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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)

2017 FIRST QUARTERLY REPORT

I. IMPORTANT NOTICE

- 1.1 The board of directors (the “**Board**”), the supervisory committee, and the directors, supervisors, and senior management of Nanjing Panda Electronics Company Limited (the “**Company**”) confirm that the information in this quarterly report is truthful, accurate and complete, does not contain any misrepresentation, misleading statement, or material omission, and severally and jointly accept responsibility.
- 1.2 All directors of the Company attended the Board meeting to consider the quarterly report.
- 1.3 Mr. Xia Dechuan, the responsible person of the Company, Mr. Shen Jianlong, the Chief Accountant, and Ms. Liu Xianfang, the Manager of Finance Department of the Company have declared the truthfulness, accuracy and completeness of the financial statements contained in the quarterly report.
- 1.4 The Company’s financial statements for the first quarter were unaudited.

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

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

Unit: RMB (Yuan)

	As at the end of the reporting period (31 March 2017)	As at the end of the previous year (31 December 2016)	Changes from the end of the previous year (%)
Total assets	5,395,206,071.61	5,239,976,417.98	2.96
Net assets attributable to shareholders of the Company	3,331,004,168.26	3,320,270,553.39	0.32
	From the beginning of the year to the end of the reporting period (January–March 2017)	From the beginning of the previous year to the end of the reporting period of the previous year (January–March 2016)	Changes as compared to the corresponding period of the previous year (%)
Net cash flows from operating activities	167,124,080.65	47,658,668.01	250.67
	From the beginning of the year to the end of the reporting period (January–March 2017)	From the beginning of the previous year to the end of the reporting period of the previous year (January–March 2016)	Changes as compared to the corresponding period of the previous year (%)
Operating income	857,996,924.18	692,513,313.37	23.90
Net profit attributable to shareholders of the Company	10,733,614.87	37,909,364.42	-71.69
Net profit attributable to shareholders of the Company after extraordinary items	2,770,847.78	21,234,468.83	-86.95
Return on net assets (weighted average) (%)	0.32	1.15	Decreased by 0.83 percentage point
Basic earnings per share (yuan/share)	0.0117	0.0415	-71.81
Diluted earnings per share (yuan/share)	0.0117	0.0415	-71.81

Extraordinary items and amounts

Unit: RMB (Yuan)

Item	Amount for the period	Explanation
Profit and loss from disposal of non-current assets	-39,215.91	
Government subsidiaries accounted for as current profit and loss (except for government grants which are closely related to normal business of the Company, conformed to requirements of State policy, and granted continuously according to certain standardised amounts or quotas)	6,913,450.00	Mainly due to the receipt of special funds for the development of newly emerging industries
Gain/loss from entrusted investment or asset management	2,501,805.85	Mainly due to the gains arising from cash management by using temporarily idle funds
Non-operating income and expenses other than the aforesaid items	-419,093.43	
Impact on minority interest (after-tax)	23,558.03	
Impact on income tax	-1,017,737.45	
Total	<u>7,962,767.09</u>	

2.2 Total number of shareholders, shareholdings of the top 10 shareholders and top 10 shareholders of circulating shares (shareholders of tradable shares not subject to trading moratorium) as at the end of the reporting period (31 March 2017)

Unit: Share

Total number of shareholders 35,645

Shareholdings of the top 10 shareholders

Full name of shareholders	Number of shares held as at the end of the reporting period	Percentage (%)	Total number of tradable shares held subject to trading moratorium	Pledged or frozen		Nature of shareholder
				Status of share	Number	
HKSCC (Nominees) Limited	241,397,570	26.42	0	Unknown		Overseas legal person
Panda Electronics Group Limited	210,661,444	23.05	0	Pledged	93,880,000	State-owned legal person
China Huarong Asset Management Co., Ltd. (中國華融資產管理股份有限公司)	82,811,667	9.06	0	Unknown		State-owned legal person
Nanjing Electronics Information Industrial Corporation	63,302,611	6.93	0	Unknown		State-owned legal person
China Great Wall Asset Management Corporation (中國長城資產管理公司)	14,172,397	1.55	0	Unknown		State-owned legal person
South Industry Assets Management Co., Ltd. (南方工業資產管理有限責任公司)	4,800,000	0.53	0	Unknown		State-owned legal person
Xi Caixia (奚彩霞)	4,428,322	0.48	0	Unknown		Domestic natural person
National Social Security Fund Combination 114 (全國社保基金一一四組合)	4,396,527	0.48	0	Unknown		Other
Li Na (李娜)	4,212,578	0.46	0	Unknown		Domestic natural person
Huang Liangfu (黃亮富)	4,148,825	0.45	0	Unknown		Domestic natural person

