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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 2025 INTERIM REPORT

I. IMPORTANT NOTICE

1. The summary of the results of Nanjing Panda Electronics Company Limited (the “**Company**”) and its subsidiaries (the “**Group**”) for the six months ended 30 June 2025 (the “**Reporting Period**”) is set out below. The financial statements contained in this report are unaudited. The summary of 2025 Interim Report is based on the full-length 2025 Interim Report. Investors who wish to know more details should carefully read the full text of the Interim Report simultaneously posted on the websites designated by the China Securities Regulatory Commission (“**CSRC**”), such as the website of the Shanghai Stock Exchange.
2. The board of directors, the supervisory committee, the directors, supervisors and senior management of the Company confirm that the information in this interim report is true, accurate and complete and does not contain any false representation, misleading statement or material omission, and jointly and severally accept full responsibility for the contents herein.
3. All directors of the Company attended the Board meeting.
4. This interim report of the Company is unaudited.
5. The Company would not make any profit distribution or capitalization of capital reserve for the first half of 2025.

II. BASIC INFORMATION ABOUT THE COMPANY

2.1 Company profile

Overview of stock				
Class of stock	The stock exchange on which the shares are listed	Stock abbreviation	Stock code	Stock abbreviation before change
A Share(s)	Shanghai Stock Exchange	NPEC	600775	N/A
H Share(s)	The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”)	NPEC	00553	N/A
Contact persons and contact information		Secretary to the Board	Representative of securities affairs	
Name		Wang Dongdong	Wang Dongdong	
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Interim results

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

As the Company adopts merely the PRC Accounting Standards for Business Enterprises for preparing its financial statements from 2016, the relevant financial data for the first half of 2025 have been presented in accordance with the PRC Accounting Standards for Business Enterprises in this announcement.

2.2 Major financial data of the Company (Unaudited)

Unit: Yuan Currency: RMB

	At the end of the Reporting Period (30 June 2025)	At the end of last year (31 December 2024)	Change from the end of last year (%)
Net assets attributable to shareholders of the Company	3,068,265,743.01	3,114,294,647.60	-1.48
Total assets	5,086,054,275.35	5,320,807,895.66	-4.41
	Reporting Period (January – June 2025)	Corresponding period of last year (January – June 2024)	Change from corresponding period of last year (%)
Operating income	1,042,651,233.72	1,250,346,512.09	-16.61
Total profit	-6,768,483.31	-36,574,327.28	N/A
Net profit attributable to shareholders of the Company	-45,584,145.10	-68,198,110.51	N/A
Net profit attributable to shareholders of the Company after deducting extraordinary profit and loss	-61,518,464.90	-76,549,286.77	N/A
Net cash flow from operating activities	-144,931,633.58	-133,262,704.33	N/A
Weighted average return on net assets (%)	-1.47	-2.09	Increased by 0.62 percentage point
Basic earnings per share (<i>RMB/share</i>)	-0.0499	-0.0746	N/A
Diluted earnings per share (<i>RMB/share</i>)	-0.0499	-0.0746	N/A

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

The year-on-year decrease in operating revenue for the period was mainly due to a reduction in orders for the Company's export business, resulting in a year-on-year decrease in revenue; fewer project completions, inspections, and settlements in the industrial internet and smart manufacturing segments during the first half of the year, leading to a year-on-year decrease in revenue; intense competition in the existing market for power supply and communications businesses, resulting in a year-on-year decrease in revenue; the year-on-year increase in net profit attributable to shareholders of the Company was mainly due to a year-on-year increase in income from the Company's investment in its associate, LG Panda, and gains on disposal generated from the completion of the liquidation of the Company's associate, Beijing Se Potevio Mobile Communications Co., Ltd., during the period. The year-on-year decrease in net cash flows generated from operating activities was mainly due to a decrease in cash received from sales of goods and rendering of services.

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

Unit: shares

Total number of shareholders as at the end of the Reporting Period	87,485
Total number of preferred shareholders with voting rights resumed as at the end of the Reporting Period	N/A

Shareholdings of top ten shareholders					
Name of Shareholder	Type of shareholders	Percentage of shareholding (%)	Number of shares held	Number of shares held subject to trading moratorium	Number of pledged, tagged or frozen shares
HKSCC (Nominees) Limited	Overseas legal person	26.59	243,023,035	0	Unknown
Panda Electronics Group Limited ("PEGL")	State-owned legal person	23.05	210,661,444	0	Pledged 105,091,430
Nanjing Electronics Information Industrial Corporation ("NEIIC")	State-owned legal person	3.93	35,888,611	0	Unknown
Barclays Bank PLC	Other	1.59	14,537,374	0	Unknown
Lu Ping (呂平)	Domestic natural person	1.14	10,390,910	0	Unknown
China Merchants Bank Co., Ltd. – Southern China Securities 1000 Trading Open-ended Index Securities Investment Fund (招商銀行股份有限公司－南方中證1000交易型開放式指數證券投資基金)	Other	0.47	4,329,200	0	Unknown
He Chi (何遲)	Domestic natural person	0.45	4,099,900	0	Unknown
Industrial and Commercial Bank of China Limited – Fullgoal Military Industry Theme Mixed Securities Investment Fund (中國工商銀行股份有限公司－富國軍工主題混合型證券投資基金)	Other	0.35	3,181,500	0	Unknown
China Merchants Bank Co., Ltd. – Huaxia China Securities 1000 Trading Open-ended Index Securities Investment Fund (招商銀行股份有限公司－華夏中1000交易型開放式指數證券投資基金)	Other	0.28	2,558,555	0	Unknown
UBS AG	Other	0.26	2,385,472	0	Unknown
Description on connected relationship or party acting in concert among the aforesaid shareholders	NEIIC holds 100% equity interests of PEGL, the controlling shareholder of the Company. NEIIC holds, directly and through asset management plans, 22,120,611 A shares and 13,768,000 H shares of the Company, representing 3.93% of the total number of shares. NEIIC indirectly holds 210,661,444 A shares of the Company through PEGL, representing 23.05% of the total number of shares. In total, NEIIC holds 26.98% equity interests of the Company. CEIEC (H.K.) Limited (華電有限公司), a wholly-owned subsidiary of China Electronics Corporation ("CEC"), holds 27,414,000 H shares of the Company, representing 3% of the total number of shares, which are held under the name of HKSCC (Nominees) Limited. In conclusion, CEC, the de facto controller of the Company, holds 29.98% shares of the Company through its subsidiaries. Save as disclosed above, the Company is not aware of any connected relationship or party acting in concert among the aforesaid shareholders.				

