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南京熊猫电子股份有限公司

NANJING PANDA ELECTRONICS COMPANY LIMITED

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

(Stock Code:00553)

SUMMARY OF 2013 INTERIM REPORT

Important Notice

The Board, the supervisory committee, the Directors, supervisors and senior management of the Company confirm that the information in this report summary does not contain any false representation, misleading statement or material omission, and jointly and severally accept full responsibility for the truthfulness, accuracy and completeness of the contents of this report summary. The purpose of this interim report summary is to provide the public investors with a summary of the Company's results for the six months ended 30 June 2013. Investors should carefully read the whole text of the 2013 Interim Report in detail before making any significant decision. The 2013 Interim Report containing all information as required under Appendix 16 to the Listing Rules will be published on the website of Hong Kong Stock Exchange (www.hkexnews.hk) in due course.

All the Directors attended the Board meeting on 30 August 2013.

The financial statements of the Company for the six months ended 30 June 2013 are unaudited.

Neither the Company's controlling shareholder nor any of its related parties has misappropriated the Company's funds for non-operating purposes.

The Company did not provide external guarantees in violation of any stipulated decision-making procedures.

Mr. Xia Dechuan, the Head of the Company, Mr. Shen Jianlong, the Chief Accountant, and Ms. Liu Xianfang, the Finance Manager, declared that they confirmed the truthfulness and completeness of the financial statements contained in the 2013 Interim Report.

The board (the “Board”) of directors (the “Directors”) of Nanjing Panda Electronics Company Limited (the “Company”) is pleased to announce the summary of the results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2013 (the “Reporting Period”). Investors should carefully read the whole text of the 2013 interim report (“2013 Interim Report”) in detail before making any significant decision. The financial statements of the Company for the six months ended 30 June 2013 are unaudited.

I. BASIC INFORMATION OF THE COMPANY

Stock abbreviation	Nanjing Panda	Stock code	600775
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Place of listing	Shanghai Stock Exchange
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Stock abbreviation	Nanjing Panda	Stock code	00553
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Place of listing	The Stock Exchange of Hong Kong Limited
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Contact person and means of contact	Secretary to the Board	Securities Affairs Representative
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II. MAJOR FINANCIAL INFORMATION AND CHANGE OF SHAREHOLDERS

2.1 Prepared in accordance with Hong Kong Financial Reporting Standards (unaudited)

Condensed consolidated statement of comprehensive income

For the six months ended 30 June 2013

(Expressed in Renminbi)

		Six months ended 30 June	
		2013	2012
		(unaudited)	(unaudited)
	Note	RMB'000	RMB'000
Turnover	4	919,163	1,041,745
Cost of sales		<u>(794,327)</u>	<u>(941,484)</u>
Gross profit		124,836	100,261
Other income and net losses	5	14,197	12,645
Distribution costs		(20,273)	(15,551)
Administrative expenses		<u>(137,525)</u>	<u>(127,898)</u>
Operating loss		(18,765)	(30,543)
Finance costs, net		(13,246)	(11,519)
Share of profits of associates		<u>112,037</u>	<u>101,386</u>
Profit before taxation	6	80,026	59,324
Income tax credit/(expense)	7	4,586	(4,557)
Profit and total comprehensive income for the period		<u>84,612</u>	<u>54,767</u>

		Six months ended 30 June	
		2013	2012
		(unaudited)	(unaudited)
<i>Note</i>		RMB'000	RMB'000
Attributable to:			
	Equity holders of the Company	83,757	52,170
	Non-controlling interests	855	2,597
		<u>84,612</u>	<u>54,767</u>
 Earnings per share			
<i>(RMB cents)</i>			
	— Basic and diluted	<u>12.65</u>	<u>7.96</u>
8			

Condensed consolidated balance sheet

As at 30 June 2013

(Expressed in Renminbi)

		30 June 2013	31 December 2012
		(unaudited)	(audited)
	<i>Note</i>	RMB'000	RMB'000
ASSETS			
Non-current assets			
Land use rights		82,889	83,835
Property, plant and equipment		701,892	663,889
Associates		687,524	588,617
Available-for-sale equity securities		3,650	3,650
Deferred tax assets		6,117	6,127
		1,482,072	1,346,118
Current assets			
Inventories		210,422	180,260
Trade and bills receivables	10	692,362	782,623
Amounts due from customers for contract work		144,566	86,975
Deposits, prepayments and other receivables		168,178	129,481
Restricted bank deposits	11	89,200	212,759
Cash and cash equivalents		1,672,292	378,040
		2,977,020	1,770,138
Total assets		4,459,092	3,116,256

		30 June 2013 (unaudited) RMB'000	31 December 2012 (audited) RMB'000
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	12	913,839	655,015
Share premium and reserves		2,109,777	1,029,741
		3,023,616	1,684,756
Non-controlling interests		8,391	7,536
Total equity		3,032,007	1,692,292
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities		273	312
Current liabilities			
Bank and other borrowings	13	635,351	648,335
Trade payables	14	506,381	473,874
Accruals and other payables		284,933	293,347
Tax payable		147	8,096
		1,426,812	1,423,652
Total liabilities		1,427,085	1,423,964
Total equity and liabilities		4,459,092	3,116,256
Net current assets		1,550,208	346,486
Total assets less current liabilities		3,032,280	1,692,604

1. General information

Nanjing Panda Electronics Company Limited (the “Company”) was established as a joint stock company with limited liability in the People’s Republic of China (the “PRC”) on 29 April 1992. The Company’s H shares have been listed on The Stock Exchange of Hong Kong Limited (“HKSE”) since 2 May 1996 and its A shares have been listed on the Shanghai Stock Exchange since 18 November 1996. The registered office of the Company is located at Level 1-2, Block 5, North Wing, Nanjing High and New Technology Development Zone, Nanjing, Jiangsu Province, the PRC. The principal place of business of the Company is located at 301 Zhongshan Road East, Nanjing, Jiangsu Province, the PRC.

The principal activities of the Company and its subsidiaries (together the “Group”) are the development, manufacture and sale of electronic equipment products, consumer electronic products and electronic manufacturing products.

The directors consider the immediate parent of the Company to be Panda Electronics Group Limited (“PEGL”). Upon completion of the corporate restructuring on 21 September 2012, PEGL has become an indirect subsidiary of China Electronic Corporation (“CEC”) and, accordingly, CEC has become the ultimate holding company of the Company. Both PEGL and CEC are PRC state-owned enterprises.

2. Basis of preparation

The interim financial information has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34, Interim Financial Reporting, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the HKSE.

The principal accounting policies adopted in the preparation of this interim financial information are consistent with those followed in the Group’s annual financial statements for the year ended 31 December 2012, except for the accounting policy changes that are expected to be reflected in the Group’s annual financial statements for the year ending 31 December 2013. Details of these changes in accounting policies are set out in note 3.

The preparation of interim financial information in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial information contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to the understanding of the changes in financial position and performance of the Group since the 2012 annual financial statements. The condensed consolidated financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

The interim financial information is unaudited but has been reviewed by the Company’s Audit Committee.

3. Application of new and revised HKFRSs

The HKICPA has issued a number of new HKFRSs and amendments of HKFRSs that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's financial statements:

- Amendments to HKAS 1, Presentation of financial statements - Presentation of items of other comprehensive income
- Annual improvements to HKFRSs, 2009-2011 cycle
- Amendments to HKFRS 7, Financial instruments: Disclosure - Offsetting financial assets and financial liabilities
- HKFRS 10, Consolidated financial statements
- HKFRS 11, Joint arrangements
- HKFRS 12, Disclosure of interests in other entities
- HKFRS 13, Fair value measurement
- HKAS 27 (2011), Separate financial statements
- HKAS 28 (2011), Investments in associates and joint ventures

The adoption of these revisions, amendments and new HKFRSs has had no significant effect on the Group's financial statements.

Up to the date of issue of this interim financial information, the HKICPA has issued a number of amendments and new standards which are not yet effective for the year ending 31 December 2013 and which have not been adopted in the interim financial information. These include the following which may be relevant to the Group:

	Effective for accounting periods beginning on or after
Amendments to HKAS 32, Financial instruments: Presentation - Offsetting financial assets and financial liabilities	1 January 2014
Amendments to HKAS 36, Recoverable amount disclosures for non-financial assets	1 January 2014
HKFRS 9, Financial instruments	1 January 2015

The Group is in the process of making an assessment of what the potential impact of these amendments and new standards is expected to be in the period of initial application, but is not yet in a position to state whether these amendments and new standards would have a significant impact on the Group's results of operations and financial position.

4. Revenue and segmental information

The Group determines its operating segments based on the internal financial information reviewed by the board of directors of the Company that are used to make strategic decisions. Subsequent to the previous interim period to 30 June 2012, the Group has changed the composition of its reportable segments to the following three reportable segments:

- (i) Electronic equipment products: Development, production and sale of electronic equipment products
- (ii) Consumer electronic products: Development, production and sale of consumer electronic products
- (iii) Electronic manufacturing products: Development, production and sale of electronic manufacturing products

Following the change in the composition of the reportable segments, the corresponding segmental information for the six months ended 30 June 2012 has been restated to conform with the current period's presentation.

The segmental information was prepared in accordance with the method adopted by the senior executive management of the Group in evaluating segment performance and allocation of resources between segments. The Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following basis:

Segment assets include all non-current and current assets with the exception of interests in associates, available-for-sale equity securities and other corporate assets. Segment liabilities include all non-current and current liabilities with the exception of other corporate liabilities.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments.