Shareholdings of the top 10 holders of shares not subject to trading moratorium

Name of shareholders	Number of shares held not subject to trading moratorium	Class and number of shares	
		Class	Number
HKSCC (Nominees) Limited	241,397,570	Overseas listed foreign shares	241,397,570
Panda Electronics Group Limited (“PEGL”)	210,661,444	RMB denominated ordinary shares	210,661,444
China Huarong Asset Management Co., Ltd. (中國華融資產管理股份有限公司)	82,811,667	RMB denominated ordinary shares	82,811,667
Nanjing Electronics Information Industrial Corporation (“NEIIC”)	63,302,611	RMB denominated ordinary shares	49,534,611
		Overseas listed foreign shares	13,768,000
China Great Wall Asset Management Corporation (中國長城資產管理公司)	14,172,397	RMB denominated ordinary shares	14,172,397
South Industry Assets Management Co., Ltd. (南方工業資產管理有限責任公司)	4,800,000	RMB denominated ordinary shares	4,800,000
Xi Caixia (奚彩霞)	4,428,322	RMB denominated ordinary shares	4,428,322
National Social Security Fund Combination 114 (全國社保基金一一四組合)	4,396,527	RMB denominated ordinary shares	4,396,527
Li Na (李娜)	4,212,578	RMB denominated ordinary shares	4,212,578
Huang Liangfu (黃亮富)	4,148,825	RMB denominated ordinary shares	4,148,825

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

NEIIC holds 100% equity interests of PEGL, the controlling shareholder of the Company. NEIIC holds, directly and through asset management plans, 49,534,611 A shares and 13,768,000 H shares of the Company, representing 6.93% 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 29.98% equity interests of the Company. Save as the above, the Company is not aware of any connected relationship or party acting in concert among the other shareholders.

Notes:

- (1) PEGL completed the registration procedures of the share pledge with Shanghai Branch of China Securities Depository and Clearing Corporation Limited on 24 March 2016 and 93,880,000 shares out of the 210,661,444 A shares held by PEGL were pledged, representing 10.27% of the total share capital of the Company. PEGL completed the registration procedures of the share release with Shanghai Branch of China Securities Depository and Clearing Corporation Limited on 17 April 2017 and 93,880,000 shares were released, representing 10.27% of the total share capital of the Company. Upon the release of these shares, no shares of the Company were pledged. 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 26 March 2016 and 19 April 2017, and on the website of the Hong Kong Stock Exchange on 28 March 2016 and 18 April 2017, respectively.
- (2) HKSCC (Nominees) Limited held 241,397,570 H shares of the Company, representing 26.42% of the issued share capital of the Company, on behalf of several clients. The Company is not aware of any individual client holding more than 5% of the issued share capital of the Company.

2.3 Total number of holders of preference shares, top 10 holders of preference shares and top 10 holders of preference shares (not subject to trading moratorium) as at the end of the reporting period

Applicable Not applicable

III. SIGNIFICANT EVENTS

3.1 Significant changes in items in the principal financial statements and financial indicators of the Company and the reasons

(1) Major changes in items of balance sheet and the reasons therefor

Unit: RMB (Yuan)

Items	31 March 2017	31 December 2016	Changes (%)	Explanation
Prepayments	234,942,565.87	143,140,748.06	64.13	Mainly due to the prepayments for purchase of materials in the period
Other current assets	449,214,607.87	259,018,893.89	73.43	Mainly due to increase in purchase of wealth management products in the period
Construction in progress	5,213,614.85	1,502,221.31	247.06	Mainly due to purchase of equipment awaiting installation and acceptance in the period
Tax payables	22,223,831.20	46,593,961.13	-52.30	Mainly due to the decrease in VAT payable in the period
Other current liabilities	14,400,000.00	9,700,000.00	48.45	Mainly due to the receipt of government subsidy in the period