Notes:

1. As at the end of the Reporting Period, HKSCC (Nominees) Limited held 243,023,035 shares (including 241,695,340 H shares and 1,327,695 A shares) of the Company on behalf of a number of clients, representing 26.59% of the total issued share capital of the Company, which includes 13,768,000 H shares held by NEIIC and 27,414,000 H shares held by CEIEC (H.K.) Limited (華電有限公司), a wholly-owned subsidiary of CEC. Save as disclosed above, the Company is not aware of any individual client holding more than 5% of the total issued share capital of the Company.
2. As at the end of the Reporting Period, Barclays Bank PLC held 14,537,374 shares (including 11,754,000 H shares and 2,783,374 A shares) of the Company, representing approximately 1.59% of the total issued share capital of the Company. Please note that Barclays Bank PLC is a non-registered H shareholder of the Company, therefore the latest number of H shares held by Barclays Bank PLC in the Company is only as of 19 June 2025. The above data assumes that the number of H shares held by Barclays Bank PLC remains unchanged from 19 June 2025 to the end of the Reporting Period. In the event that Barclays Bank PLC changes its holding of H shares in the Company from 19 June 2025 to the end of the Reporting Period, it will not be required to notify the Company and the Hong Kong Stock Exchange unless certain conditions are met. Accordingly, the latest number of H shares held by Barclays Bank PLC in the Company may be different from the shareholding submitted to the Hong Kong Stock Exchange.
3. On 19 April 2024, the Company received a notice from PEGL, the controlling shareholder of the Company, that part of the shares it held in the Company were pledged. Pursuant to the notice, PEGL pledged 105,091,430 shares in the Company, accounting for 49.89% of the total shares it held in the Company and 11.50% of the total share capital of the Company. For details, please refer to the relevant announcement of the Company published in China Securities Journal and Shanghai Securities News and on the websites of the Shanghai Stock Exchange on 20 April 2024.

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

☐ Applicable ☒ N/A

2.5 Change in the controlling shareholder or the de facto controller

☐ Applicable ☒ N/A

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

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

☐ Applicable ☒ N/A

III. MANAGEMENT DISCUSSION AND ANALYSIS

3.1 The discussion and analysis on the operation

In the first half of 2025, the Company remained steadfast in pursuing its annual core objectives, firmly adhered to the two lifelines of development and safety, focused on improving quality and efficiency, overcame the challenges in the difficult in-depth reforms, strictly prevented and controlled risks, and waged the “three major battles” of industrial restructuring, scientific research and innovation, and team building, demonstrating greater determination, more practical measures, and stronger responsibility, and striving to complete all annual objectives and tasks, thereby laying a solid foundation for the Company’s development under the “15th Five-Year Plan”.

In the first half of 2025, the Company’s export orders decreased due to the macroeconomic situation, resulting in a year-on-year decline in revenue. The Company’s industrial Internet and intelligent manufacturing business is in a transitional period of transformation and adjustment, with fewer project completions, acceptance inspections, and settlements in the first half of 2025, which had a certain impact on operating revenue and net profit attributable to shareholders of the parent company. The Company’s power supply and communications business is experiencing fierce competition in the existing market, resulting in a year-on-year decline in revenue, which also had a certain impact on net profit attributable to shareholders of the parent company. During the Reporting Period, the Company recorded operating revenue of RMB1,042,651,200, total loss of RMB6,768,500, and net loss attributable to shareholders of the Company of RMB45,584,100.

3.1.1 Analysis of principal operations

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

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the corresponding period of last year	Change (%)
Operating income	1,042,651,233.72	1,250,346,512.09	-16.61
Operating costs	881,242,988.19	1,087,598,858.49	-18.97
Cost of sales	20,891,732.02	23,290,719.32	-10.30
Administrative expenses	114,512,870.03	119,385,910.50	-4.08
Financial expenses	-4,527,196.16	-7,823,878.43	N/A
R&D expenses	99,991,645.72	109,855,250.05	-8.98
Net cash flows from operating activities	-144,931,633.58	-133,262,704.33	N/A
Net cash flows from investing activities	267,138,820.66	115,436,141.90	131.42
Net cash flows from financing activities	-8,729,418.84	30,138,541.71	-128.96
Gain from change in fair value	4,412,265.15	-1,481,275.69	N/A
Expected credit loss	-6,698,654.55	-4,246,517.83	N/A
Asset impairment losses	1,194,286.77	-21,313.55	N/A
Gains on disposal of assets	2,152.11	8,373.69	-74.30
Non-operating income	207,324.72	471,339.02	-56.01
Non-operating expenses	82,289.21	174,101.74	-52.73

Reasons for change:

- (1) Reasons for the change in operating income: mainly due to a reduction in orders for the Company's export business, resulting in a year-on-year decrease in revenue; fewer project completions, inspections, and settlements in the industrial internet and smart manufacturing segments during the first half of the year, leading to a year-on-year decrease in revenue; intense competition in the existing market for power supply and communications businesses, resulting in a year-on-year decrease in revenue;
- (2) Reasons for the change in operating income: mainly due to a reduction in orders for the Company's export business, resulting in a year-on-year decrease in revenue and costs; fewer project completions, inspections, and settlements in the industrial internet and smart manufacturing segments during the first half of the year, leading to a year-on-year decrease in revenue and costs; intense competition in the existing market for power supply and communications businesses, resulting in a year-on-year decrease in revenue and costs;
- (3) Reasons for the change in cost of sales: mainly due to a year-on-year decrease in advertising and exhibition expenses;
- (4) Reasons for the change in administrative expenses: mainly due to a year-on-year decrease in staff salaries;
- (5) Reasons for the change in financial expenses: mainly due to a year-on-year decrease in interest income and exchange gains;
- (6) Reasons for the change in R&D expenses: mainly due to a year-on-year decrease in material expenses and entrusted R&D costs;
- (7) Reasons for the change in net cash flows from operating activities: mainly due to the year-on-year decrease in cash received from the sale of goods and rendering of services;