The following tables provide an analysis of the Group's revenue, results and certain assets and liabilities by reportable segments for the six months ended 30 June 2013:

Six months ended 30 June 2013

	Electronic equipment products (unaudited) <i>RMB'000</i>	Consumer electronic products (unaudited) <i>RMB'000</i>	Electronic manufacturing products (unaudited) <i>RMB'000</i>	Other operations (unaudited) <i>RMB'000</i>	Elimination (unaudited) <i>RMB'000</i>	Consolidated (unaudited) <i>RMB'000</i>
Revenue						
External sales	540,046	38,694	309,414	31,009	—	919,163
Internal sales	45,328	944	798	13,671	(60,741)	—
Total	<u>585,374</u>	<u>39,638</u>	<u>310,212</u>	<u>44,680</u>	<u>(60,741)</u>	<u>919,163</u>
Results						
Segment results	<u>35,837</u>	<u>(9,229)</u>	<u>4,311</u>	<u>(1,569)</u>	<u>—</u>	29,350
Unallocated						
corporate expenses						(48,115)
Interest income						3,512
Interest expense						(16,758)
Share of profits of associates						112,037
Income tax credit						<u>4,586</u>
Profit for the period						<u>84,612</u>

At 30 June 2013

	Electronic equipment products (unaudited) <i>RMB'000</i>	Consumer electronic products (unaudited) <i>RMB'000</i>	Electronic manufacturing products (unaudited) <i>RMB'000</i>	Other operations (unaudited) <i>RMB'000</i>	Elimination (unaudited) <i>RMB'000</i>	Consolidated (unaudited) <i>RMB'000</i>
Assets						
Segment assets	1,262,373	464,678	571,450	154,895	(502,685)	1,950,711
Associates						687,524
Available-for-sale equity securities						3,650
Unallocated corporate assets						<u>1,817,207</u>
Consolidated total assets						<u><u>4,459,092</u></u>
Liabilities						
Segment liabilities	672,684	299,098	223,190	106,563	(401,640)	899,895
Unallocated corporate liabilities						<u>527,190</u>
Consolidated total liabilities						<u><u>1,427,085</u></u>

Six months ended 30 June 2012

	Electronic equipment products (unaudited) <i>RMB'000</i>	Consumer electronic products (unaudited) <i>RMB'000</i>	Electronic manufacturing products (unaudited) <i>RMB'000</i>	Other operations (unaudited) <i>RMB'000</i>	Elimination (unaudited) <i>RMB'000</i>	Consolidated (unaudited) <i>RMB'000</i>
Revenue						
External sales	639,385	63,859	311,785	26,716	—	1,041,745
Internal sales	<u>22,515</u>	<u>20</u>	<u>1,635</u>	<u>14,667</u>	<u>(38,837)</u>	<u>—</u>
Total	<u><u>661,900</u></u>	<u><u>63,879</u></u>	<u><u>313,420</u></u>	<u><u>41,383</u></u>	<u><u>(38,837)</u></u>	<u><u>1,041,745</u></u>
Results						
Segment results	<u><u>27,691</u></u>	<u><u>(5,441)</u></u>	<u><u>10,516</u></u>	<u><u>(894)</u></u>	<u><u>—</u></u>	31,872
Unallocated corporate expenses						(62,415)
Interest income						3,240
Interest expense						(14,759)
Share of profits of associates						101,386
Income tax expense						<u>(4,557)</u>
Profit for the period						<u><u>54,767</u></u>

At 31 December 2012

	Electronic equipment products (audited) <i>RMB'000</i>	Consumer electronic products (audited) <i>RMB'000</i>	Electronic manufacturing products (audited) <i>RMB'000</i>	Other operations (audited) <i>RMB'000</i>	Elimination (audited) <i>RMB'000</i>	Consolidated (audited) <i>RMB'000</i>
Assets						
Segment assets	1,147,570	752,890	548,963	154,569	(641,593)	1,962,399
Associates						588,617
Available-for-sale equity securities						3,650
Unallocated corporate assets						<u>561,590</u>
Consolidated total assets						<u><u>3,116,256</u></u>
Liabilities						
Segment liabilities	591,355	630,358	209,209	106,535	(458,826)	1,078,631
Unallocated corporate liabilities						<u>345,333</u>
Consolidated total liabilities						<u><u>1,423,964</u></u>

5. Other income and net losses

	Six months ended 30 June	
	2013	2012
	(unaudited)	(unaudited)
	<i>RMB'000</i>	<i>RMB'000</i>
Other income		
Rental and property management fee income	2,792	6,282
Government grants	12,216	6,737
Sundry income	490	502
	<u>15,498</u>	<u>13,521</u>
Other net losses		
Exchange gains/(losses)	15	(802)
Loss on disposals of property, plant and equipment	(1,316)	(74)
	<u>(1,301)</u>	<u>(876)</u>
	<u><u>14,197</u></u>	<u><u>12,645</u></u>

6. Profit before taxation

Profit before taxation is arrived at after charging/(crediting):

	Six months ended 30 June	
	2013	2012
	(unaudited)	(unaudited)
	<i>RMB'000</i>	<i>RMB'000</i>
Depreciation of property, plant and equipment	29,407	27,106
Amortisation of land use rights	946	341
Write-down of inventories	3,126	4,034
Impairment losses recognised/(reversed) on		
— Trade receivables	(657)	(405)
— Other receivables	(254)	(547)
— Amounts due from fellow subsidiaries and associates	—	117
	<u> </u>	<u> </u>

7. Income tax (credit)/expense

	Six months ended 30 June	
	2013 (unaudited) RMB'000	2012 (unaudited) RMB'000
Current tax		
— PRC enterprise income tax	1,322	1,981
— (Over)/under-provision in prior years	<u>(5,879)</u>	<u>5,077</u>
	(4,557)	7,058
Deferred tax		
— attributable to the origination and reversal of temporary differences	<u>(29)</u>	<u>(2,501)</u>
	<u>(4,586)</u>	<u>4,557</u>

PRC enterprise income tax is charged at the statutory rate of 25% (six months ended 30 June 2012: 25%) of the assessable income as determined with the relevant tax rules and regulations of the PRC, except that the Company and certain subsidiaries in the PRC are subject to a preferential tax rate of 15% (six months ended 30 June 2012: 12.5% or 15%).

8. Earnings per share

The calculation of the basic earnings per share is based on the profit attributable to equity holders of the Company for the six months ended 30 June 2013 of RMB83,757,000 (six months ended 30 June 2012: RMB52,170,000) and the weighted average of 662,205,000 (six months ended 30 June 2012: 655,015,000) shares in issue throughout the period.

The diluted earnings per share for the six months ended 30 June 2013 and 2012 were the same as the basic earnings per share as there were no potential dilutive ordinary shares outstanding during the six months ended 30 June 2013 and 2012.

9. Dividends

Final dividend of RMB60 cents per ten shares (31 December 2011: RMB50 cents per ten shares) in respect of the year ended 31 December 2012 was approved on 20 May 2013.

The directors do not recommend the payment of an interim dividend for the six months ended 30 June 2013 (six months ended 30 June 2012: RMBnil).

10. Trade and bills receivables

The Group allows a credit period ranging from 30 to 180 days for its trade customers.

The following is an ageing analysis of trade and bills receivables, net of provision for impairment:

	30 June 2013 (unaudited) RMB'000	31 December 2012 (audited) RMB'000
Within 1 year	541,798	683,845
1 to 2 years	133,195	98,429
2 to 3 years	17,349	277
Over 3 years	20	72
	<u>692,362</u>	<u>782,623</u>

11. Restricted bank deposits

The restricted bank deposits are pledged as security for:

	30 June 2013 (unaudited) RMB'000	31 December 2012 (audited) RMB'000
Bills payables	21,413	141,267
Performance bonds given by banks to customers in respect of projects undertaken	<u>67,787</u>	<u>71,492</u>
	<u>89,200</u>	<u>212,759</u>

12. Share capital

	30 June 2013 (unaudited)		31 December 2012 (audited)	
	Number of shares '000	Nominal value RMB'000	Number of shares '000	Nominal value RMB'000
Registered, issued and fully paid:				
— A Shares of RMB1.00 each	671,839	671,839	413,015	413,015
— H Shares of RMB1.00 each	<u>242,000</u>	<u>242,000</u>	<u>242,000</u>	<u>242,000</u>
	<u>913,839</u>	<u>913,839</u>	<u>655,015</u>	<u>655,015</u>

On 25 June 2013, the Company issued a total 258,823,529 new A shares of RMB1.00 each under a placing arrangement to 9 specific qualified investors, including Nanjing Electronic Information Industrial Corporation (“NEIIC”), at a price of RMB5.10 per share. As part of the placing arrangement, NEIIC, an intermediate holding company of the Company, has subscribed for 39,215,686 new A shares of the Company. Immediately after completion of this share placing, CEC’s interest in the Company’s total issued share capital, through NEIIC and PEGL, was reduced from approximately 51.10% to approximately 40.92%.

The placing proceeds, net of the related expenses, of approximately RMB1,294,404,000 are expected to be used in developing the Group’s businesses and to supplement the Group’s working capital. Further details of this share placing are set out in the Company’s circular to the shareholders dated 7 December 2012 and in the Company’s announcement dated 1 July 2013.