(2) Major changes in items of income statement and of cash flow statement and the reasons therefor

Unit: RMB (Yuan)

Items	Amount for the period (January-March 2017)	Amount for the same period last year (January-March 2016)	Changes (%)	Reasons
Loss in assets impairment	1,144,882.36	602,566.65	90.00	Mainly due to provision for impairment of inventories made in the period
Investment income	23,844,002.87	57,366,375.94	-58.44	Mainly due to the decrease in associates' profit during the period
Non-operating income	8,976,936.70	15,948,418.57	-43.71	Mainly due to decrease in government subsidy recognized in the period as compared to the same period last year
Non-operating expenses	653,346.56	110,525.94	491.13	Mainly including payments for the proprietary warranty fund
Net cash flows from operating activities	167,124,080.65	47,658,668.01	250.67	Mainly due to the recovery of payment from sale of commodities in the period
Net cash flows from investment activities	-195,079,009.28	-20,897,963.75	N/A	Mainly due to the purchase of wealth management products of banks in the period
Net cash flows from financing activities	-4,056,902.38	-448,258.26	N/A	Mainly due to the dividends paid by the subsidiaries to its minority shareholders in the period

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

Applicable Not applicable

3.3 Undertakings not being fully performed during the reporting period

Applicable Not applicable

3.4 Warnings on any potential loss in accumulated net profit for the period from the beginning of the year to the end of next reporting period or any material changes as compared to the corresponding period of last year and the explanations thereof

Applicable Not applicable

By order of the Board
Nanjing Panda Electronics Company Limited
Xu Guofei
Chairman

Nanjing, the People's Republic of China
28 April 2017

As at the date of this announcement, the Board comprises Executive Directors: Mr. Xu Guofei, Mr. Chen Kuanyi and Mr. Xia Dechuan; Non-executive Directors: Mr. Lu Qing, Mr. Deng Weiming and Mr. Gao Gan; and Independent Non-executive Directors: Ms. Du Jie, Mr. Chu Wai Tsun, Vincent and Mr. Zhang Chun.

IV. APPENDIX

2017 first quarterly financial statements (unaudited) (prepared in accordance with the PRC Accounting Standards for Business Enterprises)

CONSOLIDATED BALANCE SHEET

31 March 2017

(In RMB, unless otherwise stated)

Item	Closing balance	Opening balance
Current assets:		
Cash and bank balances	1,263,609,544.06	1,301,802,896.46
Financial assets at fair value through profit and loss		
Derivative financial assets		
Bills receivable	256,960,926.04	312,972,457.59
Accounts receivables	1,137,977,223.25	1,238,735,984.06
Prepayments	234,942,565.87	143,140,748.06
Interest receivable		
Dividends receivable	734,006.77	
Other receivables	84,825,490.17	77,676,184.19
Inventories	494,460,528.77	438,042,391.88
Assets classified as held for sale		
Non-current assets due within one year		
Other current assets	449,214,607.87	259,018,893.89
Total current assets	<u>3,922,724,892.80</u>	<u>3,771,389,556.13</u>

Item	Closing balance	Opening balance
Non-current assets:		
Available-for-sale financial assets	3,650,000.00	3,650,000.00
Held-to-maturity investments		
Long-term receivables		
Long-term equity investment	383,684,313.99	363,076,123.14
Investment properties	8,209,467.56	8,469,941.94
Fixed assets	961,209,704.10	978,971,199.52
Construction in progress	5,213,614.85	1,502,221.31
Construction supplies		
Clearance of fixed assets		
Biological assets for production		
Fuel assets		
Intangible assets	95,723,187.37	97,142,326.93
Development expenses		
Goodwill		
Long-term deferred expenses	6,084,120.81	6,995,346.87
Deferred income tax assets	8,706,770.13	8,779,702.14
Other non-current assets		
	_____	_____
Total non-current assets	<u>1,472,481,178.81</u>	<u>1,468,586,861.85</u>
Total assets	<u>5,395,206,071.61</u>	<u>5,239,976,417.98</u>