- (8) Reasons for the change in net cash flows from investing activities: mainly due to the completion of the liquidation of an associate and the recovery of investment funds, as well as a year-on-year decrease in the purchase of structural deposits during the period;
- (9) Reasons for the change in net cash flows from financing activities: mainly due to the discounts on notes receivable not terminated for recognition for the previous period;
- (10) Reasons for changes in gain on changes in fair value: mainly due to a year-on-year increase in gains and losses recognized on changes in the fair value of structural deposits for the period;
- (11) Reasons for changes in credit impairment losses: mainly due to a year-on-year increase in expected credit loss on accounts receivable for the period as compared with the previous period;
- (12) Reasons for changes in assets impairment losses: mainly due to a year-on-year increase in the reversal of contract asset impairment for the period;
- (13) Reasons for changes in gain from the disposal of assets: mainly due to a year-on-year decrease in gains on disposal of non-current assets during the period;
- (14) Reasons for changes in non-operating income: mainly due to a year-on-year decrease in gains from the destruction and scrapping of non-current assets during the period;
- (15) Reasons for changes in non-operating expenses: mainly due to a year-on-year decrease in relevant charges and other expenditures during the period.

(2) *Analysis of assets and liabilities*

Unit: Yuan Currency: RMB

Item	Amount at the end of the period	Amount at the end of the period as a percentage of the total assets (%)	Amount at the end of the previous period	Change in the amount		Remarks
				Amount at the end of the previous period as a percentage of the total assets (%)	at the end of the period as compared to the amount at the end of the previous period (%)	
Monetary Funds	833,316,771.39	16.38	757,643,131.44	14.24	9.99	
Accounts receivable	1,329,939,375.67	26.15	1,407,009,242.46	26.44	-5.48	
Inventories	580,653,581.28	11.42	487,807,239.73	9.17	19.03	
Contract assets	137,166,343.09	2.70	144,611,505.52	2.72	-5.15	
Investment property	179,685,691.71	3.53	182,988,535.58	3.44	-1.80	
Fixed assets	748,659,362.25	14.72	764,716,893.66	14.37	-2.10	
Construction in progress	2,377,750.38	0.05	1,506,311.96	0.03	57.85	Mainly due to the fact that certain items of construction in progress hadn't transferred to fixed assets yet
Right-of-use assets	6,773,695.28	0.13	8,464,815.42	0.16	-19.98	
Notes receivable	24,153,385.62	0.47	98,477,213.49	1.85	-75.47	Mainly due to the decrease in both bank acceptance bills not derecognized at the end of the period and commercial acceptance bills
Prepayments	38,086,465.61	0.75	27,410,781.74	0.52	38.95	Mainly due to an increase in prepayments for materials for rail transit projects

Item	Amount at the end of the period	Amount at the end of the period as a percentage of the total assets (%)	Amount at the end of the previous period	Amount at the end of the previous period as a percentage of the total assets (%)	Change in the amount at the end of the period as compared to the amount at the end of the previous period (%)	Remarks
Non-current assets due within one year	-	-	730,582.81	0.01	-100.00	Mainly due to the transfer of the portion of warranty payments due within one year that matured during the period to accounts receivable, and the recovery of a portion of those payments
Long-term equity investments	389,991,205.34	7.67	492,989,930.44	9.27	-20.89	
Other non-current assets	23,400.00	0.00	5,329,316.34	0.10	-99.56	Mainly due to a decrease in prepayments for the purchase of long-term assets
Short-term loans	-	-	42,326,327.88	0.80	-100.00	Mainly due to the maturity of discounted bank acceptance bills not derecognized and the maturity and factored accounts receivable not derecognized as at the end of the previous year
Notes payables	33,484,535.53	0.66	110,289,431.12	2.07	-69.64	Mainly due to a decrease in bank acceptance bills payable at the end of the period
Contract liabilities	95,147,136.31	1.87	108,769,990.54	2.04	-12.52	
Staff salaries payable	30,760,321.04	0.60	59,341,157.51	1.12	-48.16	Mainly the payment of salaries, bonuses and fringe benefit during the period

Item	Amount at the end of the period	Amount at the end of the period as a percentage of the total assets (%)	Amount at the end of the previous period	Amount at the end of the previous period as a percentage of the total assets (%)	Change in the amount	Remarks
					at the end of the period as compared to the amount at the end of the previous period (%)	
Taxes payable	23,956,617.46	0.47	39,829,425.41	0.75	-39.85	Mainly due to a decrease in value-added tax and individual income tax payable
Other current liabilities	41,806,484.14	0.82	84,356,494.83	1.59	-50.44	Mainly due to a decrease in endorsed but derecognized acceptance bills and supply chain finance invoices
Lease liabilities	3,683,182.73	0.07	4,628,222.00	0.09	-20.42	
Estimated liabilities	-	-	1,800,000.00	0.03	-100.00	Mainly due to the transfer of product quality guarantees to non-current liabilities due within one year

3.2 Analysis of investments

3.2.1 Overall analysis of equity investment

In the first half of 2025, the Company proceeded with investments in fixed assets and relevant projects in a prudent, standardized and disciplined manner as required by the Board and in strict compliance with the annual capital expenditure budget and actual operating situation.