13. Bank and other borrowings

	30 June 2013 (unaudited) RMB’000	31 December 2012 (audited) RMB’000
Short term bank loans	440,000	360,000
Other short term loans	145,000	—
Bills payables, secured	50,351	288,335
	<u>635,351</u>	<u>648,335</u>

At 30 June 2013, short term bank loans amounting to RMB110,000,000 (31 December 2012: RMB50,000,000) were secured by pledge of certain land use rights and buildings of the Company with carrying values of RMB11,397,000 (31 December 2012: RMB1,107,000) and RMB189,373,000 (31 December 2012: RMB108,318,000) respectively with banks, and short term bank loans amounting to RMB195,000,000 (31 December 2012: RMB205,000,000) and RMB20,000,000 (31 December 2012: RMBnil) were secured by corporate guarantees from the immediate holding company (PEGL) and an intermediate holding company, respectively.

At 30 June 2013, bills payables were secured by restricted bank deposits (see note 11). In addition, bills payables amounting to RMB12,338,000 (31 December 2012: RMBnil) were secured by pledge of certain land use rights and buildings of the Company with carrying values of RMB11,397,000 and RMB189,373,000 respectively with banks, and bills payables were also secured by corporate guarantees from the immediate holding company (PEGL) and an intermediate holding company to the extent of RMBnil (31 December 2012: RMB60,595,000) and RMB5,355,000 (31 December 2012: RMB34,520,000), respectively.

14. Trade payables

The following is an ageing analysis of trade payables:

	30 June 2013 (unaudited) RMB'000	31 December 2012 (audited) RMB'000
Within 1 year	380,181	369,204
1 to 2 years	85,719	44,630
2 to 3 years	1,738	24,039
Over 3 years	38,743	36,001
	<u>506,381</u>	<u>473,874</u>

15. Contingent liabilities

The Group had the following contingent liabilities:

	30 June 2013 (unaudited) RMB'000	31 December 2012 (audited) RMB'000
Performance bonds given by banks to customers in respect of projects undertaken	<u>67,787</u>	<u>71,492</u>

16. Capital commitments

At 30 June 2013, outstanding capital commitments not provided for in the financial statements are as follows:

	30 June 2013 (unaudited) RMB'000	31 December 2012 (audited) RMB'000
Contracted for — Property, plant and equipment	<u>90,352</u>	<u>146,376</u>

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

Unit: RMB (Yuan)

	As at the end of the Reporting Period (30 June 2013)	As at the end of the previous year (31 December 2012)	Changes from the end of the previous year (%)
Total assets	4,459,091,907.65	3,116,256,107.90	43.09
Net assets attributable to shareholders of the Company	3,023,615,732.30	1,684,756,014.24	79.47
	Reporting Period (January - June 2013)	Corresponding period of last year (January - June 2012)	Changes from corresponding period of last year (%)
Net cash flow from operating activities	-82,227,421.17	-99,535,966.07	N/A
Operating income	929,748,025.66	1,056,091,091.83	-11.96
Net profit attributable to shareholders of the Company	83,756,905.51	52,170,438.39	60.54
Net profit attributable to shareholders of the Company after extraordinary items	74,302,413.97	46,911,864.44	58.39
Weighted average return on net assets (%)	4.78	3.25	Increased by 1.53 percentage points
Basic earnings per share (RMB/share)	0.1265	0.0796	58.92
Diluted earnings per share (RMB/share)	0.1265	0.0796	58.92

2.3 Changes in share capital and information of shareholders

2.3.1 Changes in share capital

Pursuant to the “Approval for Non-public Issue of Shares by Nanjing Panda Electronics Company Limited” (Zheng Jian Xu Ke [2013]No. 332) (《關於核准南京熊貓電子股份有限公司非公開發行股票的批覆》) (證監許可[2013]332號)) given by the China Securities Regulatory Commission (“CSRC”), the Company issued 258,823,529 RMB-denominated ordinary A shares by way of non-public issue of A shares in June 2013. On 28 June 2013, the Company completed the registration procedures for the securities change with respect to this non-public issue of A shares with China Securities Depository and Clearing Corporation Limited Shanghai Branch. Upon completion of such issue, the Company’s equity structure comprises 913,838,529 ordinary shares, with 671,838,529 A shares and 242,000,000 H shares.

2.3.2 Information of Shareholders

Unit: shares

Total number of shareholders as at the end of the Reporting Period	18,135 shareholders, including 18,084 holders of A shares and 51 holders of H shares
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Shareholdings of the top ten shareholders

Shareholdings of the top ten shareholders of the Company as at 30 June 2013 are set out as follows:

Name of shareholders	Type of shareholders	Percentage of shareholding (%)	Total number of shares held	Number of shares held subject to trading moratorium	Number of shares pledged or frozen
Panda Electronics Group Limited ("PEGL")	State-owned legal person	36.63	334,715,000	0	167,350,000
HKSCC (Nominees) Limited	Overseas legal person	26.35	240,821,299	0	Unknown
Nanjing Ruisen Investment Management Partnership Enterprise (Limited Partnership)* (南京瑞森投資管理合夥企業 (有限合夥))	Domestic non-state- owned legal person	5.58	51,000,000	51,000,000	Unknown
Nanjing Electronics Information Industrial Corporation("NEIIC")	State-owned legal person	4.29	39,215,686	39,215,686	Unknown
Jiangsu GTIG Huading Investment Co., Ltd.* (江蘇國泰華鼎投資有限公司)	Domestic non-state- owned legal person	3.83	35,000,000	35,000,000	Unknown
Caitong Fund Management Company* (財通基金管理有限公司)		3.28	30,000,000	30,000,000	Unknown
Beijing Infrastructure Investment Co., Ltd* (北京市基礎設施投資有限公司)	State-owned legal person	2.85	26,000,000	26,000,000	Unknown
South Industry Assets Management Co., Ltd* (南方工業資產管理有限責任公司)	State-owned legal person	2.76	25,200,000	25,200,000	Unknown
Tibet Autonomous Region Investment Co., Ltd.* (西藏自治區投資有限公司)	State-owned legal person	2.74	25,000,000	25,000,000	Unknown

Name of shareholders	Type of shareholders	Percentage of shareholding (%)	Total number of shares held	Number of shares held subject to trading moratorium	Number of shares pledged or frozen
Tibet Shan Nan Zhong He Investment Management Centre (Limited Partnership)* (西藏山南中和投資管理中心 (有限合夥))	Domestic non-state-owned legal person	1.07	9,803,921	9,803,921	Unknown

* For identification purposes only

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

NEIIC holds 56.85% equity interest in PEGL, the controlling shareholder of the Company, and thus is the controlling shareholder of PEGL. NEIIC directly holds 39,215,686 shares of the Company, representing 4.29% of the total number of shares. NEIIC directly and indirectly holds 40.92% of the shares of the Company. Save as disclosed above, the Company is not aware of any connected relationship or party acting in concert among other shareholders.

Notes:

- (1) Holders of shares subject to trading moratorium are the target subscribers under the non-public issuance of A shares of the Company in June 2013. The shares subscribed by NEIIC shall not be transferable within 36 months since the completion of the issuance. The shares subscribed by investors other than NEIIC shall not be transferable within 12 months since the completion of the issuance.
- (2) Among the shares held by PEGL, 167,350,000 shares were pledged on 28 November 2011.
- (3) HKSCC (Nominees) Limited held 240,821,299 H shares of the Company, representing 26.35% of the issued share capital of the Company, on behalf of a number of clients. The Company is not aware of any individual client holding more than 5% of the issued share capital of the Company.

2.4 Change in the controlling shareholder and the de facto controller

Applicable

Not applicable

III. MANAGEMENT DISCUSSION AND ANALYSIS

In the first half of 2013, the Company centered around its tasks and indicators to deliver good performance in production and operations; financed investment in technology and improved management of scientific research; completed the non-public issuance of A shares to raise RMB1.32 billion; enhanced management of internal control; advanced the construction of key projects to build solid industrial base; promoted marketing by successfully holding important exhibitions. The Company passed the review of Trustworthy Enterprises Always Honoring Contracts (重合同守信用企業) administered by the State Administration for Industry and Commerce and was presented a plaque that read Joint Corporate R&D and Innovation Center of Jiangsu by Jiangsu Economic and Information Technology Commission.

Under the PRC Accounting Standards for Business Enterprises, revenue from operations for the first half of 2013 amounted to RMB929,748,000, representing a decrease of 11.96% as compared with the same period last year; total profit amounted to RMB80,026,000, representing an increase of 34.90% as compared with the same period last year; net profit attributable to owners of the Company amounted to RMB83,756,900, representing an increase of 60.54% as compared with the same period last year. Under the Hong Kong Financial Reporting Standards, revenue from principal operations for the first half of 2013 amounted to RMB919,163,100, representing a decrease of 11.77% as compared with the corresponding period last year; profit of principal operations amounted to RMB80,026,000, representing an increase of 34.90% as compared with the corresponding period last year; net profit attributable to shareholders of the Company amounted to RMB83,756,900, representing an increase of 60.54% as compared with the corresponding period last year.