Item	Closing balance	Opening balance
Current liabilities:		
Short-term loans	40,000,000.00	40,000,000.00
Financial liabilities at fair value through profit and loss		
Derivative financial liabilities		
Bills payable	160,072,690.21	143,691,812.27
Accounts payables	1,225,820,987.23	1,108,431,550.84
Advances from customers	157,558,806.72	132,694,559.25
Salaries payable	22,510,713.90	32,087,847.95
Taxes payable	22,223,831.20	46,593,961.13
Interest payable	23,835.62	23,835.62
Dividends payable	18,517,135.59	18,529,612.95
Other payables	162,598,628.13	156,096,869.24
Liabilities classified as held for sale		
Non-current liabilities due within one year		
Other current liabilities	14,400,000.00	9,700,000.00
Total current liabilities	<u>1,823,726,628.60</u>	<u>1,687,850,049.25</u>

Item	Closing balance	Opening balance
Non-current liabilities:		
Long-term loans		
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Long-term payables		
Long-term employee salary payable	31,817,102.47	32,673,991.19
Specific payables		
Accrued liabilities		
Deferred income	8,684,892.07	8,918,416.06
Deferred income tax liabilities	129,790.17	133,560.55
Other non-current liabilities		
	-----	-----
Total non-current liabilities	<u>40,631,784.71</u>	<u>41,725,967.80</u>
Total liabilities	<u>1,864,358,413.31</u>	<u>1,729,576,017.05</u>

Item	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	1,464,133,820.05	1,464,133,820.05
Less: Treasury stock		
Other comprehensive income		
Special reserve		
Surplus reserve	251,825,696.34	251,825,696.34
Undistributed profits	701,206,122.87	690,472,508.00
Total equity attributable to the owners of the parent company	3,331,004,168.26	3,320,270,553.39
Minority interests	199,843,490.04	190,129,847.54
	<hr/>	<hr/>
Total owners' equity	3,530,847,658.30	3,510,400,400.93
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Total liabilities and owners' equity	5,395,206,071.61	5,239,976,417.98
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Legal Representative:
Xia Dechuan

*Person in charge of
accounting work:*
Shen Jianlong

*Person in charge of the
Accounting Department:*
Liu Xianfang

BALANCE SHEET*31 March 2017**(In RMB, unless otherwise stated)*

Item	Closing balance	Opening balance
Current assets:		
Cash and bank balances	194,853,522.32	335,229,528.49
Financial assets at fair value through profit and loss		
Derivative financial assets		
Bills receivable	2,670,950.00	500,000.00
Accounts receivables	63,220,843.87	82,209,934.77
Prepayments	1,851,063.56	1,392,109.95
Interest receivable		
Dividends receivable	973,887.56	973,887.56
Other receivables	293,592,965.33	299,788,984.63
Inventories	24,609,293.66	22,671,565.47
Assets classified as held for sale		
Non-current assets due within one year		
Other current assets	383,367,253.34	251,918,151.96
Total current assets	<u>965,139,779.64</u>	<u>994,684,162.83</u>

Item	Closing balance	Opening balance
Non-current assets:		
Available-for-sale financial assets	3,650,000.00	3,650,000.00
Held-to-maturity investments		
Long-term receivables		
Long-term equity investment	1,833,448,739.34	1,812,280,797.69
Investment properties		
Fixed assets	343,626,197.37	347,915,255.17
Construction in progress	90,564.10	90,564.10
Construction supplies		
Clearance of fixed assets		
Biological assets for production		
Fuel assets		
Intangible assets	13,058,187.95	13,263,376.11
Development expenses		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets		
Other non-current assets		
	_____	_____
Total non-current assets	<u><u>2,193,873,688.76</u></u>	<u><u>2,177,199,993.07</u></u>
Total assets	<u><u>3,159,013,468.40</u></u>	<u><u>3,171,884,155.90</u></u>