3.2.2 Analysis of subsidiaries and associate companies

(1) Major subsidiaries and associate companies affecting 10% or more of the Company's net profit

Unit: 0'000 Currency: RMB

Company name	Company type	Major business	Registered capital	Total assets	Net assets	Operating income	Operating profit	Net profit
Electronics Equipment Company	Subsidiary	Manufacture and sale of automatic transmission equipment and industrial robots	19,000.00	31,605.96	-16,650.73	4,256.25	-4,734.71	-4,719.92
Information Industry Company	Subsidiary	Production and sale of AFC and ACC systems and equipment of railway transit, building intellectualization and system integration	21,681.4228	157,611.12	43,762.53	40,916.16	2,267.95	2,210.52
Electronic Manufacture Company	Subsidiary	EMS services	USD2,000	73,106.32	25,268.29	26,081.73	-962.29	-967.52
Communications Technology Company	Subsidiary	Manufacture and sale of mobile communication, digital communication and network communication systems and products	10,000.00	21,904.76	9,565.90	1,897.82	-1,926.06	-1,925.59
Xinxing Industrial Company	Subsidiary	Property and catering services	2,000.00	5,736.42	4,384.81	2,609.70	14.76	4.46
Shenzhen Jingwah	Subsidiary	Research and development, manufacturing and sales of communication equipment and digital products	11,507.00	58,749.45	48,151.57	24,543.33	5,447.93	4,294.56

Company name	Company type	Major business	Registered capital	Total assets	Net assets	Operating income	Operating profit	Net profit
Chengdu Electronic Technology	Subsidiary	Electronic manufacturing services	5,000.00	12,446.83	9,634.57	3,272.72	-415.19	-417.11
LG Panda	Associate company	Development and production of fully automatic washing machines and related parts	USD3,570	347,682.18	105,632.16	357,762.03	25,805.74	19,371.23

Other Explanations

(1) Nanjing LG Panda Appliances Co., Ltd.

LG Panda was established on 21 December 1995 with a registered capital of US\$35.7 million. LG Panda is currently owned as to 30%, 50% and 20% by the Company, LG Electronics Co., Ltd., and LG Electronics (China) Co., Ltd., respectively. LG Panda is mainly engaged in the development and production of fully automatic washing machines and related components.

In the first half of 2025, LG Panda recorded operating revenue of RMB3,577,620,300, representing a year-on-year increase of 2.71%, and net profit of RMB193,712,300, representing a year-on-year increase of 0.85%. Reason for changes in main indicators: growth in export orders for washing machines. During the Reporting Period, the Company recognized investment income of RMB48,377,400.

(2) Nanjing Ericsson Panda Communication Co., Ltd.

ENC was set up on 15 September 1992 with a business term of 30 years, a total investment of US\$40.88 million and a registered capital of US\$20.9 million. ENC is held as to 27% by the Company, 51% by Ericsson (China) Company Limited, 20% by CETC Asset Management Co., Ltd., and 2% by Yung Shing Enterprise, Hong Kong. ENC mainly engages in production of mobile telecommunication system equipment and public network communications system equipment, and is now mainly in charge of the industrialization and mass production of the products that Ericsson developed and makes delivery and shipment to customers worldwide. In August 2022, shareholders decided to extend the business term of ENC for three years, ending on 14 September 2025. On 10 June 2025, ENC shareholders resolved to extend the term of business to 14 December 2025.

In the relevant announcements published on the website of the Shanghai Stock Exchange on 31 January, 1 March, 29 March, 27 April, 4 June, 28 August and 30 October 2024, 28 March, 29 April, 20 June and 31 July 2025 (Lin 2024-003, 2024-004, 2024-024, 2025-011, 2025-016 and 2025-020) and in the 2023 annual report, 2024 first quarterly report, 2024 interim report, 2024 third quarterly report, 2024 annual report, 2025 first quarterly report, the Company provided a detailed explanation on the special tax adjustment and related circumstances (“**Special Tax Adjustment**”) of Nanjing Ericsson Panda Communication Co., Ltd., an associate company of the Company, and disclosed the progress of such adjustment in each of the periodic reports.

On 19 June 2025, an extraordinary meeting of the 11th session of the Board of the Company was held, at which the resolution on the public tender and transfer of equity interest in its associate company was considered and approved. Given that: The Chinese shareholders of ENC have been engaging in ongoing communications and negotiations with their fellow ENC shareholder, Ericsson, to agree on a path forward for ENC and in light of the Special Tax Adjustment; Ericsson sent a written communication to the Chinese shareholders of ENC confirming, among other things: Ericsson proposes to purchase the 49% equity interest in ENC held by the Company and other Chinese shareholders of ENC for a specific cash purchase consideration. In accordance with relevant regulations on the supervision and administration of state-owned assets, the Company proposed to transfer its 27% equity interest in its associate company through public tender, Nanjing Ericsson Panda Communication Co., Ltd., through Shanghai United Assets and Equity Exchange (SUAE). The equity interest to be transferred will be listed for public tender together with 22% equity interest held by other Chinese shareholders of ENC. According to the Valuation Report on All Shareholders’ Equity Value of Ericsson Panda Communication Co., Ltd. Involved in the Proposed Disposal of Equity Interest by Nanjing Panda Electronics Company Limited issued by Beijing Zhongtianhua Asset Appraisal Co., Ltd., the Company and other Chinese shareholders of ENC have determined the minimum transfer price for the 49% equity interest in ENC to be transferred through public tender as RMB516,508,500, with the

value of the equity interest held by the Company corresponding to RMB284,606,700. To improve work efficiency, if no prospective transferees are solicited by the end of the information disclosure period, the minimum transfer price may be further lowered and the information disclosure process may be restarted. The new minimum transfer price shall not be lower than 90% of the minimum transfer price in the initial formal information disclosure. That is, the new minimum transfer price for the 49% equity interest in ENC held by the Chinese shareholders shall be RMB464,857,700, with the value of the equity interest held by the Company corresponding to RMB256,146,000.

