Flows (Continued)
January – June 2023

Prepared by: Nanjing Panda Electronics Company Limited *Unit: RMB*

Items		Amount for the current period	Amount for corresponding period of last year
4.	**Effect of fluctuation in exchange rate on cash and cash equivalents**	**2,127,635.84**	977,150.93
5.	**Net increase in cash and cash equivalents**	**54,264,463.11**	97,811,560.86
	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**	**1,008,808,752.96**	946,045,064.52

Legal representative:	*Chief Accountant:*	*Head of the Accounting Department:*
Hu Huichun	**Hu Dali**	**Liu Xianfang**

Balance Sheet
As at 30 June 2023

Prepared by: Nanjing Panda Electronics Company Limited *Unit: RMB*

ASSETS	**Closing balance**	Opening balance
Current assets:		
Cash and cash equivalents	**99,882,979.28**	124,596,356.25
Financial assets held for trading	**160,599,671.23**	151,001,712.33
Derivative financial assets		
Notes receivable	**5,824,816.80**	29,223,397.62
Accounts receivable	**135,665,101.84**	99,507,284.59
Receivables financing	**–**	–
Prepayments	**4,444,922.33**	3,092,196.84
Other receivables	**260,172,940.46**	197,206,292.54
Inventories	**32,116,252.64**	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	**698,706,684.58**	659,942,167.98

Balance Sheet (Continued)
As at 30 June 2023

Prepared by: Nanjing Panda Electronics Company Limited *Unit: RMB*

ASSETS	**Closing balance**	Opening balance
Non-current assets:		
Available-for-sale financial assets		
Held-to-maturity investments		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	**2,161,276,456.50**	2,181,414,815.51
Other equity instruments investments	**2,385,926.53**	2,385,926.53
Other non-current financial assets		
Investment properties	**326,617,575.26**	337,298,667.83
Fixed assets	**68,844,515.01**	68,531,092.35
Construction in progress	**213,184.57**	1,265,605.52
Biological assets for production		
Fuel assets		
Right-of-use assets	**–**	–
Intangible assets	**13,789,840.33**	14,477,449.20
Development expenses		
Goodwill		
Long-term expenses to be amortised	**16,312,055.49**	9,457,514.64
Deferred income tax assets	**316,018.37**	316,018.37
Other non-current assets		
Total non-current assets	**2,589,755,572.06**	2,615,147,089.95
Total assets	**3,288,462,256.64**	3,275,089,257.93

Legal representative:	*Chief Accountant:*	*Head of the Accounting Department:*
Hu Huichun	**Hu Dali**	**Liu Xianfang**

Balance Sheet (Continued)
As at 30 June 2023

Prepared by: Nanjing Panda Electronics Company Limited *Unit: RMB*

Liabilities and shareholders' equity	**Closing balance**	Opening balance
Current liabilities:		
Short-term borrowings	**–**	–
Financial liabilities held for trading		
Derivative financial liabilities		
Note payables	**14,694,242.55**	14,239,366.64
Accounts payable	**50,911,334.90**	49,025,777.54
Advance receipts from customers	**386,021.46**	–
Contract liabilities	**241,746.97**	761,551.50
Staff salaries payable	**1,262,069.29**	1,453,976.33
Taxes payable	**10,984,517.91**	9,107,274.08
Other payables	**242,314,617.62**	249,453,197.30
Liabilities held for sale		
Non-current liabilities due within one year		
Other current liabilities	**5,856,243.91**	10,929,328.19
Total current liabilities	**326,650,794.61**	334,970,471.58

Balance Sheet (Continued)
As at 30 June 2023

Prepared by: Nanjing Panda Electronics Company Limited *Unit: RMB*

Liabilities and shareholders' 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 payables	**1,026,387.70**	1,219,802.89
Estimated liabilities	**–**	–
Deferred income		
Deferred income tax liabilities	**149,917.81**	250,428.08
Other non-current liabilities		
Total non-current liabilities	**1,176,305.51**	1,470,230.97
Total liabilities	**327,827,100.12**	336,440,702.55

Balance Sheet (Continued)
As at 30 June 2023

Prepared by: Nanjing Panda Electronics Company Limited *Unit: RMB*

Liabilities and shareholders' equity	**Closing balance**	Opening balance
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 shares	**–**	–
Other comprehensive income	**-948,055.10**	-948,055.10
Special reserve		
Surplus reserve	**286,530,634.83**	286,530,634.83
Undistributed profit	**326,343,213.51**	304,356,612.37
Total shareholders' equity	**2,960,635,156.52**	2,938,648,555.38
Total liabilities and shareholders' equity	**3,288,462,256.64**	3,275,089,257.93

Legal representative:	*Chief Accountant:*	*Head of the Accounting Department:*
Hu Huichun	**Hu Dali**	**Liu Xianfang**

Income Statement

January – June 2023

Prepared by: Nanjing Panda Electronics Company Limited *Unit: RMB*

Items		Amount for the current period	Amount for corresponding period of last year
1.	**Total operating income**	**80,747,179.50**	61,037,754.88
	Less: Operating costs	**60,288,936.11**	38,296,670.41
	Business taxes and surcharges	**2,382,154.63**	2,173,507.10
	Selling expenses	**2,142,202.33**	2,901,671.52
	Administrative expenses	**48,872,301.03**	47,063,438.60
	R&D expenses	**13,920,379.13**	15,338,398.62
	Financial expenses	**-3,097,215.64**	-3,794,397.03
	Including: Interest expense		
	Interest income	**670,997.61**	216,335.52
	Add: Other gains	**59,332.90**	80,186.39
	Investment income (losses are represented by "-")	**78,737,481.00**	140,283,123.62
	Including: Investment income of associates and joint ventures	**39,861,640.99**	37,355,313.34
	Income on hedging the net exposure (losses are represented by "-")		
	Income from changes in fair value (losses are represented by "-")	**-402,041.10**	7,857.54
	Credit impairment loss	**25,346.50**	-24,392.00
	Asset impairment loss	**–**	–
	Gains on disposal of assets (losses are represented by "-")	**–**	–
2.	**Operating profit (losses are represented by "-")**	**34,658,541.21**	99,405,241.21
	Add: Non-operating income	**22,146.87**	89,583.04
	Less: Non-operating expenses	**857.80**	–
3.	**Total profit (total losses are represented by "-")**	**34,679,830.28**	99,494,824.25
	Less: Income tax expense	**-100,510.27**	1,964.39
4.	**Net profit (net losses are represented by "-")**	**34,780,340.55**	99,492,859.86
	(1) Net profit for going concern (net losses are represented by "-")	**34,780,340.55**	99,492,859.86
	(2) Net profit for discontinued operation (net losses are represented by "-")		