Item	Closing balance	Opening balance
Current liabilities:		
Short-term loans		
Financial liabilities at fair value through profit and loss		
Derivative financial liabilities		
Bills payable	4,184,701.33	7,625,755.82
Accounts payables	36,092,661.15	52,121,083.74
Advances from customers	56,250.00	8,000.00
Salaries payable	3,784,901.76	2,369,247.78
Taxes payable	13,301,083.66	12,893,940.75
Interest payable		
Dividends payable		
Other payables	227,823,956.98	225,378,937.26
Liabilities classified as held for sale		
Non-current liabilities due within one year		
Other current liabilities	900,000.00	900,000.00
	<hr/>	<hr/>
Total current liabilities	286,143,554.88	301,296,965.35
	<hr/> <hr/>	<hr/> <hr/>

Item	Closing balance	Opening balance
Non-current liabilities:		
Long-term loans		
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Long-term payables		
Long-term employee salary payable	3,885,396.33	4,079,302.51
Specific payables		
Accrued liabilities		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
	_____	_____
Total non-current liabilities	<u><u>3,885,396.33</u></u>	<u><u>4,079,302.51</u></u>
Total liabilities	<u><u>290,028,951.21</u></u>	<u><u>305,376,267.86</u></u>

CONSOLIDATED INCOME STATEMENT

January–March 2017

(In RMB, unless otherwise stated)

Item	Amount for the period	Amount for the same period last year
I. Operating income	857,996,924.18	692,513,313.37
II. Total operating cost	863,226,465.19	709,553,656.36
Including: Operating cost	748,568,722.73	591,614,707.34
Taxes and surcharges	6,697,140.04	8,946,544.85
Selling expenses	11,593,161.48	10,736,629.20
Administrative expenses	97,003,121.94	99,894,345.72
Financial expenses	-1,780,563.36	-2,241,137.40
Loss on assets impairment	1,144,882.36	602,566.65
Add: Gain from change in fair value		
Investment income	23,844,002.87	57,366,375.94
Including: Income from investment in associates and joint ventures	21,342,197.02	53,933,611.55
III. Operating profit (losses are represented by “-”)	18,614,461.86	40,326,032.95
Add: Non-operating income	8,976,936.70	15,948,418.57
Including: Gains from the disposal of non-current assets		34,703.18
Less: Non-operating expenses	653,346.56	110,525.94
Including: Loss from the disposal of non-current assets	39,215.91	
IV. Total profit (total losses are represented by “-”)	26,938,052.00	56,163,925.58
Less: Income tax	6,490,794.63	7,794,528.82
V. Net profit (net losses are represented by “-”)	20,447,257.37	48,369,396.76
Including: Net profit attributable to the equity holders of the parent company	10,733,614.87	37,909,364.42
Minority interests	9,713,642.50	10,460,032.34

Item	Amount for the period	Amount for the same period last year
VI. Net other comprehensive income after tax		
Net other comprehensive income after tax attributable to owners of the parent company	–	–
(I) Other comprehensive income that cannot be reclassified to profit and loss in subsequent periods	–	–
1. Changes in net liabilities or net assets arising from the re-measurement of defined benefit plans	–	–
2. Share of other comprehensive income of investee that cannot be subsequently reclassified to profit and loss under equity method	–	–
(II) Other comprehensive income that will be subsequently reclassified to profit and loss	–	–
1. Share of other comprehensive income of investee that will be subsequently reclassified to profit and loss under equity method	–	–
2. Gains and losses from changes in fair value of available-for-sale financial assets	–	–
3. Gains and losses from held-to- maturity investment reclassified as available-for-sale financial assets	–	–
4. Effective part of hedging gains and losses from cash flows	–	–
5. Exchange differences from retranslation of financial statements	–	–
6. Others	–	–
Net other comprehensive income after tax attributable to minority shareholders		
VII. Total comprehensive income	20,447,257.37	48,369,396.76
Total comprehensive income attributable to the equity holders of the parent company	10,733,614.87	37,909,364.42
Total comprehensive income attributable to minority shareholders	9,713,642.50	10,460,032.34

Item	Amount for the period	Amount for the same period last year
VIII. Earnings per share		
(I) Basic earnings per share	0.0117	0.0415
(II) Diluted earnings per share	0.0117	0.0415
<i>Legal Representative:</i> Xia Dechuan	<i>Person in charge of account work:</i> Shen Jianlong	<i>Person in charge of the accounting department:</i> Liu Xianfang