On 30 July 2025, the first extraordinary general meeting in 2025 of the Company was held, at which the matters relating to the public tender and transfer of equity interest in associate company; and the authorization of the Company's management to organize and implement the said transaction and handle the specific related matters were considered and approved.

On 15 August 2025, the 49% equity interest in Nanjing Ericsson Panda Communication Co., Ltd. was offered for transfer through public tender on SUAEE.

This transaction shall be conducted through public tender, and there is a degree of uncertainty regarding the final transferee and transaction price. The Company will closely monitor the progress of the public tender procedure, actively promote the implementation and execution of the equity disposal, and continue to disclose significant developments in this matter, ensuring timely and appropriate disclosure of information at each stage.

3.3 Plan for Profit Distribution or Capitalization of Capital Reserve

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

The Company will not make any profit distribution or convert any capital reserve into share capital for the first half of 2025.

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

The resolution in relation to the profit distribution plan for the year 2024 was considered and approved at the fourth meeting of the eleventh session of the Board of the Company and the 2024 annual general meeting of the Company. After audit, the net loss of the Company attributable to shareholders of the listed company for the year 2024 amounted to RMB188,854,556.25. In order to safeguard the sustainable and stable operation of the Company and the long-term interests of all shareholders, after taking into account the Company's business plan and capital requirements for 2025, and in accordance with "Supervisory Guideline for Listed Companies No. 3 – Cash Dividends for Listed Companies", the Articles of Association, "Shareholders' Return Plan (2025–2027)" and relevant regulations, the Company has formulated the 2024 profit distribution plan as follows: no profit distribution, nor capitalization of capital surplus or other forms of distribution. For details, please refer to the announcements published by the Company in China Securities Journal and Shanghai Securities News on 27 March 2025 and 21 June 2025, respectively.

3.4 Other matters

3.4.1 Liquidity of capital

As shown in the consolidated financial statements of the Company prepared under the PRC Accounting Standards for Business Enterprises, as of 30 June 2025, the Company's gearing ratio (the ratio of total liabilities to total assets) was 33.74%; current liabilities amounted to RMB1.716 billion; liquidity ratio was 2.17; quick ratio was 1.80; bank deposits and cash amounted to RMB833 million; and short-term bank and other loans amounted to RMB0 million.

According to the announcement of the National Interbank Funding Center authorized by the People's Bank of China, during the Reporting Period, as of 20 June 2025, the LPR for 1-year was 3.0%, and the LPR for more than 5-year was 3.5%; as of 20 August 2025, the LPR for 1-year was 3.0%, and the LPR for more than 5-year was 3.5%.

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

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

3.4.3 Liability insurance for Directors, supervisors and senior management

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

3.4.4 Corporate Governance Code

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

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

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

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

3.4.6 Events after the Reporting Period

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

3.5 Audit committee

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

The audit committee convened a meeting on 27 March 2025 to review 2024 financial report of the Company and the summary report on audit work in 2024 performed by WUYIGE Certified Public Accountants LLP and agreed to submit the same to the Board for review. The appointment of WUYIGE Certified Public Accountants LLP as the Company's international, domestic and internal control auditors for 2025 was agreed at the meeting and relevant proposal was submitted to the Board for consideration.

Having reviewed the unaudited financial report of the Company for the six months ended 30 June 2025, 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.

IV. SIGNIFICANT EVENTS

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

☐ Applicable ☒ Not Applicable

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

Consolidated Balance Sheet

As at 30 June 2025

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

ASSETS	Closing balance	Opening balance
Current assets:		
Cash and cash equivalents	833,316,771.39	757,643,131.44
Settlement provisions		
Placements with banks and other financial institutions		
Financial assets held for trading	407,002,434.06	491,594,758.95
Derivative financial assets		
Notes receivable	24,153,385.62	98,477,213.49
Accounts receivable	1,329,939,375.67	1,407,009,242.46
Receivables financing	34,290,498.69	30,350,019.89
Advance to suppliers	38,086,465.61	27,410,781.74
Premiums receivable		
Reinsurance receivable		
Reinsurance contract reserve receivable		
Other receivables	26,120,123.07	36,680,080.03
Financial assets held under resale agreements		
Inventories	580,653,581.28	487,807,239.73
Contract assets	137,166,343.09	144,611,505.52
Held-for-sale assets		
Non-current assets due within one year		730,582.81
Other current assets	223,453,165.36	248,086,578.12
Total current assets	<u>3,634,182,143.84</u>	<u>3,730,401,134.18</u>

Consolidated Balance Sheet (Continued)*As at 30 June 2025*

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

ASSETS	Closing balance	Opening balance
Non-current assets:		
Loans and advances to customers		
Available-for-sale financial assets		
Held-to-maturity investments		
Debenture investments		
Other debenture investments		
Long-term receivables		
Long-term equity investments	389,991,205.34	492,989,930.44
Other equity instruments investments		
Other non-current financial assets		
Investment properties	179,685,691.71	182,988,535.58
Fixed assets	748,659,362.25	764,716,893.66
Construction in progress	2,377,750.38	1,506,311.96
Biological assets for production		
Fuel assets		
Right-of-use assets	6,773,695.28	8,464,815.42
Intangible assets	91,275,357.78	98,469,809.17
Development expenses		
Goodwill		
Long-term expenses to be amortised	13,658,869.59	16,398,879.07
Deferred income tax assets	19,426,799.18	19,542,269.84
Other non-current assets	23,400.00	5,329,316.34
Total non-current assets	<u>1,451,872,131.51</u>	<u>1,590,406,761.48</u>
Total assets	<u>5,086,054,275.35</u>	<u>5,320,807,895.66</u>