Income Statement (Continued)

January – June 2023

Prepared by: Nanjing Panda Electronics Company Limited *Unit: RMB*

Items		Amount for the current period	Amount for corresponding period of last year
5.	**Net other comprehensive income after tax**	**–**	-82,916.29
(1)	Other comprehensive income which will not be reclassified subsequently to profit and loss	**–**	-82,916.29
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	**–**	-82,916.29
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		
6.	Provision for credit impairment of other debt 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			

Income Statement (Continued)
January – June 2023

Prepared by: Nanjing Panda Electronics Company Limited *Unit: RMB*

Items		Amount for the current period	Amount for corresponding period of last year
6.	**Total comprehensive income**	**34,780,340.55**	99,409,943.57
7.	**Earnings per share:**		
	(1) Basic earnings per share		
	(2) Diluted earnings per share		

Legal representative:	*Chief Accountant:*	*Head of the Accounting Department:*
Hu Huichun	**Hu Dali**	**Liu Xianfang**

Statement of Changes in Shareholders' Equity

January – June 2023

Prepared by: Nanjing Panda Electronics Company Limited *Unit: RMB*

Items	Amount for the current period											
	Other equity instrument											
	Share capital	Preference shares	Perpetual bonds	Others	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Total shareholders' equity
I. Balance at the end of prior year	913,838,529.00				1,434,870,834.28	–	-948,055.10	–	286,530,634.83	–	304,356,612.37	2,938,648,555.38
Add: Changes in accounting policies												
Error correction of previous period												
Others												
II. Balance at the beginning of current year	913,838,529.00				1,434,870,834.28	–	-948,055.10	–	286,530,634.83	–	304,356,612.37	2,938,648,555.38
III. Changes of current year (decreases are represented by "-")	–				–	–	–	–	–	–	21,986,601.14	21,986,601.14
(I) Total comprehensive income	–						–				34,780,340.55	34,780,340.55
(II) Share capital contributed or withdrawn by shareholders	–				–	–	–	–	–	–	–	–
1. Share capital contributed by shareholders												
2. Capital contributed by holders of other equity instruments												
3. Amount of share-based payment included in shareholders' equity												
4. Others												
(III) Profit distribution	–				–	–	–	–	–	–	-12,793,739.41	-12,793,739.41
1. Appropriation of surplus reserve												
2. Appropriation of general risk reserve												
3. Appropriation of profit to shareholders											-12,793,739.41	-12,793,739.41
4. Others												–

Statement of Changes in Shareholders' Equity (Continued)
January – June 2023

Prepared by: Nanjing Panda Electronics Company Limited *Unit: RMB*

Items	Amount for the current period											
	Share capital	Other equity instrument			Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Total shareholders' equity
		Preference shares	Perpetual bonds	Others								
(IV) Internal carry-over within shareholders' equity	–				–	–	–	–	–	–	–	–
1. Transfer of capital reserve to share capital												
2. Transfer of surplus reserve to share capital												
3. Surplus reserve to cover losses												
4. Change in defined benefit plan carried over to retained earnings												
5. Other comprehensive income carried over to retained earnings												
6. Others												
(V) Appropriation and application of special reserve	–				–	–	–	–	–	–	–	–
1. Appropriation of special reserve in the period												
2. Application of special reserve in the period												
(VI) Others												
IV. Balance at the end of the year	913,838,529.00				1,434,870,834.28	–	-948,055.10	–	286,530,634.83	–	326,343,213.51	2,960,635,156.52

Legal representative: **Hu Huichun** *Chief Accountant:* **Hu Dali** *Head of the Accounting Department:* **Liu Xianfang**

Statement of Changes in Shareholders' Equity (Continued)
January – June 2023

Prepared by: Nanjing Panda Electronics Company Limited *Unit: RMB*

Items	Amount for corresponding period of last year											
		Other equity instrument										
	Share capital	Preference shares	Perpetual bonds	Others	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Total shareholders' equity
I. Balance at the end of prior year	913,838,529.00				1,434,870,834.28		-73,601.84		276,018,152.13		222,538,007.45	2,847,191,921.02
Add: Changes in accounting policies												–
Error correction of previous period												–
Others												–
II. Balance at the beginning of current year	913,838,529.00				1,434,870,834.28	–	-73,601.84	–	276,018,152.13	–	222,538,007.45	2,847,191,921.02
III. Changes of current year (decreases are represented by "-")	–				–	–	-82,916.29	–	–	–	86,699,120.45	86,616,204.16
(I) Total comprehensive income							-82,916.29				99,492,859.86	99,409,943.57
(II) Share capital contributed or withdrawn by shareholders	–				–	–	–	–	–	–	–	–
1. Share capital contributed by shareholders												–
2. Capital contributed by holders of other equity instruments												
3. Amount of share-based payment included in shareholders' equity												–
4. Others												–
(III) Profit distribution	–				–	–	–	–	–	–	-12,793,739.41	-12,793,739.41
1. Appropriation of surplus reserve												–
2. Appropriation of general risk reserve												–
3. Appropriation of profit to shareholders											-12,793,739.41	-12,793,739.41
4. Others												–

Statement of Changes in Shareholders' Equity (Continued)
January – June 2023

Prepared by: Nanjing Panda Electronics Company Limited *Unit: RMB*

Items	Amount for corresponding period of last year											
		Other equity instrument										
	Share capital	Preference shares	Perpetual bonds	Others	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Total shareholders' equity
(IV) Internal carry-over within shareholders' equity	–				–	–	–	–	–	–	–	–
1. Transfer of capital reserve to share capital												–
2. Transfer of surplus reserve to share capital												–
3. Surplus reserve to cover losses												–
4. Change in defined benefit plan carried over to retained earnings												
5. Other comprehensive income carried over to retained earnings												
6. Others												–
(V) Appropriation and application of special reserve of special reserve	–				–	–	–	–	–	–	–	–
1. Appropriation of special reserve in the period												–
2. Application of special reserve in the period												–
(VI) Others												–
IV. Balance at the end of the year	913,838,529.00				1,434,870,834.28	–	-156,518.13	–	276,018,152.13	–	309,237,127.90	2,933,808,125.18