3.1 Analysis of principal operations

3.1.1 Analysis of changes in related items in the financial statements prepared in accordance with the PRC Accounting Standards for Business Enterprises (unaudited)

Unit: RMB0'000

	Amount for the period	Amount for the same period last year	Change (%)
Operating income	92,974.80	105,609.11	-11.96
Operating cost	79,120.17	93,745.01	-15.60
Selling expenses	2,027.32	1,555.12	30.36
Administrative expenses	13,800.05	12,798.49	7.83
Financial expenses	1,345.64	1,281.12	5.04
Net cash flows from operating activities	-8,222.74	-9,953.60	N/A
Net cash flows from investment activities	-8,909.72	-3,039.55	N/A
Net cash flows from financing activities	146,567.91	11,558.00	1,168.11
R&D expenditure	4,869.63	4,110.45	18.47
Non-operating income	1,303.46	724.42	79.93
Non-operating expenses	185.39	33.65	450.84
Income tax expenses	-458.65	455.65	-200.66

Reasons for the changes:

- (1) Operating income: mainly due to a decrease in revenue from electronic equipment products during the period;
- (2) Operating cost: mainly due to a decrease in revenue from electronic equipment products during the period;
- (3) Selling expenses: mainly due to an increase in advertising expenses during the period;
- (4) Administrative expenses: mainly due to an increase in technology development expenditure and depreciation expenses during the period;
- (5) Financial expenses: mainly due to an increase in average borrowing balances during the period;
- (6) Net cash flows from operating activities: mainly because large amounts of guarantee deposits were recovered during the period;
- (7) Net cash flows from investment activities: mainly due to an increase in investment in the construction of the Xin Gang Park (新港園區) and the Electronic Equipment Industry Park during the period;
- (8) Net cash flows from financing activities: mainly because the proceeds from non-public issuance of A shares were received;
- (9) R&D expenditure: mainly due to an increase in investment in R&D;
- (10) Non-operating income: mainly due to an increase in government grants recognized during the period;
- (11) Non-operating expenses: mainly due to disposal of fixed assets;
- (12) Income tax expenses: mainly due to the income tax refund received in the period.

3.1.2 Others

(1) *Explanation about progress of the Company's financing activities and material asset reorganization in the previous period*

During the Reporting Period, the Company proceeded with and completed the relevant work related to the non-public issuance of A shares. Pursuant to the “Approval for Non-public Issue of Shares by Nanjing Panda Electronics Company Limited” (Zheng Jian Xu Ke[2013] No.332) (《關於核准南京熊貓電子股份有限公司非公開發行股票的批覆》)(證監許可[2013]332號)) given by the CSRC, the Company issued 258,823,529 RMB-denominated ordinary shares (A shares) by way of non-public issue of A shares at the issue price of RMB5.10 per share in June 2013. The proceeds raised totaled RMB1,319,999,997.90. After deduction of issuance expenses of RMB25,596,285.35, the net proceeds amounted to RMB1,294,403,712.55. As at 24 June 2013, the said subscription monies, after deducting underwriting and sponsorship fees, had been transferred by the lead underwriter to the designated account of the Company for deposit of the net proceeds. On 28 June 2013, the Company completed the matters in relation to equity registration for the non-public issuance of A shares with the Shanghai Branch of China Securities Depository and Clearing Corporation. For details, please refer to relevant announcements published by the Company in the China Securities Journal, Shanghai Securities News and on the website of Shanghai Stock Exchange on 8 November 2012, 26 December 2012, 9 January 2013, 2 April 2013, 20 April 2013, 6 June 2013 and 2 July 2013 respectively, as well as the announcements published by the Company on the website of The Stock Exchange of Hong Kong Limited (“Hong Kong Stock Exchange”) on 8 November 2012, 26 December 2012, 8 January 2013, 1 April 2013, 19 April 2013, 5 June 2013, 1 July 2013 and the circular of the Company published on the website of the Hong Kong Stock Exchange on 7 December 2012.

(2) *Operational plan for the second half of 2013*

In the second half of 2013, the Company will continue to follow the established operational plan and endeavour to achieve all operating targets, and will further develop its internal control system and scientific research system, expand marketing channels, improve the assessment and incentive mechanism, accelerate cultivation of talents and construction of corporate culture, proactively build a harmonious enterprise, and promote steady and sustainable development of the enterprise.

As the replacement speed of technologies relating to the electronic information industry is fast, the Company is confronted with the risk associated with development of technology. More and more capital may enter the electronic information industry in the future; as a result the Company will face much fiercer market competition.

The Company will further improve its research and development system, step up technological innovation and improve the added value of products to raise the competitiveness of its products. In addition, the Company will keep a close eye on market demand, exploit its advantages to expand presence in both domestic and overseas markets, and closely follow policy orientation to work hard on national major and key projects.

3.2 Analysis of principal operations by business, product or geographical region

3.2.1 Principal operations by business or product (prepared under the PRC Accounting Standards for Business Enterprises, unaudited)

Unit: RMB

By business or product	Operating income	Operating costs	Gross profit margin (%)	Increase/decrease in operating income from the same period last year (%)	Increase/decrease in operating costs from the same period last year (%)	Increase/decrease in gross profit margin from the same period last year (%)
Electronic equipment products	534,025,229.63	454,181,901.58	14.95	-16.09	-20.43	4.64
Electronic manufacturing products	302,411,053.18	270,518,592.96	10.55	-2.26	-1.87	-0.35
Consumer electronics products	39,018,391.94	34,414,896.87	11.80	-38.65	-42.90	6.56
Others	25,418,011.69	19,547,454.75	23.10	-14.59	-3.31	-8.97
Total	900,872,686.44	778,662,846.16	13.57	-13.31	-16.00	2.77

3.3 Analysis of investment

3.3.1 Use of raised proceeds

In 2013, the Company raised proceeds in aggregate of RMB1,319,999,997.90 by way of non-public issue of A shares. After deduction of issuance expenses of RMB25,596,285.35, the net proceeds amounted to RMB1,294,403,712.55. During the Reporting Period, none of the proceeds was used. As at 30 June 2013, unused raised proceeds remained at RMB1,294,403,712.55, which will be used to finance certain investment projects (“Proceeds Investment Projects”).

In order to complete the Proceeds Investment Projects as soon as possible, the Company has used self-raised funds to finance the construction of such projects before the proceeds from this non-public issue of A shares are available, which involved a total invested amount of RMB171,250,000 as of 30 June 2013, including RMB153,760,000 which had been invested in the period from the approval of the non-public issuance of A shares by the sixth meeting of the seventh session of the Board on 7 November 2012 to 30 June 2013. According to the authorization by the general meeting, before the proceeds from this non-public issue of A shares are available, the Company can first invest its self-raised funds in the projects based on their actual progress, and replace self-raised funds with the raised proceeds when available. The Company will inject capital into the implementing entities of the Proceeds Investment Projects as soon as practicable and, upon completion of capital injection, perform the relevant corporate governance procedures to use the raised proceeds to replace the self-raised funds invested, according to the amount of replacement specified in the special verification report issued by the accounting firm.

To ensure smoother operation upon completion of the “automation equipment industrialization project” and the “communication equipment industrialization project”, fully leverage existing advantages, effectively consolidate internal resources, reduce operating costs and enhance the operational efficiency of the Company, upon consideration and approval of the extraordinary meeting of the seven session of the Board, it was approved that Nanjing Panda Electronics Equipment Co., Ltd. (“Electronics Equipment Company”) and Nanjing Panda Communications Technology Co., Ltd. (“Communications Technology Company”) be added as the respective implementing entities of the “automation equipment industrialization project” and the “communication equipment industrialization project”. Electronics Equipment Company and Communications Technology Company will take charge of equipment procurement and operation of the corresponding projects, while Nanjing Panda Electronic Technology Development Company Limited (“Technology Development Company”) will be in charge of plant construction and related work for the project. The additions of the implementing entities for the Proceeds Investment Projects by the Company are still subject to consideration of the general meeting of the Company. For details, please refer to the Announcement on Additions of the Implementing Entities for the Proceeds Investment Projects of Nanjing Panda Electronics Company Limited (Lin.2013-027) published on China Securities Journal, Shanghai Securities News and the website of the Shanghai Stock Exchange on 9 August 2013 and the announcement published on the website of the Hong Kong Stock Exchange on 8 August 2013.

The Company held an extraordinary meeting of the seven session of the Board on 22 August 2013, at which the Proposal in relation to Use of Temporarily Idle Raised Proceeds for Cash Management (《關於使用暫時閒置的募集資金進行現金管理的議案》) was considered and approved. In order to maximize the utilization efficiency of funds, it was resolved to use the temporarily idle raised proceeds in the amount of not more than RMB550 million for cash management to invest in highly safe and liquid products with principal preservation terms, within one year from the date of passing of such proposal and on the condition of not affecting the progress of the Proceeds Investment Projects, and to authorize the General Manager of the Company to handle relevant matters within the scope of the amount. The independent Directors, the supervisors of the Company and the sponsor have given their opinion of consent thereon. For details, please refer to the Announcement on Use of Temporarily Idle Raised Proceeds for Cash Management of Nanjing Panda Electronics Company Limited (《南京熊貓電子股份有限公司關於使用暫時閒置的募集資金進行現金管理的公告》) (Lin. 2013-031) published on China Securities Journal, Shanghai Securities News and the website of the Shanghai Stock Exchange on 23 August 2013 and the announcement published on the website of the Hong Kong Stock Exchange on 22 August 2013.