Legal representative:
Hu Huichun

Chief Accountant:
Hu Shoujun

*Head of the
Accounting Department:*
Xue Gang

Consolidated Balance Sheet (Continued)*As at 30 June 2025*

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Liabilities and owners' equity	Closing balance	Opening balance
Current liabilities:		
Short-term borrowings		42,326,327.88
Borrowings from central bank		
Customer deposits and deposits from banks and other financial institutions		
Placements from banks and other financial institutions		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable	33,484,535.53	110,289,431.12
Accounts payable	1,356,003,782.38	1,328,218,690.98
Advance receipts from customers	399,021.49	468,971.75
Contract liabilities	95,147,136.31	108,769,990.54
Financial assets sold under repurchase agreements		
Bank charges and commissions due		
Staff salaries payable	30,760,321.04	59,341,157.51
Taxes payable	23,956,617.46	39,829,425.41
Other payables	86,991,155.97	103,658,239.63
Reinsurers due		
Security trading of agency		
Securities underwriting		
Liabilities held for sale		
Non-current liabilities due within one year	5,426,857.65	5,848,681.83
Other current liabilities	41,806,484.14	84,356,494.83
Total current liabilities	<u>1,673,975,911.97</u>	<u>1,883,107,411.48</u>

Consolidated Balance Sheet (Continued)*As at 30 June 2025*

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Liabilities and owners' equity	Closing balance	Opening balance
Non-current liabilities:		
Long-term loan		
Bonds payables		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	3,683,182.73	4,628,222.00
Long-term payables		
Long-term staff salaries payables	3,271,421.22	4,200,641.03
Estimated liabilities		1,800,000.00
Deferred income	29,060,662.05	32,419,676.43
Deferred income tax liabilities	5,883,843.21	5,032,799.89
Other non-current liabilities		
Total non-current liabilities	41,899,109.21	48,081,339.35
Total liabilities	1,715,875,021.18	1,931,188,750.83

Consolidated Balance Sheet (Continued)*As at 30 June 2025*

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Liabilities and owners' equity	Closing balance	Opening balance
Owners' equity:		
Share capital	913,838,529.00	913,838,529.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	1,470,247,737.78	1,470,691,800.13
Less: Treasury shares		
Other comprehensive income		
Special reserve	274,909.96	275,607.10
Surplus reserve	309,500,586.70	309,500,586.70
General risk reserve		
Undistributed profit	<u>374,403,979.57</u>	<u>419,988,124.67</u>
Subtotal of equity attributable to the shareholders of the parent company	3,068,265,743.01	3,114,294,647.60
Minority interests	<u>301,913,511.16</u>	<u>275,324,497.23</u>
Total shareholders' equity	<u>3,370,179,254.17</u>	<u>3,389,619,144.83</u>
Total liabilities and shareholders' equity	<u>5,086,054,275.35</u>	<u>5,320,807,895.66</u>

Legal representative:
Hu Huichun

Chief Accountant:
Hu Shoujun

*Head of the
Accounting Department:*
Xue Gang

Consolidated Income Statement

January – June 2025

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Amount for the current period	Amount for corresponding period of last year
1. Total operating income	1,042,651,233.72	1,250,346,512.09
Including: Operating income	1,042,651,233.72	1,250,346,512.09
Interest income		
Premiums earned		
Fee and commission income		
2. Total operating cost	1,121,306,995.88	1,341,161,134.03
Including: Operating costs	881,242,988.19	1,087,598,858.49
Interest expenses		
Fee and commission expense		
Surrenders		
Net payment from indemnity		
Net provisions for insurance contract		
Insurance policy dividend paid		
Reinsurance cost		
Tax and surcharges	9,194,956.08	8,854,274.10
Selling expenses	20,891,732.02	23,290,719.32
Administrative expenses	114,512,870.03	119,385,910.50
R&D costs	99,991,645.72	109,855,250.05
Financial expenses	-4,527,196.16	-7,823,878.43
Including: Interest expense	179,374.68	273,880.18
Interest income	4,099,332.18	6,807,445.97

Consolidated Income Statement (Continued)*January – June 2025*

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Amount for the current period	Amount for corresponding period of last year
Add: Other gains	9,998,046.00	9,675,893.79
Investment income (losses are represented by “-”)	62,854,147.86	50,007,896.97
Including: Investment income of associates and joint ventures	48,290,460.77	40,995,886.92
Income on hedging the net exposure (losses are represented by “-”)		
Gains arising from changes in fair value (losses are represented by “-”)	4,412,265.15	-1,481,275.69
Credit impairment loss (losses are represented by “-”)	-6,698,654.55	-4,246,517.83
Asset impairment loss (losses are represented by “-”)	1,194,286.77	-21,313.55
Gains on disposal of assets (losses are represented by “-”)	2,152.11	8,373.69
Exchange gain (losses are represented by “-”)		
3. Operating profit (losses are represented by “-”)	-6,893,518.82	-36,871,564.56
Add: Non-operating income	207,324.72	471,339.02
Less: Non-operating expenses	82,289.21	174,101.74
4. Total profit (total losses are represented by “-”)	-6,768,483.31	-36,574,327.28
Less: Income tax expense	12,226,647.86	7,243,836.81

Consolidated Income Statement (Continued)*January – June 2025*

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Amount for the current period	Amount for corresponding period of last year
5. Net profit (net losses are represented by “-”)	-18,995,131.17	-43,818,164.09
(1) Classified by the business continuity		
1. Net profit for going concern (net losses are represented by “-”)	-18,995,131.17	-43,818,164.09
2. Net profit for discontinued operation (net losses are represented by “-”)		
(2) Classified by the attribution of the ownership		
1. Net Profit attributable to the shareholders of the parent company	-45,584,145.10	-68,198,110.51
2. Minority interest	26,589,013.93	24,379,946.42
6. Net other comprehensive income after tax		
Net other comprehensive income after tax attributable to the shareholders of the parent company		
(1) Other comprehensive income which will not be reclassified subsequently to profit and loss		
1. Changes as a result of remeasurement of defined benefit plan		
2. Other comprehensive income accounted for using equity method which will not be reclassified to profit and loss		
3. Changes in fair value of other equity instruments investment		
4. Changes in fair value of the enterprise’s own credit risk		