Legal representative: **Hu Huichun**

Chief Accountant: **Hu Dali**

Head of the Accounting Department: **Liu Xianfang**

Statement of Cash Flows
January – June 2023

Prepared by: Nanjing Panda Electronics Company Limited *Unit: RMB*

Items		Amount for the current period	Amount for corresponding period of last year
1.	**Cash flows from operating activities**		
	Cash received from the sale of goods and rendering of services	**60,147,933.26**	53,640,146.21
	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	**777,704.39**	–
	Cash received relating to other operating activities	**15,979,806.96**	86,695,521.37
	Sub-total of cash inflows from operating activities	**76,905,444.61**	140,335,667.58

Statement of Cash Flows (Continued)
January – June 2023

Prepared by: Nanjing Panda Electronics Company Limited *Unit: RMB*

Items	Amount for the current period	Amount for corresponding period of last year
Cash paid on purchase of goods and services received	**33,664,401.63**	31,251,911.53
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	**59,253,148.64**	52,757,389.29
Cash paid for all types of taxes	**7,294,781.30**	3,480,258.47
Cash paid relating to other operating activities	**23,020,726.59**	219,905,290.07
Sub-total of cash outflows from operating activities	**123,233,058.16**	307,394,849.36
Net cash flows generated from operating activities	**-46,327,613.55**	-167,059,181.78

Statement of Cash Flows (Continued)
January – June 2023

Prepared by: Nanjing Panda Electronics Company Limited *Unit: RMB*

Items		Amount for the current period	Amount for corresponding period of last year
2.	**Cash flows from investing activities**		
	Cash received from disposal of investments	**–**	
	Cash received from return on investments	**73,048,390.41**	143,001,772.87
	Net cash received from the disposal of fixed assets, intangible assets and other long-term assets	**16,000.00**	100,800.00
	Net cash received from disposal of subsidiaries and other operating entities	**–**	–
	Cash received relating to other investing activities	**262,000,000.00**	150,000,000.00
	Sub-total of cash inflows from investing activities	**335,064,390.41**	293,102,572.87
	Cash paid on purchase of fixed assets, intangible assets and other long-term assets	**1,222,880.58**	4,630,643.50
	Cash paid for investments	**–**	–
	Net cash paid on acquisition of subsidiaries and other operating entities	**–**	–
	Cash paid relating to other investing activities	**299,000,000.00**	110,000,000.00
	Sub-total of cash outflows from investing activities	**300,222,880.58**	114,630,643.50
	Net cash flows generated from investing activities	**34,841,509.83**	178,471,929.37

Statement of Cash Flows (Continued)
January – June 2023

Prepared by: Nanjing Panda Electronics Company Limited *Unit: RMB*

Items		Amount for the current period	Amount for corresponding period of last year
3.	**Cash flows generated from financing activities**		
	Cash received from investment	**–**	
	Including: Cash received by subsidiaries from minority shareholders' investment	**–**	
	Cash received from borrowings	**–**	
	Cash received from issuing bonds	**–**	
	Cash received relating to other financing activities	**285,000,000.00**	
	Sub-total of cash inflows from financing activities	**285,000,000.00**	–
	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 relating to other financing activities	**300,000,000.00**	
	Sub-total of cash outflows from financing activities	**300,000,000.00**	–
	Net cash flows generated from financing activities	**-15,000,000.00**	–

Statement of Cash Flows (Continued)
January – June 2023

Prepared by: Nanjing Panda Electronics Company Limited *Unit: RMB*

Items		Amount for the current period	Amount for corresponding period of last year
4.	**Effect of fluctuations in exchange rates on cash and cash equivalents**	**206.06**	265.94
5.	**Net increase in cash and cash equivalents**	**-26,485,897.66**	11,413,013.53
	Add: balance of cash and cash equivalents at the beginning of the year	**119,425,285.13**	33,601,208.20
6.	**Balance of cash and cash equivalents at the end of the year**	**92,939,387.47**	45,014,221.73

Legal representative:	*Chief Accountant:*	*Head of the Accounting Department:*
Hu Huichun	**Hu Dali**	**Liu Xianfang**

The following is the account section only:
Unless otherwise stated, the amounts are denominated in RMB
Amount in the current period covers: January to June 2023
Amount in the corresponding period of last year covers: January to June 2022
Balance as at the end of last year/Opening balance relates to: 31 December 2022
Closing balance relates to: 30 June 2023

Notes:

1. Basis of preparation

Based on going concern and actual transactions and events, the Company prepared financial statements in accordance with the basic and specific standards of the Accounting Standards for Business Enterprises, the Application Guidance for Accounting Standard for Business Enterprises, interpretations of the Accounting Standards for Business Enterprises and other relevant regulations issued by the Ministry of Finance (hereinafter collectively referred to as "**CAS**"), and the disclosure requirements in the Preparation Convention of Information Disclosure by Companies Offering Securities to the Public No. 15 – General Provisions on Financial Reporting issued by the China Securities Regulatory Commission.

2. Going concern

For the l2 months since the end of the Reporting Period, the Company has ability to continue as a going concern and there is no significant risk affecting its ability to continue as a going concern.

3. Segment information

The Company established 3 reportable segments on the basis of the internal organisational structure, management requirement and internal report system, namely, smart transportation and safe city, green and service-oriented electronic manufacturing, industrial internet and intelligent manufacturing. Each segment provides different products and service, or engages in business operations from different areas. Due to the different demands of each segment for different technology and marketing strategy, the Company's management monitors the different segments in respect of their business activities separately, and evaluate the operating results on a regular basis in order to allocate resources and evaluate its performance.

The transfer price between different segments is based on the actual transaction price, and the costs which shall be jointly assumed by each segment is allocated in proportion. Assets are allocated in accordance with business operations of various segments and the location where such assets are situated. Segment liabilities includes the liabilities incurred for business activities of a segment which shall be assumed on its own. If the costs related to a joint liability involving certain operating segments, the liability and relevant costs would be allocated to such segments in proportion.

Non-current assets are classified according to the areas where the assets belong. All the non-current assets of the Company are located in the China Mainland.