INCOME STATEMENT

January–March 2017

(In RMB, unless otherwise stated)

Item	Amount for the period	Amount for the same period last year
I. Operating income	16,085,076.76	31,160,470.38
Less: Operating cost	7,085,707.31	17,566,986.12
Taxes and surcharges	1,773,797.41	778,971.87
Selling expenses	1,043,907.20	1,205,809.25
Administrative expenses	28,467,867.20	32,995,164.68
Financial expenses	-1,382,730.92	-579,412.12
Loss on assets impairment		560,457.18
Add: Gain from change in fair value		
Investment income	23,373,150.24	56,624,171.69
Including: Income from investment in associates and joint ventures	21,167,941.65	53,824,292.23
II. Operating profit	2,469,678.80	35,256,665.09
Add: Non-operating income	78,736.42	19,306.41
Including: Gain from the disposal of non-current assets		256.41
Less: Non-operating expenses	71,786.07	
Including: Loss from the disposal of non-current assets		
III. Total profit	2,476,629.15	35,275,971.50
Less: Income tax		
IV. Net profit	2,476,629.15	35,275,971.50

Item	Amount for the period	Amount for the same period last year
V. Net other comprehensive income after tax		
(I) Other comprehensive income that cannot be reclassified to profit and loss in subsequent periods	-	-
1. Changes in net liabilities or net assets arising from the re-measurement of defined benefit plans	-	-
2. Share of other comprehensive income of investee that cannot be subsequently reclassified to profit and loss under equity method	-	-
(II) Other comprehensive income that will be subsequently reclassified to profit and loss	-	-
1. Share of other comprehensive income of investee that will be subsequently reclassified to profit and loss under equity method	-	-
2. Gains and losses from changes in fair value of available-for-sale financial assets	-	-
3. Gains and losses from held-to-maturity investment reclassified as available-for-sale financial assets	-	-
4. Effective part of hedging gains and losses from cash flows	-	-
5. Exchange differences from retranslation of financial statements	-	-
6. Others	-	-
VI. Total comprehensive income	2,476,629.15	35,275,971.50
VII. Earnings per share		
(I) Basic earnings per share	-	-
(II) Diluted earnings per share	-	-

Legal Representative:
Xia Dechuan

*Person in charge of
account work:*
Shen Jianlong

*Person in charge of the
accounting department:*
Liu Xianfang

CONSOLIDATED CASH FLOW STATEMENT

January–March 2017

(In RMB, unless otherwise stated)

Item	Amount for the period	Amount for the same period last year
I. Cash flows from operating activities:		
Cash received from the sale of goods and rendering of services	1,084,165,670.88	742,484,931.72
Refunds of taxes	22,483,782.05	19,962,105.81
Cash received relating to other operating activities	70,713,846.14	51,418,295.81
Sub-total of cash inflows from operating activities	1,177,363,299.07	813,865,333.34
Cash paid for purchase of goods and services received	746,719,177.99	561,672,801.12
Cash paid to and on behalf of employees	119,532,071.77	116,248,320.84
Cash paid for all types of taxes	59,397,769.70	47,763,389.62
Cash paid relating to other operating activities	84,590,198.96	40,522,153.75
Sub-total of cash outflows from operating activities	1,010,239,218.42	766,206,665.33
Net cash flows from operating activities	167,124,080.65	47,658,668.01

Item	Amount for the period	Amount for the same period last year
II. Cash flows from investing activities:		
Cash received from disposal of investments		
Cash received from return on investments	2,501,805.85	3,432,764.39
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		93,000.00
Net cash received from disposal of subsidiaries and other operating entities		
Cash received relating to other investment activities	484,000,000.00	500,000,000.00
Sub-total of cash inflows from investing activities	486,501,805.85	503,525,764.39
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	13,580,815.13	24,123,728.14
Cash paid for investments		300,000.00
Net cash paid for acquisition of subsidiaries and other operating entities		
Cash paid on other investment activities	668,000,000.00	500,000,000.00
Sub-total of cash outflows from investing activities	681,580,815.13	524,423,728.14
Net cash flows from investing activities	-195,079,009.28	-20,897,963.75