The Company entered into agreements with Jiangsu Branch of Bank of Communications Co., Ltd., Nanjing Hehuijie Sub-branch of China Construction Bank Co., Ltd. and Nanjing Chengdong Sub-branch of Shanghai Pudong Development Bank Co., Ltd. respectively on use of temporarily idle raised proceeds in the amount of RMB550 million for purchase of principal preservation bank wealth management products. For details on the type and name of products, scope of investment, etc., please refer to the Announcement on Use of Temporarily Idle Raised Proceeds for Purchase of Bank Wealth Management Products of Nanjing Panda Electronics Company Limited (《南京熊貓電子股份有限公司關於使用暫時閒置的募集資金購買銀行理財產品的公告》) (Lin. 2013-032) and (Lin. 2013-033) published on China Securities Journal, Shanghai Securities News and the website of the Shanghai Stock Exchange on 29 August 2013 and 30 August 2013 and the announcements published on the website of the Hong Kong Stock Exchange on 30 August 2013.

3.3.2 Analysis of major subsidiaries and investee companies

(1) Information of Subsidiaries

As at 30 June 2013, the information of the Company's major subsidiaries is set out below:

Unit: RMB0'000

Names of subsidiaries	Principal products or services	Registered	Total assets	Net profit
		capital		
Nanjing Panda Electronics Equipment Co., Ltd.	Manufacture of automatic industrial equipment, environmental protection equipment, and logistic accessories	8,000	26,678.96	1,046.96
Nanjing Panda Information Industry Co., Ltd.	Development, production and sale of electronic information products	USD2,300	68,605.76	940.92
Nanjing Panda Electronic Manufacture Co., Ltd.	Development and production of new models of electronic products	USD2,000	33,653.37	785.13
Nanjing Panda Communications Technology Co., Ltd.	Development and manufacture of mobile communication, digital communication and network communication systems and products	5,000	8,104.48	82.41
Nanjing Panda Xinxing Industrial Co., Ltd.	Property management and sales of mechanical products, electronic products, construction materials and office supplies	2,000	4,362.11	64.88
Nanjing Huage Appliance and Plastic Industrial Co., Ltd.	Plastic products & accessories	6,000	23,491.66	65.53
Nanjing Panda Mechanical Manufacturing Co., Ltd.	Metal components and stamping parts	1,000	9,418.22	369.66
Nanjing Panda Electromechanical Instruments Technology Co., Ltd.	Research and development, manufacturing and sales of logistic supporting equipment and automatic fare collection equipment	1,000	3,893.58	2.58
Nanjing Panda Electronic Technology Development Company Limited	Manufacturing of general purpose equipment, software development, and property management	25,000	28,319.19	-117.91
Galant Limited	R&D of communications products	HKD0.0001	7,614.79	-5.03

(2) *Information of investee companies*

As at 30 June 2013, the information of the Company's major investee companies is set out below:

Unit: RMB0'000

Name of investee company	Operating revenue	Net profit	Shareholding held by Company	Investment income received by the Company
Nanjing Ericsson Panda Communication Co., Ltd.	483,994.37	11,009.81	27%	2,972.65
Beijing SE Putian Mobile Communication Co., Ltd.	1,757,993.37	37,362.60	20%	7,472.52
Shenzhen Jingwah Electronics Co., Ltd.	84,640.91	1,994.43	38.03%	758.48

3.4 Plan for Profit Distribution or Capitalization of Capital Reserve

3.4.1 Implementation of profit distribution plan or adjustment thereto during the Reporting Period

Pursuant to the Company's profit distribution plan for 2012 which was considered and approved at the seventh meeting of the seventh session of the Board and the 2012 annual general meeting of the Company, a cash dividend of RMB0.60 (tax inclusive) for every 10 shares was paid to all shareholders of the Company on the basis of a total share capital of 655,015,000 shares as at 31 December 2012, with the total cash dividend distributed amounting to RMB39,300,900, and the remaining portion was to be carried forward to next year. The implementation of the profit distribution plan was fully completed. For details, please refer to the relevant announcements of the Company published in China Securities Journal, Shanghai Securities News and on the website of the Shanghai Stock Exchange on 28 March 2013, 21 May 2013 and 28 May 2013, respectively, and on the website of the Hong Kong Stock Exchange on 28 March 2013 and 20 May 2013.

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

The Company will not make any profit distribution or to convert any capital reserve into share capital for the first half of 2013.

3.5 During the Reporting Period, the Company complied with the relevant laws and regulations of the People's Republic of China including the Company Law and the Securities Law. In accordance with the rules governing corporate governance and proper operation issued by the CSRC and the Securities and Futures Commission of Hong Kong and the requirements of the listing rules of Shanghai Stock Exchange and the Hong Kong Stock Exchange, the Company continued to improve its corporate governance structure and internal rules and systems and further proceeded with the implementation of internal control standards with reference to its actual conditions, so as to enhance internal control and management and boost the standard operation level of the Company. The corporate governance practices of the Company were in full compliance with the requirements of the Company Law and relevant rules of the CSRC.

3.6 The audit committee and the senior management of the Company have reviewed the accounting principles and accounting standards and methods adopted by the Company, studied 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 27 March 2013 to review the Company's 2012 financial report and the summary report on the 2012 annual audit by the accounting firms and agreed to submit such reports to the Board for review. The re-appointment of Baker Tilly Hong Kong Limited as the Company's international auditors and Baker Tilly China (Special General Partnership) as the Company's domestic and internal control auditors for 2013 respectively was agreed at the meeting and relevant proposal was submitted to the Board for review.

Having reviewed the unaudited financial report of the Company for the six months ended 30 June 2013, 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.

3.7 Other Disclosures

3.7.1 Liquidity of capital

As shown in the consolidated financial statements of the Company prepared under the Hong Kong Financial Reporting Standards, as at 30 June 2013, the Company's gearing ratio (the ratio of total liabilities to total assets) was 32%; current liabilities amounted to RMB1,427 million; liquidity ratio was 2.09; quick ratio was 1.94; bank deposits and cash amounted to RMB1,761 million; and short-term bank loans amounted to RMB585 million.

During the Reporting Period, the benchmark interest rate on 1-year RMB loans from financial institutions was 6.00% from the beginning of the period to 30 June 2013.

3.7.2 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.

3.7.3 Pre-emptive rights

There is no provision for pre-emptive rights under the relevant laws of the PRC and the articles of association of the Company

3.7.4 Corporate Governance Code

During the Reporting Period, the Company has complied with the provisions under the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "Listing Rules").

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

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

3.7.6 Arrangements for purchase of shares or debentures by Directors, supervisors and senior management members

At no time during the year had the Company become a party to any arrangements which enabled the Directors, supervisors and senior management members of the Company or their spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other corporate bodies.

3.7.7 Directors' and senior management's liability insurance

As at the date of this report, the Company had purchased liability insurance for its Directors and senior management in compliance with the Rules Governing the Listing of Securities on the Main Board issued by the Hong Kong Stock Exchange.

IV. FINANCIAL STATEMENTS (PREPARED IN ACCORDANCE WITH THE PRC ACCOUNTING STANDARDS)

- (I) The financial statements of the Company for the Reporting Period are unaudited
- (II) Financial statements (prepared in accordance with the PRC Accounting Standards for Business Enterprises, unaudited)

Consolidated balance sheet

30 June 2013

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Assets	Closing balance	Opening balance
Current assets:		
Cash and bank balances	1,761,492,111.69	590,799,740.05
Settlement provisions	—	—
Placement with banks and other financial institutions	—	—
Trading financial assets	—	—
Bills receivable	52,872,101.57	37,673,756.21
Trade receivable	639,489,998.17	744,949,177.06
Prepayments	124,235,144.92	80,466,610.80
Premiums receivable	—	—
Reinsurance receivable	—	—
Reinsurance contract reserve	—	—
Interest receivable	—	—
Dividends receivable	3,129,203.60	—
Other receivables	40,813,698.80	49,014,039.75
Financial assets purchased for resale	—	—
Inventories	354,987,258.70	267,235,161.51
Non-current assets due within one year	—	—
Other current assets	—	—
Total current assets	<u>2,977,019,517.45</u>	<u>1,770,138,485.38</u>

Assets	Closing balance	Opening balance
Non-current assets:		
Entrusted loans and advances	—	—
Available-for-sale financial assets	—	—
Held-to-maturity investments	—	—
Long-term receivables	—	—
Long-term equity investment	691,174,039.09	592,266,738.55
Investment properties	—	—
Fixed assets	577,689,320.28	602,791,624.83
Construction in progress	122,119,847.84	58,622,146.44
Construction supplies	—	—
Clearance of fixed assets	—	—
Biological assets for production	—	—
Fuel assets	—	—
Intangible assets	84,972,123.27	86,309,861.12
Development expenses	—	—
Goodwill	—	—
Long term deferred expenses	—	—
Deferred income tax assets	6,117,059.72	6,127,251.58
Other non-current assets	—	—
	<hr/>	<hr/>
Total non-current assets	<u>1,482,072,390.20</u>	<u>1,346,117,622.52</u>
Total assets	<u>4,459,091,907.65</u>	<u>3,116,256,107.90</u>