Items	Smart transportation and safe city	Green and service-oriented electronic manufacturing	Industrial internet and Intelligent Manufacturing	Undistributed amount	Offset	Total
Revenue from external transactions	607,714,414.81	716,688,720.65	38,462,510.28			1,362,865,645.74
Income from intersegment transactions	68,166,415.16	167,494,467.82	8,002,591.97		-243,663,474.95	
Investment income from associated enterprises and joint ventures	-136.05			39,861,640.99		39,861,504.94
Impairment losses on assets	292,895.18	828,295.53				1,121,190.71
Credit impairment losses	-4,976,230.50	63,808.70				-4,912,421.80
Depreciation and amortisation charges	19,725,541.47	15,412,587.65	10,591,800.50	12,558,372.43	-898,230.77	57,390,071.28
Total profit (Total loss)	40,376,081.11	9,892,020.78	-56,587,757.60	44,843,378.55	-36,857,238.80	1,666,484.04
Income tax expense	7,162,811.84	515,230.93		-100,510.27	26,599.28	7,604,131.78
Net profit (Net loss)	33,213,269.27	9,376,789.85	-56,587,757.60	44,943,888.82	-36,883,838.08	-5,937,647.74
Total assets	2,885,195,892.22	1,313,134,730.25	362,743,103.32	3,385,823,116.16	-2,290,084,730.05	5,656,812,111.90
Total liabilities	1,279,133,266.82	475,041,066.76	358,564,069.92	337,660,636.65	-585,968,524.60	1,864,430,515.55
Non-cash expenses other than depreciation and amortisation charges	1,758,636.75			695,490,910.14		697,249,546.89
Long-term equity investments in associates and joint ventures	-4,335,175.16	-14,454,465.86	-10,612,917.91	-4,382,276.48	-561,610.28	-34,346,445.69
Increase in non-current assets other than long-term equity investments						

(IV) Accounts receivable

1. Accounts receivable shown by aging

Aging	Closing balance	Balance at the end of last year
Within 1 year (including 1 year)	**1,007,982,457.25**	985,647,452.14
Including: 0–6 months	**733,738,878.35**	847,147,582.61
7–12 months	**274,243,578.90**	138,499,869.53
1–2 years	**128,584,394.01**	120,527,972.44
2–3 years	**100,858,143.39**	87,109,893.37
3–4 years	**39,336,486.45**	39,520,949.35
4–5 years	**8,005,371.91**	9,893,818.22
Over 5 years	**16,946,672.06**	16,575,570.76
Subtotal	**1,301,713,525.07**	1,259,275,656.28
Less: bad debt provision	**78,855,114.11**	74,372,668.27
Total	**1,222,858,410.96**	1,184,902,988.01

2. Accounts receivable shown by classification of bad debt provisions

	Closing balance					Balance at the end of last year				
		Carrying Amount	Provision for bad debts				Carrying Amount	Provision for bad debts		
Type	Amount	Proportion (%)	Amount	Proportion (%)	Carrying Value	Amount	Proportion (%)	Amount	Proportion (%)	Carrying Value
Accounts receivable accruing bad debt provision in individual portfolio	**46,840,856.35**	**3.6**	**35,544,281.35**	**75.88**	**11,296,575.00**	47,039,870.45	3.74	35,743,295.45	75.99	11,296,575.00
Accounts receivable accruing bad debt provision in credit risk characteristic portfolio	**1,254,872,668.72**	**96.40**	**43,310,832.76**	**3.45**	**1,211,561,835.96**	1,212,235,785.83	96.26	38,629,372.82	3.19	1,173,606,413.01
Among which:										
Aging portfolio	**853,849,818.71**	**65.59**	**43,292,725.30**	**5.07**	**810,557,093.41**	811,050,976.93	64.40	38,613,158.39	4.76	772,437,818.54
Others portfolio	**401,022,850.01**	**30.81**	**18,107.46**		**401,004,742.55**	401,184,808.90	31.86	16,214.43		401,168,594.47
Total	**1,301,713,525.07**	**100.00**	**78,855,114.11**		1,222,858,410.96	1,259,275,656.28	100.00	74,372,668.27		1,184,902,988.01

Individual Provision for bad debts:

Name	Carrying Amount	Closing balance		Reasons
		Provision for bad debts	Proportion of provision *(%)*	
Jiangsu Jinmao Robot Technology Co., Ltd.	22,593,150.00	11,296,575.00	50.00	Expected part cannot be recovered
Xuzhou Suning Real Estate Co., Ltd.	6,611,197.07	6,611,197.07	100.00	Expected cannot be recovered
Jiangsu Zhongshi Environment Technology Co., Ltd.	6,500,000.00	6,500,000.00	100.00	Expected cannot be recovered
Nanchang Shuntang Green Power Technology Co., Ltd.	3,258,250.75	3,258,250.75	100.00	Expected cannot be recovered
Wenzhou Zhongdian Xingxin Intelligent Technology Co., Ltd.	2,040,000.00	2,040,000.00	100.00	Expected cannot be recovered
Command of a military region	2,023,000.00	2,023,000.00	100.00	Expected cannot be recovered
Zhejiang Bajun Plastics Co., Ltd.	1,600,000.00	1,600,000.00	100.00	Expected cannot be recovered
Subtotal of other petty amount	2,215,258.53	2,215,258.53	100.00	Expected cannot be recovered
Total	46,840,856.35	35,544,281.35		

Bad debt provision by portfolio:

Provision by portfolio: Aging portfolio:

Name	Accounts receivable	Closing balance provision for bad debts	Proportion *(%)*
Within 1 year (inclusive)	643,801,064.45	7,786,252.54	
Including: 0–6 months	488,076,013.68		
7–12 months	155,725,050.77	7,786,252.54	5.00
1–2 years	97,203,025.74	9,720,302.57	10.00
2–3 years	87,331,493.74	13,099,724.06	15.00
3–4 years	13,513,069.64	4,053,920.89	30.00
4–5 years	6,737,279.81	3,368,639.91	50.00
Over 5 years	5,263,885.33	5,263,885.33	100.00
Total	853,849,818.71	43,292,725.30	

Provision by portfolio: Other combinations

Name	Accounts receivable	Closing balance Provision for bad debts	Proportion *(%)*
The portfolio of related parties	401,022,850.01	18,107.46	
Total	401,022,850.01	18,107.46	