Item	Amount for the period	Amount for the same period last year
III. Cash flows from financing activities:		
Cash received from investments	-	-
Including: Cash received by subsidiaries from minority shareholders' investment	-	-
Cash received from borrowings	-	-
Cash received from other financing activities	-	-
Sub-total of cash inflows from financing activities	-	-
Cash paid on repayment of borrowings	-	-
Cash paid on distribution of dividends or profits, or interest expenses	4,056,902.38	448,258.26
Including: Dividend and profit paid to minority shareholders by subsidiaries	4,056,902.38	448,258.26
Cash paid on other financing activities	-	-
Sub-total of cash outflows from financing activities	4,056,902.38	448,258.26
Net cash flows from financing activities	-4,056,902.38	-448,258.26
IV. Effect of fluctuations in exchange rates on cash and cash equivalents	-382,732.28	45,837.59
V. Net increase in cash and cash equivalents	-32,394,563.29	26,358,283.59
Add: Balance of cash and cash equivalents at the beginning of the period	1,141,683,919.27	853,805,263.06
VI. Balance of cash and cash equivalents at the end of the period	1,109,289,355.98	880,163,546.65

*Person in charge of
accounting work:*
Xia Dechuan

*Legal Representative of
the Company:*
Shen Jianlong

*Person in charge of the
Accounting Department:*
Liu Xianfang

CASH FLOW STATEMENT

January–March 2017

(In RMB, unless otherwise stated)

Item	Amount for the period	Amount for the same period last year
I. Cash flows from operating activities:		
Cash received from the sale of goods and rendering of services	32,883,297.74	29,903,902.15
Refunds of taxes		
Cash received relating to other operating activities	12,083,280.93	22,399,052.39
Sub-total of cash inflows from operating activities	44,966,578.67	52,302,954.54
Cash paid for purchase of goods and services received	11,869,410.42	16,865,626.21
Cash paid to and on behalf of employees	19,619,138.11	16,139,288.35
Cash paid for all types of taxes	1,857,320.46	2,026,877.56
Cash paid relating to other operating activities	20,982,476.16	54,357,605.26
Sub-total of cash outflows from operating activities	54,328,345.15	89,389,397.38
Net cash flows from operating activities	-9,361,766.48	-37,086,442.84

Item	Amount for the period	Amount for the same period last year
II. Cash flows from investing activities:		
Cash received from disposal of investments		
Cash received from return on investments	1,674,383.96	2,799,879.46
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from disposal of subsidiaries and other operating entities		
Cash received relating to other investment activities	<u>374,000,000.00</u>	<u>325,000,000.00</u>
Sub-total of cash inflows from investing activities	<u>375,674,383.96</u>	<u>327,799,879.46</u>
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	355,711.42	347,344.93
Cash paid for investments		
Net cash paid for acquisition of subsidiaries and other operating entities		
Cash paid on other investment activities	<u>505,000,000.00</u>	<u>300,000,000.00</u>
Sub-total of cash outflows from investing activities	<u>505,355,711.42</u>	<u>300,347,344.93</u>
Net cash flows from investing activities	<u><u>-129,681,327.46</u></u>	<u><u>27,452,534.53</u></u>

Item	Amount for the period	Amount for the same period last year
III. Cash flows from financing activities:		
Cash received from investments	-	-
Cash received from borrowings	-	-
Cash received from other financing activities	-	-
Sub-total of cash inflows from financing activities	-	-
Cash paid on repayment of borrowings	-	-
Cash paid on distribution of dividends, profits, or interest expenses	-	-
Cash paid on other financing activities	-	-
Sub-total of cash outflows from financing activities	-	-
Net cash flows from financing activities	-	-
IV. Effect of fluctuations in exchange rates on cash and cash equivalents	-5,447.94	-32.45
V. Net increase in cash and cash equivalents	-139,048,541.88	-9,633,940.76
Add: Balance of cash and cash equivalents at the beginning of the period	332,032,352.83	87,859,882.87
VI. Balance of cash and cash equivalents at the end of the period	192,983,810.95	78,225,942.11

Legal Representative:
Xia Dechuan

*Person in charge of
accounting work:*
Shen Jianlong

*Person in charge of the
Accounting Department:*
Liu Xianfang