*Legal representative of
the Company:*
Xia Dechuan

Chief Accountant:
Shen Jianlong

*Head of the Accounting
Department:*
Liu Xianfang

Liabilities and Shareholders' equity	Closing balance	Opening balance
Current liabilities:		
Short term loans	585,000,000.00	360,000,000.00
Borrowing from People's Bank of China ("PBOC")	—	—
Customer and interbank deposits	—	—
Borrowing from interbank market	—	—
Trading financial liabilities	—	—
Bills payable	50,350,701.77	288,335,481.41
Accounts payable	506,381,341.17	473,873,788.33
Advances from customers	115,147,690.77	110,450,931.40
Financial assets sold under repurchase agreements	—	—
Bank charges and Commissions due	—	—
Salaries payable	28,970,507.27	38,072,801.82
Taxes payable	7,514,338.68	28,925,190.14
Interest payable	735,203.89	521,752.78
Dividend payable	—	1,364,696.99
Other payables	132,712,563.25	122,107,902.54
Payables on reinsurance	—	—
Insurance contract reserves	—	—
Customer deposits for trading in securities	—	—
Customer deposits for securities underwriting	—	—
Non-current liabilities due within one year	—	—
Other current liabilities	—	—
Total current liabilities	<u>1,426,812,346.80</u>	<u>1,423,652,545.41</u>

Liabilities and Shareholders' equity	Closing balance	Opening balance
Non-current liabilities:		
Long term loans	—	—
Bonds payables	—	—
Long term payables	—	—
Specific payables	—	—
Accrued liabilities	—	—
Deferred income tax liabilities	272,460.77	311,720.39
Other non-current liabilities	—	—
	<u>272,460.77</u>	<u>311,720.39</u>
Total non-current liabilities	272,460.77	311,720.39
	<u>272,460.77</u>	<u>311,720.39</u>
Total liabilities	1,427,084,807.57	1,423,964,265.80
	<u>1,427,084,807.57</u>	<u>1,423,964,265.80</u>
Shareholders' equity:		
Share capital	913,838,529.00	655,015,000.00
Capital reserve	1,501,966,314.34	466,386,130.79
Less: treasury stock	—	—
Special reserve	—	—
Surplus reserve	220,739,998.89	220,739,998.89
General risk reserve	—	—
Undistributed profits	387,070,890.07	342,614,884.56
Discounted spread in foreign currency statement	—	—
	<u>3,023,615,732.30</u>	<u>1,684,756,014.24</u>
Sub-total of equity attributable to shareholders of the parent company	3,023,615,732.30	1,684,756,014.24
	<u>3,023,615,732.30</u>	<u>1,684,756,014.24</u>
Minority interests	8,391,367.78	7,535,827.86
	<u>8,391,367.78</u>	<u>7,535,827.86</u>
Total shareholders' equity	3,032,007,100.08	1,692,291,842.10
	<u>3,032,007,100.08</u>	<u>1,692,291,842.10</u>
Total liabilities and shareholders' equity	4,459,091,907.65	3,116,256,107.90
	<u>4,459,091,907.65</u>	<u>3,116,256,107.90</u>

*Legal representative of
the Company:*
Xia Dechuan

Chief Accountant:
Shen Jianlong

*Head of the Accounting
Department:*
Liu Xianfang

Consolidated profit and loss statement

January-June 2013

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Amount for the period	Amount for the same period last year
1. Total operating income	929,748,025.66	1,056,091,091.83
Include: Operating income	929,748,025.66	1,056,091,091.83
Interest income	—	—
Premiums earned	—	—
Income from Bank charges and Commissions	—	—
2. Total operating cost	972,939,312.07	1,105,060,749.25
Include: Operating cost	791,201,704.24	937,450,140.68
Interest expenses	—	—
Bank charges and Commissions	—	—
Insurance withdrawal payment	—	—
Net payment from indemnity	—	—
Net provisions for insurance contract	—	—
Insurance policy dividend paid	—	—
Reinsurance cost	—	—
Business taxes and surcharge	7,793,068.01	8,064,665.71
Selling expenses	20,273,191.38	15,551,193.53
Administrative expenses	138,000,485.42	127,984,889.76
Financial expenses	13,456,430.82	12,811,236.92
Loss in assets impairment	2,214,432.20	3,198,622.65
Add: Income from change in fair value (losses are represented by “-”)	—	—
Investment income (losses are represented by “-”)	112,036,504.14	101,385,914.10
Include: Investment income of associates and joint ventures	112,036,504.14	101,385,914.10
Exchange gain (losses are represented by “-”)	—	—

Items	Amount for the period	Amount for the same period last year
3. Operating profit		
(losses are represented by “-”)	68,845,217.73	52,416,256.68
Add: Non-operating income	13,034,612.91	7,244,192.61
Less: Non-operating expenses	1,853,860.48	336,549.46
Include: Loss from the disposal of non-current assets	—	—
4. Total Profit (losses are represented by “-”)	80,025,970.16	59,323,899.83
Less: Income tax	-4,586,475.27	4,556,501.68
5. Net Profit(losses are represented by “-”)	84,612,445.43	54,767,398.15
Profit attributable to the owners of the Parent company	83,756,905.51	52,170,438.39
Minority interests	855,539.92	2,596,959.76
6. Earnings per share:		
(1) Basic earnings per share	0.1265	0.0796
(2) Diluted earnings per share	0.1265	0.0796
7. Other comprehensive income:	—	—
8. Total comprehensive income:	84,612,445.43	54,767,398.15
Total comprehensive income attributable to the owners of the Parent company	83,756,905.51	52,170,438.39
Total comprehensive income attributable to minority shareholders	855,539.92	2,596,959.76
<i>Legal representative of the Company:</i> Xia Dechuan	<i>Chief Accountant:</i> Shen Jianlong	<i>Head of the Accounting Department:</i> Liu Xianfang

Consolidated statement of change of shareholders' equity

January-June 2013

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Amount for the period								Total shareholders' equity	
	Equity attributable to shareholders of the Parent company									
	Share capital	Capital Reserve	Less: treasury stock	Special Reserve	Surplus Reserve	Generic risk reserve	Undistributed Profits	Other	Minority interests	
1. Balance at the end of last year	655,015,000.00	466,386,130.79			220,739,998.89		342,614,884.56		7,535,827.86	1,692,291,842.10
Add: change in accounting policies										
Correction of Previous Errors										
2. Balance at the beginning of this year	655,015,000.00	466,386,130.79			220,739,998.89		342,614,884.56		7,535,827.86	1,692,291,842.10
3. Change of this year(a decrease is represented by "-")	258,823,529.00	1,035,580,183.55					44,456,005.51		855,539.92	1,339,715,257.98
(1) Net profit							83,756,905.51		855,539.92	84,612,445.43
(2) Other comprehensive income										
Subtotal of item (1) and (2) above							83,756,905.51		855,539.92	84,612,445.43
(3) Contribution and reduction of capital by shareholders	258,823,529.00	1,035,580,183.55								1,294,403,712.55
1. Capital contribution by shareholders	258,823,529.00	1,035,580,183.55								1,294,403,712.55
2. Amount settled by shares accounted for in shareholders' equity										
3. Others										
(4) Profit distribution							-39,300,900.00			-39,300,900.00
1. Transfer from surplus reserves										
2. Transfer from generic risk reserves										
3. Distribution to shareholders							-39,300,900.00			-39,300,900.00
4. Others										
(5) Internal transfer of shareholders' equity										
1. Transfer of capital reserve to share capital										
2. Transfer of surplus reserve to share capital										
3. Compensation of loss from surplus reserve										
4. Others										
(6) Transfer and use of special reserve										
1. Transfer in current period										
2. Use in current period										
(7) Others										
4. Balance at the end of the year	913,838,529.00	1,501,966,314.34			220,739,998.89		387,070,890.07		8,391,367.78	3,032,007,100.08

Legal representative of
the Company:
Xia Dechuan

Chief Accountant:
Shen Jianlong

Head of the Accounting
Department:
Liu Xianfang

Items	Amount for the same period last year									
	Equity attributable to shareholders of the Parent company									
	Share capital	Capital Reserve	Less: treasury stock	Special Reserve	Surplus Reserve	Generic risk reserve	Undistributed Profits	Other	Minority interests	Total shareholders' equity
1. Balance at the end of last year	655,015,000.00	467,473,413.43			208,218,564.46		256,332,969.10		8,401,641.80	1,595,441,588.79
Add: change in accounting policies										
Merger under Same Control										
2. Balance at the beginning of this year	655,015,000.00	467,473,413.43			208,218,564.46		256,332,969.10		8,401,641.80	1,595,441,588.79
3. Change of this year (a decrease is represented by "-")							19,419,688.39		257,709.22	19,677,397.61
(1) Net profit							52,170,438.39		2,596,959.76	54,767,398.15
(2) Other comprehensive income										
Subtotal of item (1) and 2) above							52,170,438.39		2,596,959.76	54,767,398.15
(3) Contribution and reduction of capital by shareholders										
1. Capital contribution by shareholders										
2. Amount settled by shares accounted for in shareholders' equity										
3. Others										
(4) Profit distribution							-32,750,750.00		-2,339,250.54	-35,090,000.54
1. Transfer from surplus reserves										
2. Transfer from generic risk reserves										
3. Distribution to shareholders							-32,750,750.00		-2,339,250.54	-35,090,000.54
4. Others										
(5) Internal transfer of shareholders' equity										
1. Transfer of capital reserve to share capital										
2. Transfer of surplus reserve to share capital										
3. Compensation of loss from surplus reserve										
4. Others										
(6) Transfer and use of special reserve										
1. Transfer in current period										
2. Use in current period										
(7) Others										
4. Balance at the end of the year	655,015,000.00	467,473,413.43			208,218,564.46		275,752,657.49		8,659,351.02	1,615,118,986.40