3. Accrual, reversal and recovery of bad debts in the period

Type	Balance at the end of last year	Changes during the period			Closing balance
		Accrual	Reversal or recovery	Transfer or written off	
Single item of bad debt provision	35,743,295.45		199,014.10		35,544,281.35
Receivables with bad debt provision on credit risk	38,629,372.82	7,732,001.20	3,050,541.26		43,310,832.76
Among them: Aging group	38,613,158.39	7,730,108.17	3,050,541.26		43,292,725.30
Related party portfolio	16,214.43	1,893.03			18,107.46
Total	74,372,668.27	7,732,001.20	3,249,555.36		78,855,114.11

The significant amount of provision reversal or recovery of bad debts during the period:

Name of debtors	Amount reversed or recovered	Reason for bad debt provision and the rationality	Reason for reversal or recovery	Approach
Nanchang Shuntang Green Power Technology Co., Ltd.	100,000.00	On individual basis	Debt collection	Cash and Bank
Bwton Technology Co., Ltd.	99,014.10	On individual basis	Debt collection	Cash and Bank
Total	199,014.10			

4. There were no accounts receivable effectively written off in the period

5. Status of top five debtors in the closing balance of accounts receivable

Name	Accounts receivable	Closing balance Proportion in total accounts receivable *(%)*	Provision for bad debts
Nanjing Metro Group Co., Ltd.	115,076,632.85	8.84	697,799.91
Nanjing BOE Display Technology Co., Ltd.	104,460,204.82	8.02	47,053.42
CEC Defense Technology Co., Ltd.	97,299,493.92	7.47	
Chengdu BOE Display Technology Co., Ltd.	82,483,078.75	6.34	
Nantong Rail Transit Group Co., Ltd.	73,463,854.95	5.64	1,531,314.73
Total	472,783,265.29	36.32	2,276,168.06

6. At the end of the period, the Company had no derecognized accounts receivable due to the transfer of financial assets

7. At the end of the period, the Company had no assets or liabilities resulting from its continuing involvement in receivables transferred

8. Overdue receivables at the end of the period

Item	Closing balance
Accounts not overdue and not impaired	**889,080,756.23**
Overdue but not impaired amount – within 3 months	**130,318,219.93**
Overdue but not impaired – over 3 months	**203,459,434.80**
Total	**1,222,858,410.96**

(V) Other equity instrument investments

1. Details of other equity instruments

Item	Closing balance	Opening balance
Jiangsu Urban Rail Transit Research and Design Institute Co., Ltd.	**2,385,926.53**	2,385,926.53
Total	**2,385,926.53**	2,385,926.53

2. Details of significant non-trading equity instrument investment at the end of the period

Item	Dividend income recognized in current period	Accumulated profits	Accumulated losses	The amount of other comprehensive income transferred into retained earning	The reason of targeting as financial assets at fair value through comprehensive income	The reason of other comprehensive income transferred into retained earning
Jiangsu Urban Rail Transit Research and Design Institute Co., Ltd.			1,264,073.47		Non-transactional equity instrument investment	

(VI) Contract assets

1. Details of contract assets

Item	Closing balance			Balance at the end of last year		
	Carrying Amount	Provision for impairment	Carrying Value	Carrying Amount	Provision for impairment	Carrying value
Smart Transportation and Safe City	122,693,790.78		122,693,790.78	182,325,260.16		182,325,260.16
Industrial Internet and Intelligent Manufacturing	10,672,617.69		10,672,617.69	10,672,617.69		10,672,617.69
Total	133,366,408.47		133,366,408.47	192,997,877.85		192,997,877.85

2. Amount and reasons: Significant changes in carrying value during the reporting period

Project	Amount of change	Reason of change
Smart Transportation and Safe City	-59,631,469.38	Receivables transferred from contract assets confirmed at the beginning of the year
Total	-59,631,469.38	

3. Contract assets classified and disclosed by provision of impairment losses

Type	Closing balance					Balance at the end of last year				
	Carrying Amount		Provision for impairment			Carrying Amount		Provision for impairment		
	Amount	Proportion (%)	Amount	Proportion (%)	Carrying Value	Amount	Proportion (%)	Amount	Proportion (%)	Carrying Value
Provision for bad debts by individual accrual										
Provision for impairment by portfolio	**133,366,408.47**	**100.00**			**133,366,408.47**	**192,997,877.85**	**100.00**			192,997,877.85
Including: Aging portfolio	**122,669,329.25**	**91.98**			**122,669,329.25**	**182,300,798.63**	**94.46**			182,300,798.63
Other portfolio	**10,697,079.22**	**8.02**			**10,697,079.22**	**10,697,079.22**	**5.54**			10,697,079.22
Total	**133,366,408.47**	**100.00**			**133,366,408.47**	**192,997,877.85**	**100.00**			192,997,877.85

Provision for bad debts by portfolio

Portfolio: Aging portfolio

Item	Contract Assets	Closing balance Provision for bad debts	Proportion of provision *(%)*
0–6 months	122,669,329.25		
Total	122,669,329.25		

Portfolio: Other portfolio

Item	Contract Assets	Closing balance Provision for bad debts	Proportion of provision *(%)*
Related party portfolio	10,697,079.22		
Total	10,697,079.22		

4. Provision on impairment losses of the contract assets for the period

Item	Balance at the end of last year	Accrual for the period	Recovery during the period	Transfer or written off during the period	Closing balance	Reason
Total						

(VII) Accounts payable

1. List of accounts payable

Classified by aging based on their recording dates:

Item	Closing balance	Balance at the end of last year
Within 1 year (inclusive)	**1,165,002,761.94**	1,221,115,359.23
1–2 years (including 2 years)	**110,057,624.97**	200,049,737.02
2–3 years (including 3 years)	**40,764,897.00**	52,796,286.38
Over 3 years	**66,926,376.80**	59,581,776.02
Total	**1,382,751,660.71**	1,533,543,158.65