Consolidated Income Statement (Continued)*January – June 2025*

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Amount for the current period	Amount for corresponding period of last year
(2) Other comprehensive income which will be reclassified to profit and loss		
1. Other comprehensive income accounted for using equity method which will be reclassified to profit and loss		
2. Changes in fair value of other debt investment		
3. Amount of financial assets reclassified to other comprehensive income		
4. Provision for credit impairment of other debt investment		
5. Cash flow hedging reserve		
6. Translation difference of financial statements in foreign currencies		
7. Others		
Net other comprehensive income after tax attributable to minority shareholders		
7. Total comprehensive income	-18,995,131.17	-43,818,164.09
Total comprehensive income attributable to the equity holders of the parent company	-45,584,145.10	-68,198,110.51
Total comprehensive income attributable to minority shareholders	26,589,013.93	24,379,946.42
8. Earnings per share:		
(1) Basic earnings per share (<i>RMB/share</i>)	-0.0499	-0.0746
(2) Diluted earnings per share (<i>RMB/share</i>)	-0.0499	-0.0746

Legal representative:
Hu Huichun

Chief Accountant:
Hu Shoujun

*Head of the
Accounting Department:*
Xue Gang

Consolidated Statement of Changes in Shareholders' Equity
January – June 2025

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Other equity instrument				Amount for the current period									Total shareholders' equity			
	Share capital	Preference shares	Perpetual bonds	Others	Equity attributable to the shareholders of parent company				Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve		Undistributed profit	Minority interests	
I.																	
Balance at the end of prior year	913,838,529.00																
Add: Changes in accounting policies																	
Error correction of previous period																	
Business combination involving entities under common control																	
Others																	

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

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Consolidated Statement of Changes in Shareholders' Equity (Continued)
January – June 2025

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Other equity instrument			Equity attributable to the shareholders of parent company					Amount for the current period				Total shareholders' equity
	Share capital	Preference shares	Perpetual bonds	Others	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Minority interests	
(IV) Internal carry-over within shareholders' equity													
1. Transfer of capital reserve to share capital													
2. Transfer of surplus reserve to share capital													
3. Surplus reserve to cover losses													
4. Change in defined benefit plan carried over to retained earnings													
5. Other comprehensive income carried over to retained earnings													
6. Others													
(V) Appropriation and application of special reserve													
1. Appropriation for the current period													
2. Application for the current period													
(VI) Others													
IV. Balance at the end of the year	913,838,529.00				1,470,247,737.78			274,909.96	309,500,586.70		374,403,979.57	301,913,511.16	3,370,179,254.17

Legal representative:
Hu Huichun

Chief Accountant:
Hu Shoujun

Head of the Accounting Department:
Xue Gang

-697.14
73,331.81
74,028.95
-444,062.35

Prepared by: Nanjing Panda Electronics Company Limited

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Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

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Consolidated Statement of Changes in Shareholders' Equity (Continued)
January – June 2025

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Other equity instrument				Amount for corresponding period of last year								Total shareholders' equity
	Share capital	Preference shares	Perpetual bonds	Others	Equity attributable to the shareholders of parent company				Less:				
					Capital reserve	treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Minority interests	
(IV) Internal carry-over within shareholders' equity													
1. Transfer of capital reserve to share capital													
2. Transfer of surplus reserve to share capital													
3. Surplus reserve to cover losses													
4. Change in defined benefit plan carried over to retained earnings													
5. Other comprehensive income carried over to retained earnings													
6. Others													
(V) Appropriation and application of special reserve													
1. Appropriation for the current period													
2. Application for the current period													
(VI) Others													
IV. Balance at the end of the year	913,838,529.00				1,470,691,800.13			337,071.16	309,500,586.70		540,644,570.41	292,480,460.52	3,527,493,017.92

Legal representative:
Hu Huichun

Chief Accountant:
Hu Shoujun

Head of the Accounting Department:
Xue Gang

Consolidated Statement of Cash Flows

January – June 2025

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Amount for the current period	Amount for corresponding period of last year
1. Cash flows from operating activities		
Cash received from the sale of goods and rendering of services	1,127,833,942.83	1,337,151,133.02
Net increase in deposits and placements from financial institutions		
Net increase in borrowings due to central bank		
Net increase in loans from banks and other financial institutions		
Cash received from premiums of original insurance contract		
Net amount of reinsurance business		
Net increase in deposits of the insured and investment		
Cash received from interests, fees and commissions		
Net increase in placements from banks and other financial institutions		
Net increase in repurchasing		
Refunds of taxes	16,425,409.70	23,019,884.21
Cash received relating to other operating activities	65,807,882.92	53,441,890.77
Sub-total of cash inflows from operating activities	<u>1,210,067,235.45</u>	<u>1,413,612,908.00</u>

Consolidated Statement of Cash Flows (Continued)*January – June 2025*

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Amount for the current period	Amount for corresponding period of last year
Cash paid on purchase of goods and services received	894,095,983.57	1,098,949,430.50
Net increase in loans and advances		
Net increase in deposits in the central bank and other financial institutions		
Cash paid for claim settlements on original insurance contract		
Net increase in placements with banks and other financial institutions		
Cash paid for interests, fees and commissions		
Cash paid for policy dividends		
Cash paid to and on behalf of employees	313,648,617.56	321,672,262.70
Cash paid for all types of taxes	56,746,766.94	41,895,275.29
Cash paid relating to other operating activities	90,507,500.96	84,358,643.84
Sub-total of cash outflows from operating activities	<u>1,354,998,869.03</u>	<u>1,546,875,612.33</u>
Net cash flows generated from operating activities	<u><u>-144,931,633.58</u></u>	<u><u>-133,262,704.33</u></u>