*Legal representative of
the Company:*
Xia Dechuan

Chief Accountant:
Shen Jianlong

*Head of the Accounting
Department:*
Liu Xianfang

Consolidated cash flow statement

January-June 2013

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Amount for the period	Amount for the same period last year
1. Cash flows from operating activities:		
Cash received from the sale of goods and rendering of services	1,069,211,488.54	1,043,697,611.62
Net increase in Customer and interbank deposits		
Net increase in borrowing from PBOC		
Net cash increase in borrowing from other financial institutions		
Cash received from premiums under original insurance contract		
Net cash received from reinsurance business		
Net increase in deposits of policy holders and investment		
Net increase in disposal of financial assets		
Cash received from interest, bank charges and commissions		
Net increase in cash borrowed		
Net increase in cash received from repurchase operation		
Refunds of taxes	7,682,534.90	22,040,644.13
Cash received from relating to other operating activities	147,947,943.25	35,691,980.32
Sub-total of cash inflows from operating activities	<u>1,224,841,966.69</u>	<u>1,101,430,236.07</u>

Items	Amount for the period	Amount for the same period last year
Cash paid on purchase of goods and services received	988,821,777.47	916,080,963.28
Net increase in loans and advances		
Net increase in deposits in PBOC and interbank		
Cash paid for compensation payments under original insurance contract		
Cash paid for Interest, bank charges and commissions		
Cash paid for insurance policy dividend		
Cash paid to and on behalf of employees	173,536,735.80	148,764,205.73
Cash paid for all types of taxes	58,014,010.93	51,394,853.76
Cash paid relating to other operating activities	86,696,863.66	84,726,179.37
Sub-total of cash outflows from operating activities	<u>1,307,069,387.86</u>	<u>1,200,966,202.14</u>
Net cash flows from operating activities	<u>-82,227,421.17</u>	<u>-99,535,966.07</u>

Items	Amount for the period	Amount for the same period last year
2. Cash flows from investing activities:		
Cash received from disposal of investments		
Cash received from return on investments	10,000,000.00	3,281,200.00
Net cash received from the disposal of fixed assets, intangible assets and other long term assets	734,647.20	132,907.69
Net cash received from disposal of subsidiaries and other operating entities		
Cash received relating to other investment activities		
	_____	_____
Sub-total of cash inflows from investing activities	<u>10,734,647.20</u>	<u>3,414,107.69</u>
Cash paid on purchase of fixed assets, intangible assets and other long term assets	99,831,870.65	33,809,596.94
Cash paid for acquisition of investments		
Net increase in secured loans		
Net cash paid on acquisition of subsidiaries and other operating entities		
Cash paid on other investment activities		
	_____	_____
Sub-total of cash outflows from investing activities	<u>99,831,870.65</u>	<u>33,809,596.94</u>
Net cash flows from investing activities	<u>-89,097,223.45</u>	<u>-30,395,489.25</u>

Items	Amount for the period	Amount for the same period last year
3. Cash flows from financing activities:		
Cash received from investment	1,298,239,997.92	
Including: cash received by subsidiaries from non-controlling shareholders' investment		
Cash received from borrowings	574,000,000.00	422,698,456.50
Cash received from issuing bonds		
Cash received from other financing activities		
Sub-total of cash inflows from financing activities	<u>1,872,239,997.92</u>	<u>422,698,456.50</u>
Cash paid on repayment of borrowings	349,000,000.00	274,228,221.90
Cash paid on distribution of dividends or profits, or interest expenses	56,433,400.51	32,890,235.01
Including: bonus and profit paid to non-controlling shareholders by subsidiaries	1,364,696.99	2,482,540.50
Cash paid on other financing activities	<u>1,127,547.13</u>	
Sub-total of cash outflows from financing activities	<u>406,560,947.64</u>	<u>307,118,456.91</u>
Net cash flows from financing activities	<u>1,465,679,050.28</u>	<u>115,579,999.59</u>

Items	Amount for the period	Amount for the same period last year
4. Effect of fluctuations in exchange rates on cash	<u>-102,640.07</u>	<u>78,698.91</u>
5. Net increase in cash and cash equivalents	1,294,251,765.59	-14,272,756.82
Add: balance of cash and cash equivalents at the beginning of the year	<u>378,040,300.31</u>	<u>343,783,370.28</u>
6. Balance of cash and cash equivalents at the end of the year	<u>1,672,292,065.90</u>	<u>329,510,613.46</u>

*Legal representative of
the Company:*
Xia Dechuan

Chief Accountant:
Shen Jianlong

*Head of the Accounting
Department:*
Liu Xianfang

Balance sheet

30 June 2013

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Assets	Closing balance	Opening balance
Current assets:		
Cash and bank	1,382,300,784.28	194,463,677.11
Settlement provisions		
Placement		
Trading financial assets		
Bills receivable	2,668,550.00	1,850,000.00
Trade receivable	138,317,613.63	231,416,087.32
Prepayments	1,700,282.26	4,385,426.29
Premiums receivable		
Reinsurance receivable		
Reinsurance contract reserve		
Interest receivable		
Dividends receivable	13,368,209.68	13,423,299.05
Other receivables	216,042,782.91	183,251,605.81
Financial assets purchased for resale		
Inventories	16,095,900.94	16,266,554.62
Non-current assets due within one year		
Other current assets		
Total current assets	<u>1,770,494,123.70</u>	<u>645,056,650.20</u>

Assets	Closing balance	Opening balance
Non-current assets:		
Entrusted loans and advances		
Available-for sale financial assets		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investment	1,357,467,831.98	1,258,560,531.44
Investment properties		
Fixed assets	405,745,259.96	415,060,414.27
Construction in progress	12,152,284.32	3,890,602.01
Construction supplies		
Clearance of fixed assets		
Biological assets for production		
Fuel assets		
Intangible assets	22,800,291.99	23,536,609.81
Development expenses		
Goodwill		
Long term deferred expenses		
Deferred income tax assets		
Other non-current assets		
	_____	_____
Total non-current assets	<u><u>1,798,165,668.25</u></u>	<u><u>1,701,048,157.53</u></u>
Total assets	<u><u>3,568,659,791.95</u></u>	<u><u>2,346,104,807.73</u></u>

*Legal representative of
the Company:*
Xia Dechuan

Chief Accountant:
Shen Jianlong

*Head of the Accounting
Department:*
Liu Xianfang

Liabilities and Shareholders' equity	Closing balance	Opening balance
Current liabilities:		
Short term loans	465,000,000.00	255,000,000.00
Borrowing from PBOC		
Customer and interbank deposits		
Borrowing from interbank		
Trading financial liabilities		
Bills payable	31,272,038.82	190,229,596.96
Accounts payable	48,256,320.87	82,446,535.37
Advances from customers	501,263.02	42,340.00
Financial assets sold under repurchase agreements		
Bank charges and Commissions due		
Salaries payable	14,724,850.96	15,676,136.45
Taxes payable	5,207,327.43	7,251,956.13
Interest payable	735,203.89	521,752.78
Dividend Payable		
Other payables	172,005,752.76	275,521,932.44
Reinsurers due		
Insurance contract reserves		
Security trading of agency		
Securities underwriting		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	<u>737,702,757.75</u>	<u>826,690,250.13</u>

Liabilities and Shareholders' equity	Closing balance	Opening balance
Non-current liabilities:		
Long term loans		
Bonds payables		
Long term payables		
Specific payables		
Accrued liabilities		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities		
Total liabilities	737,702,757.75	826,690,250.13
Shareholders' equity:		
Share capital	913,838,529.00	655,015,000.00
Capital reserve	1,470,969,585.14	435,389,401.59
Less: treasury stock		
Special reserve		
Surplus reserve	220,739,998.89	220,739,998.89
General risk reserve		
Undistributed profits	225,408,921.17	208,270,157.12
Discounted spread in foreign currency statement		
Total shareholders' equity	2,830,957,034.20	1,519,414,557.60
Total liabilities and shareholders' equity	3,568,659,791.95	2,346,104,807.73

*Legal representative of
the Company:*
Xia Dechuan

Chief Accountant:
Shen Jianlong

*Head of the Accounting
Department:*
Liu Xianfang

Profit and loss statement

January-June 2013

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Amount for the period	Amount for the same period last year
1. Total operating income	55,112,979.30	44,707,159.18
Include: Operating income	55,112,979.30	44,707,159.18
Interest income		
Premiums earned		
Income from Bank charges and Commissions		
2. Total operating cost	111,599,002.00	111,736,717.38
Include: Operating cost	33,293,517.67	30,518,889.91
Interest expenses		
Bank charges and Commissions		
Insurance withdrawal payment		
Net payment from indemnity		
Net provisions for insurance contract		
Insurance policy dividend paid		
Reinsurance cost		
Business taxes and surcharge	330,374.13	508,418.97
Selling expenses	6,890,243.25	3,722,997.39
Administrative expenses	62,526,005.67	71,519,616.74
Financial expenses	9,327,062.73	8,461,443.63
Loss in assets impairment	-768,201.45	-2,994,649.26
Add: Income from change in fair value (losses are represented by “-”)		
Investment income (losses are represented by “-”)	112,036,504.14	101,385,914.10
Include: Investment income of associates and joint ventures	112,036,504.14	101,385,914.10

Items	Amount for the period	Amount for the same period last year
Exchange gain (losses are represented by “-”)		
3. Operating profit (losses are represented by “-”)	55,550,481.44	34,356,355.90
Add: Non-operating income	1,012,451.19	704,418.77
Less: Non-operating expenses	123,268.58	127,336.76
Include: Loss from the disposal of non-current assets		
4. Total Profit (losses are represented by “-”)	56,439,664.05	34,933,437.91
Less: Income tax		
5. Net Profit(losses are represented by “-”)	56,439,664.05	34,933,437.91
6. Other comprehensive income		
7. Total comprehensive income	56,439,664.05	34,933,437.91