2. Significant account payables aged over 1 year

Item	Closing balance	Reasons for unsettled or carried forward
Nanjing Changxin Technology Co., Ltd.	**23,253,610.93**	Not settled
GRG Intelligent Technology Solution Co., Ltd.	**19,302,598.14**	Not settled
Motorola Solutions (China) Co., Ltd.	**13,754,871.46**	Not settled
Beijing Addsun Technology Co., Ltd.	**10,821,345.04**	Not settled
Suzhou RS Technology Co., Ltd.	**9,210,929.87**	Not settled
Jiangsu HENGXIN Technology Co., Ltd.	**7,331,591.74**	Not settled
Nanjing Youzhijie Technology Information Co., Ltd.	**7,050,000.00**	Not settled
XCMG Hanyun Technology Co., Ltd.	**6,482,137.03**	Not settled
Chipone Technology (Hong Kong) Co., Ltd.	**5,677,539.38**	Not settled
Guangzhou Victel Technology Co., Ltd.	**4,790,018.15**	Not settled
Xuzhou Metro Information Technology Co., Ltd.	**4,677,532.15**	Not settled
Jiangsu Gaocheng Electronic Technology Co., Ltd.	**4,127,673.67**	Not settled
Nanjing Yingnuowei Information Technology Co., Ltd	**3,366,690.00**	Not settled
Nanjing Longwei Construction Service Co., Ltd.	**3,200,000.00**	Not settled
Total	**123,046,537.56**	Not settled

(VIII) Contract liabilities

1. Breakdown of contract liabilities

Item	Closing balance	Balance at the end of last year
Smart Transportation and Safe City	**42,377,204.60**	32,048,265.67
Green and Service-oriented Electronic Manufacturing	**31,868,143.07**	22,527,820.98
Industrial Internet and Intelligent Manufacturing	**20,411,222.02**	13,005,733.76
Others		59,294.70
Total	**94,656,569.69**	67,641,115.11

2. Significant changes in book value during the Reporting Period and reasons

Item	Amount of change	Reasons for change
Smart Transportation and Safe City	10,328,938.93	Amounts increased due to receipt of cash
Green and Service-oriented Electronic Manufacturing	9,340,322.09	Amounts increased due to receipt of cash
Industrial Internet and Intelligent Manufacturing	7,405,488.26	Amounts increased due to receipt of cash
Others	-59,294.70	Contract liabilities at the beginning of the period was recognized as revenue in current period
Total	27,015,454.58	

(IX) Operating income and operating cost

1. Operating income and operating cost

Item	Current period Income	Current period Cost	Last period Income	Last period Cost
Principal business	**1,350,426,863.77**	**1,157,181,913.78**	2,020,978,306.55	1,773,262,772.44
Other business	**12,438,781.97**	**7,762,474.50**	12,312,608.69	9,975,129.19
Total	**1,362,865,645.74**	**1,164,944,388.28**	2,033,290,915.24	1,783,237,901.63

(1) Details of operating income:

Item	Amount for current period	Amount for last period
Revenue from customer contracts	**1,312,390,384.13**	1,991,981,200.88
Rental income – operating leases	**50,475,261.61**	41,309,714.36
Total	**1,362,865,645.74**	2,033,290,915.24

(2) Presented by industry:

Item	Amount for current period	Amount for last period
Smart Transportation and Safe City	**607,714,414.81**	646,589,702.47
Green and Service-oriented Electronic Manufacturing	**716,688,720.65**	1,269,906,170.51
Industrial Internet and Intelligent Manufacturing	**38,462,510.28**	116,795,042.26
Total	**1,362,865,645.74**	2,033,290,915.24

2. Breakdown of income from contracts

The breakdown of income for the period is as follows:

Category of contract	Smart Transportation and Safe City	Green and Service-oriented Electronic Manufacturing	Industrial Internet and Intelligent Manufacturing	Elimination among segments	Total
Categorized by operating region:					
Nanjing	563,914,203.12	328,982,627.19	46,465,102.25	-73,516,156.26	865,845,776.30
Shenzhen	48,983,488.44	403,425,382.64		-157,279,785.10	295,129,085.98
Chengdu		151,775,178.64		-359,656.79	151,415,521.85
Total	612,897,691.56	884,183,188.47	46,465,102.25	-231,155,598.15	1,312,390,384.13
Categorized by transfer time of commodities:					
Recognized by a certain point of time	250,364,364.65	884,183,188.47	42,309,812.34	-222,480,323.40	954,377,042.06
Recognized during a certain period	362,533,326.91		4,155,289.91	-8,675,274.75	358,013,342.07
Total	612,897,691.56	884,183,188.47	46,465,102.25	-231,155,598.15	1,312,390,384.13

(X) Income tax expenses

1. List of income tax expenses

Item	Current period	Last period
Current income tax	**8,507,948.15**	8,604,119.30
Deferred income tax	**-903,816.37**	-5,172.13
Total	**7,604,131.78**	8,598,947.17

2. Explanation of the relationship of income tax expenses and accounting profit

Item	Current period
Total profit	1,666,484.04
Income tax expenses calculated at the statutory or applicable tax rate	416,621.01
Different tax rate of subsidiaries	-1,998,080.62
Adjustment on previous income tax	61,843.06
Income not subject to tax	-19,094,611.70
Costs, expenses and losses not deductible for tax purposes	
Utilisation of the deductible losses related to deferred income tax assets unrecognized in previous periods	
Deductible temporary differences or deductible losses from deferred income tax assets unrecognized in the current period	33,264,765.57
Effect of additional deducible cost under tax law	-5,046,405.54
Income tax expenses	7,604,131.78

Companies subject to different income tax rates are disclosed as follows:

Name of the enterprise	Income tax rate
Nanjing Panda Electronic Manufacture Co., Ltd.	15.00%
Nanjing Panda Communication Technology Co., Ltd.	15.00%
Nanjing Huage Appliance and Plastic Industrial Co., Ltd.	15.00%
Nanjing Panda Information Industry Co., Ltd.	15.00%
Nanjing Panda Mechatronics Instrument Technology Co., Ltd.	15.00%
Shenzhen Jinghua Information Technology Co., Ltd.	15.00%
Nanjing Panda Electronic Equipment Co., Ltd.	15.00%
Shenzhen Jingyu Electronics Co., Ltd.	15.00%
Chengdu Panda Electronic Technology Co., Ltd.	15.00%
Shenzhen Jinghua Property Management Co., Ltd.	20.00%
Jingwah Digital Technology Co., Ltd.	20.00%
Shenzhen Jinghua Media Technology Co., Ltd.	20.00%
Shenzhen Jingjia Property Management Co., Ltd.	20.00%
Galant Limited	16.50%
JWD Trading (HK) Co., Ltd.	16.50%

1. Nanjing Panda Electronic Manufacture Co., Ltd., a second-level subsidiary of the Company, passed the re-assessment for high-tech enterprise recognition on 2 December 2020, and obtained the High-tech Enterprise Certificate (certificate number GR202032007426) issued by Jiangsu Provincial Science and Technology Department. The certificate is valid for 3 years. During such period, Nanjing Panda Electronic Manufacture Co., Ltd. shall pay enterprise income tax at 15% of the taxable income.

2. Nanjing Panda Communications Technology Co., Ltd., a second-level subsidiary of the Company, passed the re-assessment for high-tech enterprise recognition on 2 December 2020, and obtained the High-tech Enterprise Certificate (certificate number GR202032006826) issued by Jiangsu Provincial Science and Technology Department. The certificate is valid for 3 years. During such period, Nanjing Panda Communications Technology Co., Ltd. shall pay enterprise income tax at 15% of the taxable income.

3. Nanjing Huage Appliance and Plastic Industrial Co., Ltd., a third-level subsidiary of the Company, passed the re-assessment for high-tech enterprise recognition on 2 December 2020, and obtained the High-tech Enterprise Certificate (certificate number GR202032006058) issued by Jiangsu Provincial Science and Technology Department. The certificate is valid for 3 years, commencing from 2 December 2020 and ending on 2 December 2023. During such period, Nanjing Huage Appliance and Plastic Industrial Co., Ltd. shall pay enterprise income tax at 15% of the taxable income.

4. Nanjing Panda Information Industry Co., Ltd., a second-level subsidiary of the Company, passed the re-assessment for high-tech enterprise recognition on 30 November 2021, and obtained the High-tech Enterprise Certificate (certificate number GR202132006189) jointly issued by Jiangsu Provincial Science and Technology Department and other government bodies. The certificate is valid for 3 years. During such period, Nanjing Panda Information Industry Co., Ltd. shall pay enterprise income tax at 15% of the taxable income.

5. Nanjing Panda Electromechanical Instrument Technology Co., Ltd., a third-level subsidiary of the Company, passed the re-assessment for high-tech enterprise recognition on 30 November 2021, and obtained the High-tech Enterprise Certificate (certificate number GR202132007415) jointly issued by Jiangsu Provincial Science and Technology Department and other government bodies. The certificate is valid for 3 years. During such period, Nanjing Panda Electromechanical Instrument Technology Co., Ltd. shall pay enterprise income tax at 15% of the taxable income.

6. Shenzhen Jinghua Information Technology Co., Ltd., a third-level subsidiary of the Company, passed the re-assessment for high-tech enterprise recognition on 23 December 2021, and obtained the High-tech Enterprise Certificate (certificate number GR202144202917) jointly issued by Shenzhen Municipal Science and Technology Innovation Committee and other government bodies. The certificate is valid for 3 years. During such period, Shenzhen Jinghua Information Technology Co., Ltd. shall pay enterprise income tax at 15% of the taxable income.

7. Nanjing Panda Electronic Equipment Co., Ltd., a second-level subsidiary of the Company, passed the re-assessment for high-tech enterprise recognition on 30 November 2021, and obtained the High-tech Enterprise Certificate (certificate number GR202132008673) jointly issued by Jiangsu Provincial Science and Technology Department and other government bodies. The certificate is valid for 3 years. During such period, Nanjing Panda Electronic Equipment Co., Ltd. shall pay enterprise income tax at 15% of the taxable income.

8. Shenzhen Jingyu Electronics Co., Ltd., the third-level subsidiary of the company, was recognized as a high-tech enterprise on 23 December 2021, and obtained the "High and New Technology Enterprise Certificate" (certificate number: GR202144201989) jointly issued by the Shenzhen Municipal Science and Technology Innovation Commission, with a validity period of 3 years. During this period, Shenzhen Jingyu Electronics Co., Ltd. paid enterprise income tax at 15% of the taxable income.

9. According to Announcement on the Continuation of the Enterprise Income Tax Policy for the Development of the Western Region of the Ministry of Finance and the State Administration of Taxation and the National Development and Reform Commission (the Announcement No. 23 of 2020 of the Ministry of Finance and the State Administration of Taxation and the National Development and Reform Commission), from 1 January 2021 to 31 December 2030, enterprises in encouraged industries located in the western region will be taxed at a reduced rate of 15% of the taxable income. Chengdu Panda Electronics Technology Co., Ltd., a second-level subsidiary of the Company, satisfied the requirements for those enterprises qualified for preferential tax rate as stated in the Catalogue of Encouraged Industries in the Western Region implemented by the State Administration of Taxation, which stipulates that an enterprise, with its location in the western region, shall engage in a principal activity included in the State's encouraged industrial projects and record a revenue from such principal activity of more than 60% of its total revenue for the year of assessment. Chengdu Panda Electronics Technology Co., Ltd. is entitled to the enterprise tax rate of 15% in accordance with the provisions of the administrative measures for enterprises to make their own applications, not subject to review and confirmation by the tax authorities, and the relevant information is kept by the company for future inspection.

10. Shenzhen Jingjia Property Management Co., Ltd., Shenzhen Jinghua Property Management Co., Ltd., Jingwah Digital Technology Co., Ltd. and Shenzhen Jinghua Media Technology Co., Ltd. all being third-level subsidiaries of the Company, were recognized as low-profit small enterprises in the current period. According to the Announcement of the Ministry of Finance and the State Administration of Taxation on the Further Implementation of Preferential Income Tax Policies for Small and Micro Profit Enterprises (Announcement No. 13 of the Ministry of Finance and the State Administration of Taxation, 2022) and the Announcement of the Ministry of Finance and the State Administration of Taxation on the Preferential Income Tax Policies for Small and Micro Enterprises and Self-Employed Individuals (Announcement of MOF and SAT [2023] No. 6), from 1 January 2023 to 31 December 2024, for low-profit small enterprises' annual taxable income not exceeding RMB3 million, the enterprise income tax shall be calculated at the rate of 20% based on the amount of taxable income being reduced to 25% thereof.

11. The profits tax rate for Galant Limited, a second-level subsidiary, and JWD Trading (HK) Co., Ltd, a fourth-level subsidiary, registered in Hong Kong is 16.5%.