*Legal representative of
the Company:*
Xia Dechuan

Chief Accountant:
Shen Jianlong

*Head of the Accounting
Department:*
Liu Xianfang

Statement of change of shareholders' equity

January-June 2013

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Amount for the period							Total shareholders' equity	
	Share capital	Capital Reserve	Less: treasury stock	Special Reserve	Surplus Reserve	Generic risk reserve	Undistributed Profits		Other
1. Balance at the end of last year	655,015,000.00	435,389,401.59			220,739,998.89		208,270,157.12		1,519,414,557.60
Add: change in accounting policies Correction of Previous Errors									
2. Balance at the beginning of this year	655,015,000.00	435,389,401.59			220,739,998.89		208,270,157.12		1,519,414,557.60
3. Change of this year									
(a decrease is represented by "-")	258,823,529.00	1,035,580,183.55					17,138,764.05		1,311,542,476.60
(1) Net profit							56,439,664.05		56,439,664.05
(2) Other comprehensive income									
Subtotal of item (1) and (2) above							56,439,664.05		56,439,664.05
(3) Contribution and reduction of capital by shareholders	258,823,529.00	1,035,580,183.55							1,294,403,712.55
1. Capital contribution by shareholders	258,823,529.00	1,035,580,183.55							1,294,403,712.55
2. Amount settled by shares accounted for in shareholders' equity									
3. Others									
(4) Profit distribution							-39,300,900.00		-39,300,900.00
1. Transfer from surplus reserves									
2. Transfer from generic risk reserves									
3. Distribution to shareholders							-39,300,900.00		-39,300,900.00
4. Others									
(5) Internal transfer of shareholders' equity									
1. Transfer of capital reserve to share capital									
2. Transfer of surplus reserve to share capital									
3. Compensation of loss from surplus reserve									
4. Others									
(6) Transfer and use of special reserve									
1. Transfer in current period									
2. Use in current period									
(7) Others									
4. Balance at the end of the year	913,838,529.00	1,470,969,585.14			220,739,998.89		225,408,921.17		2,830,957,034.20

Legal representative of
the Company:
Xia Dechuan

Chief Accountant:
Shen Jianlong

Head of the Accounting
Department:
Liu Xianfang

Items	Amount for the same period last year							Total shareholders' equity
	Share capital	Capital Reserve	Less: treasury stock	Special Reserve	Surplus Reserve	Generic risk reserve	Undistributed Profits	
1. Balance at the end of last year	655,015,000.00	436,256,485.59			208,218,564.46		128,327,997.27	1,427,818,047.32
Add: change in accounting policies Correction of Previous Errors								
2. Balance at the beginning of this year	655,015,000.00	436,256,485.59			208,218,564.46		128,327,997.27	1,427,818,047.32
3. Change of this year (a decrease is represented by "-")							2,182,687.91	2,182,687.91
(1) Net profit							34,933,437.91	34,933,437.91
(2) Other comprehensive income								
Subtotal of item(1)and(2) above							34,933,437.91	34,933,437.91
(3) Contribution and reduction of capital by shareholders								
1. Capital contribution by shareholders								
2. Amount settled by shares accounted for in shareholders' equity								
3. Others								
(4) Profit distribution							-32,750,750.00	-32,750,750.00
1. Transfer from surplus reserves								
2. Transfer from generic risk reserves								
3. Distribution to shareholders							-32,750,750.00	-32,750,750.00
4. Others								
(5) Internal transfer of shareholders' equity								
1. Transfer of capital reserve to share capital								
2. Transfer of surplus reserve to share capital								
3. Compensation of loss from surplus reserve								
4. Others								
(6) Transfer and use of special reserve								
1. Transfer in current period								
2. Use in current period								
(7) Others								
4. Balance at the end of the year	655,015,000.00	436,256,485.59			208,218,564.46		130,510,685.18	1,430,000,735.23

*Legal representative of
the Company:*
Xia Dechuan

Chief Accountant:
Shen Jianlong

*Head of the Accounting
Department:*
Liu Xianfang

Consolidated cash flow statement

January-June 2013

Prepared by: Nanjing Panda Electronics Company Limited

Unit:RMB(Yuan)

Items	Amount for the period	Amount for the same period last year
1. Cash flows from operating activities:		
Cash received from the sale of goods and rendering of services	65,959,455.02	26,776,257.69
Net increase in Customer and interbank deposits		
Net increase in borrowing from PBOC		
Net cash increase in borrowing from other financial institute		
Cash received from premiums under original insurance contract		
Net cash received from reinsurance business		
Net increase in deposits of policy holders and investment		
Net increase in disposal of financial assets		
Cash received from interest, bank charges and commissions		
Net increase in cash borrowed		
Net increase in cash received from repurchase operation		
Refunds of taxes		
Cash received from relating to other operating activities	167,946,863.24	51,492,462.05
Sub-total of cash inflows from operating activities	233,906,318.26	78,268,719.74

Items	Amount for the period	Amount for the same period last year
Cash paid on purchase of goods and services received	207,527,606.56	21,991,384.59
Net increase in loans and advances		
Net increase in deposits in PBOC and interbank		
Cash paid for compensation payments under original insurance contract		
Cash paid for Interest, bank charges and commissions		
Cash paid for insurance policy dividend		
Cash paid to and on behalf of employees	38,123,824.90	28,523,903.66
Cash paid for all types of taxes	1,834,615.38	3,554,856.54
Cash paid relating to other operating activities	177,171,501.38	81,506,983.07
Sub-total of cash outflows from operating activities	<u>424,657,548.22</u>	<u>135,577,127.86</u>
Net cash flows from operating activities	<u>-190,751,229.96</u>	<u>-57,308,408.12</u>

Items	Amount for the period	Amount for the same period last year
2. Cash flows from investing activities:		
Cash received from disposal of investments		
Cash received from return on investments	13,184,292.97	721,957.17
Net cash received from the disposal of fixed assets, intangible assets and other long term assets	141,651.70	
Net cash received from disposal of subsidiaries and other operating entities		
Cash received relating to other investment activities		
Sub-total of cash inflows from investing activities	<u>13,325,944.67</u>	<u>721,957.17</u>
Cash paid on purchase of fixed assets, intangible assets and other long term assets	8,869,671.31	22,695,682.45
Cash paid for acquisition of investments		89,381,394.60
Net increase in secured loans		
Net cash paid on acquisition of subsidiaries and other operating entities		
Cash paid on other investment activities		
Sub-total of cash outflows from investing activities	<u>8,869,671.31</u>	<u>112,077,077.05</u>
Net cash flows from investing activities	<u>4,456,273.36</u>	<u>-111,355,119.88</u>

Items	Amount for the period	Amount for the same period last year
3. Cash flows from financing activities:		
Cash received from investment	1,298,239,997.92	
Including: cash received by subsidiaries from non-controlling shareholders' investment		
Cash received from borrowings	515,000,000.00	360,000,000.00
Cash received from issuing bonds		
Cash received from other financing activities		
Sub-total of cash inflows from financing activities	<u>1,813,239,997.92</u>	<u>360,000,000.00</u>
Cash paid on repayment of borrowings	305,000,000.00	170,000,000.00
Cash paid on distribution of dividends or profits, or interest expenses	51,445,232.90	26,904,587.80
Including: bonus and profit paid to non-controlling shareholders by subsidiaries		
Cash paid on other financing activities	<u>1,127,547.13</u>	
Sub-total of cash outflows from financing activities	<u>357,572,780.03</u>	<u>196,904,587.80</u>
Net cash flows from financing activities	<u>1,455,667,217.89</u>	<u>163,095,412.20</u>

Items	Amount for the period	Amount for the same period last year
4. Effect of fluctuations in exchange rates on cash	-98.78	-12.60
5. Net increase in cash and cash equivalents	1,269,372,162.51	-5,568,128.40
Add: balance of cash and cash equivalents at the beginning of the year	79,348,878.62	58,995,526.58
6. Balance of cash and cash equivalents at the end of the year	1,348,721,041.13	53,427,398.18

*Legal representative of
the Company:*
Xia Dechuan

Chief Accountant:
Shen Jianlong

*Head of the Accounting
Department:*
Liu Xianfang

V. DOCUMENTS AVAILABLE FOR INSPECTION

1. The financial report signed and stamped by the person in charge of the Company, the person in charge of accounting work and the person in charge of the Accounting Department (person in charge of accounting matters) of the Company;
2. All announcements publicly disclosed in Shanghai Securities News and China Securities Journal and on the websites of the Shanghai Stock Exchange and the Hong Kong Stock Exchange in the Reporting Period; and
3. The 2013 Interim Report published in Hong Kong and Shanghai securities markets.

By Order of the Board of Directors
Nanjing Panda Electronics Company Limited
Lai Weide
Chairman

Nanjing, the People's Republic of China
30 August 2013

As at the date of this announcement, the board of directors comprises Executive Directors: Mr. Lai Weide and Mr. Xu Guofei; Non-executive Directors: Mr. Deng Weiming, Mr. Lu Qing and Mr. Jason Hsuan; and Independent Non-executive Directors: Ms. Zhang Xiuhua, Ms. Liu Danping and Mr. Chu Wai Tsun, Vincent.