12. According to the "Announcement of the Ministry of Finance and the State Administration of Taxation on Further Improving the Policy of Pre-Tax Addition and Deduction of R&D Expenses" (Announcement No. 7 of the Ministry of Finance and the State Administration of Taxation in 2023) issued by the Ministry of Finance and the State Administration of Taxation, if the R&D expenses actually incurred in the R&D activities of enterprises do not form intangible assets and are included in the current profit and loss, additional deduction as 100% of the actual amount shall be deducted from taxable income, since 1 January 2023; If intangible assets are formed, intangible assets shall be amortized before tax according to 200% of the cost, since 1 January 2023. The second-level subsidiaries of the Company including Nanjing Panda Electronic Equipment Co., Ltd., Nanjing Panda Information Industry Co., Ltd., Nanjing Panda Electronic Manufacturing Co., Ltd., Nanjing Panda Communication Technology Co., Ltd., Chengdu Panda Electronic Technology Co., Ltd., and the third-level subsidiaries of the Company including Nanjing Panda electromechanical instrument technology Co., Ltd., Nanjing Huage Electric Automobile and Plastic Industry Co., Ltd, Shenzhen Jinghua Information Technology Co., Ltd. and Shenzhen Jingyu Electronics Co., Ltd. enjoys the tax preference of additional deduction as 100% of the actual amount of R&D expenses before tax.

13. Nanjing Panda Xinxing Industrial Co., Ltd. and Nanjing Panda Electronic Technology Development Co., Ltd, second-level subsidiaries of the Company, and Shenzhen Jinghua Property Management Co., Ltd, a third-level subsidiary of the Company, enjoy the preferential policy of 5% of the VAT deduction from 1 January 2023 to 31 December 2023 according to the Announcement on the Clarification of Policies on Reduction and Exemption of Value-added Tax and Other Policies for Small Scale VAT Taxpayers (Announcement No. 1 of the Ministry of Finance and the State Administration of Taxation, 2023).

14. The Parking lot of Shenzhen Jinghua Electronic Co., Ltd, a third-level subsidiary of the company, enjoys the preferential policy for small-scale VAT taxpayers, "six taxes and two fees" reduced by 50% according to the "Announcement on Further Implementation of the Policy of Reducing and Waiving 'Six Local Taxes and Two Fees' for Small and Micro Businesses" ([2022] No.10 of Finance and Taxation).

15. According to "Taxation on Value-added Tax Policies for Software Products" (Cai Shui [2011] No. 110), if general VAT taxpayers sell self-developed and produced software products or sell the imported software products after localization, after VAT has been collected at a tax rate of 13%, the refund-upon-collection policy shall be applied to the part of actual VAT burden in excess of 3%. A second-level subsidiary of the company, Nanjing Panda Communication Technology Co., Ltd. could enjoy this preferential policy.

(XI) Return on net assets and earnings per share

		Earnings per share *(RMB)*	
Profits of the reporting period	**Weighted average return on net assets** *(%)*	**Basic**	**Diluted**
Net profit attributable to ordinary shareholders of the Company	-0.77	-0.0299	-0.0299
Net profit attributable to ordinary shareholders of the Company after deducting extraordinary profit and loss	-1.08	-0.0420	-0.0420

(XII) Distribution of profits

According to the profit distribution plan for the year 2022 which was considered and approved at the fifteenth meeting of the tenth session of the Board of Directors of the Company and the 2022 annual general meeting, the distribution will be made on the basis of the total share capital of the Company of 913,838,529.00 shares. A cash dividend of RMB0.14 (including tax) will be distributed for every 10 shares, totaling RMB12,793,739.41 (tax inclusive).

(XIII) Changes in Significant Accounting Policies and Accounting Estimates

1. Changes in significant accounting policies

The Ministry of Finance announced the "Interpretation No. 16 of Accounting Standards for Business Enterprises" (Accounting [2022] No. 31, hereinafter referred to as "**Interpretation No. 16**") on 30 November 2022.

Interpretation No. 16 stipulates that for a single transaction that is not a business combination and does not affect the accounting profit nor taxable income (or deductible losses) at the time of the transaction, and the initial recognition of assets and liabilities results in the creation of equivalent taxable temporary differences and deductible temporary differences (including any lease transaction in which the lessee initially recognises lease liability at the commencement date of the lease term and includes it in the right-of-use asset, and any transaction in which the lessee recognises an estimated liability and includes it in the cost of the related assets because there is an abandonment obligation for fixed assets, etc.), the requirement that being exempt from initially recognising deferred tax liabilities and deferred tax assets under Clause 11(II) and Clause 13 of Accounting Standards for Business Enterprises No. 18 – Income Tax shall not apply. For taxable temporary differences and deductible temporary differences arising from the initial recognition of assets and liabilities in respect of the transaction, enterprises should recognise the corresponding deferred income tax liabilities and deferred income tax assets respectively at the time of the transaction in accordance with the relevant provisions under the Accounting Standards for Business Enterprises 18 – Income Taxes.

"Accounting treatment for exempt from initial recognition shall not apply to deferred income taxes related to assets and liabilities arising from a single transaction" is effective from 1 January 2023. The impact of the implementation of this regulation on the consolidated financial statements of the Company is as follows:

Item	31 December 2022	1 January 2023	After adjustment
Deferred income tax assets	19,485,070.35	21,740,136.73	2,255,066.38
Deferred income tax liabilities	4,422,747.53	6,743,917.89	2,321,170.36
Undistributed profit	883,912,442.46	883,845,917.89	-66,524.57
Minority interest	256,288,784.16	256,289,204.75	420.59

The implementation of this requirement has not had a material impact on the financial position and results of operations of the parent company of the Company.

2. Changes in significant accounting estimates

There was no change in significant accounting estimates for the Reporting Period.

(XIV) Miscellaneous

As at 30 June 2023, the aggregate amount of guarantees provided by the Company for its subsidiaries was RMB55,212,178.94, of which: RMB46,030,600.91 is guaranteed in the form of bank acceptance bills and RMB9,181,578.03 is guaranteed in the form of letters of guarantee (30 June 2022: the aggregate amount of guarantees provided by the Company for its subsidiaries amounting to RMB113,719,486.21, of which: RMB78,410,345.98 is guaranteed in the form of bank acceptance bill and RMB35,309,140.23 is guaranteed in the form of letter of guarantee).

By order of the Board
Nanjing Panda Electronics Company Limited
Xia Dechuan
Chairman

Nanjing, the People's Republic of China
28 August 2023

As at the date of this announcement, the Board comprises Executive Directors: Mr. Xia Dechuan, Mr. Hu Huichun; Non-executive Directors: Mr. Liu Jianfeng, 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.

* *For illustration purpose only*