Consolidated Statement of Cash Flows (Continued)*January – June 2025*

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Amount for the current period	Amount for corresponding period of last year
2. Cash flows from investing activities		
Cash received from disposal of investments	74,588,105.84	
Cash received from return on investments	96,616,912.78	68,634,650.88
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets	77,300.00	854,903.00
Net cash received from disposal of subsidiaries and other operating entities		
Cash received relating to other investing activities	793,800,271.23	931,697,800.00
Sub-total of cash inflows from investing activities	965,082,589.85	1,001,187,353.88
Cash paid on purchase of fixed assets, intangible assets and other long-term assets	18,943,769.19	16,251,211.98
Cash paid for investments		
Net increase in secured loans		
Net cash paid on acquisition of subsidiaries and other operating entities		
Cash paid relating to other investing activities	679,000,000.00	869,500,000.00
Sub-total of cash outflows from investing activities	697,943,769.19	885,751,211.98
Net cash flows generated from investing activities	267,138,820.66	115,436,141.90

Consolidated Statement of Cash Flows (Continued)
January – June 2025

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Amount for the current period	Amount for corresponding period of last year
3. Cash flows generated from financing activities		
Cash received from investment		
Including: Cash received by subsidiaries from minority shareholders' investment		
Cash received from borrowings		
Cash received from issuing bonds		
Cash received relating to other financing activities		37,713,978.67
Sub-total of cash inflows from financing activities		37,713,978.67
Cash paid on repayment of borrowings		
Cash paid on distribution of dividends or profits, or interest expenses	7,600,000.00	5,700,000.00
Including: bonus and profit paid to minority shareholders by subsidiaries	7,600,000.00	5,700,000.00
Cash paid relating to other financing activities	1,129,418.84	1,875,436.96
Sub-total of cash outflows from financing activities	8,729,418.84	7,575,436.96
Net cash flows generated from financing activities	-8,729,418.84	30,138,541.71
4. Effect of fluctuation in exchange rate on cash and cash equivalents	1,511,623.54	2,973,582.05
5. Net increase in cash and cash equivalents	114,989,391.78	15,285,561.33
Add: balance of cash and cash equivalents at the beginning of the period	666,522,106.70	798,419,753.09
6. Balance of cash and cash equivalents at the end of the period	781,511,498.48	813,705,314.42

Legal representative:
Hu Huichun

Chief Accountant:
Hu Shoujun

*Head of the
Accounting Department:*
Xue Gang

Balance Sheet*As at 30 June 2025*

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

ASSETS	Closing balance	Opening balance
Current assets:		
Cash and cash equivalents	186,436,101.92	64,793,248.82
Financial assets held for trading	215,949,238.36	200,541,369.86
Derivative financial assets		
Notes receivable	480,000.00	2,590,000.00
Accounts receivable	131,649,660.33	138,188,127.19
Receivables financing		
Prepayments	5,220,112.51	4,353,935.87
Other receivables	717,687,388.94	692,726,057.21
Inventories	36,090,265.96	26,990,640.02
Contract assets		
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	64,885.31	32,642,794.52
Total current assets	<u>1,293,577,653.33</u>	<u>1,162,826,173.49</u>

Balance Sheet (Continued)*As at 30 June 2025*

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

ASSETS	Closing balance	Opening balance
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	1,003,564,133.38	1,106,475,911.13
Other equity instruments investments		
Other non-current financial assets		
Investment properties	456,124,706.79	492,600,160.79
Fixed assets	257,027,400.63	239,179,849.73
Construction in progress	746,173.91	746,173.91
Biological assets for production		
Fuel assets		
Right-of-use assets		
Intangible assets	65,404,281.20	66,640,489.07
Development expenses		
Goodwill		
Long-term expenses to be amortised	11,961,679.07	14,483,614.99
Deferred income tax assets		
Other non-current assets		
Total non-current assets	<u>1,794,828,374.98</u>	<u>1,920,126,199.62</u>
Total assets	<u>3,088,406,028.31</u>	<u>3,082,952,373.11</u>

Legal representative:
Hu Huichun

Chief Accountant:
Hu Shoujun

*Head of the Accounting
Department:*
Xue Gang

Balance Sheet (Continued)*As at 30 June 2025*

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Liabilities and shareholders' equity	Closing balance	Opening balance
Current liabilities:		
Short-term borrowings		
Financial liabilities held for trading		
Derivative financial liabilities		
Note payables	6,823,466.96	24,619,303.68
Accounts payable	33,644,657.52	32,835,566.90
Advance receipts from customers	386,021.49	414,114.61
Contract liabilities	162,692.58	168,817.60
Staff salaries payable	977,124.88	1,800,302.98
Taxes payable	9,846,966.66	10,954,216.58
Other payables	225,524,805.88	193,360,406.83
Liabilities held for sale		
Non-current liabilities due within one year		
Other current liabilities	4,748,518.48	6,389,314.73
Total current liabilities	282,114,254.45	270,542,043.91

Balance Sheet (Continued)*As at 30 June 2025*

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Liabilities and shareholders' equity	Closing balance	Opening balance
Non-current liabilities:		
Long-term loans		
Bonds payables		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term staff salaries payables	484,118.04	606,390.93
Estimated liabilities		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
	<hr/>	<hr/>
Total non-current liabilities	484,118.04	606,390.93
	<hr/>	<hr/>
Total liabilities	282,598,372.49	271,148,434.84
	<hr/> <hr/>	<hr/> <hr/>

Balance Sheet (Continued)*As at 30 June 2025*

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Liabilities and shareholders' equity	Closing balance	Opening balance
Owners' equity:		
Share capital	913,838,529.00	913,838,529.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	1,474,197,239.37	1,474,641,301.72
Less: Treasury shares		
Other comprehensive income		
Special reserve		
Surplus reserve	309,500,586.70	309,500,586.70
Undistributed profit	108,271,300.75	113,823,520.85
Total shareholders' equity	<u>2,805,807,655.82</u>	<u>2,811,803,938.27</u>
Total liabilities and shareholders' equity	<u>3,088,406,028.31</u>	<u>3,082,952,373.11</u>

Legal representative:
Hu Huichun

Chief Accountant:
Hu Shoujun

*Head of the Accounting
Department:*
Xue Gang

Income Statement
January – June 2025

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Amount for the current period	Amount for corresponding period of last year
1. Total operating income	35,108,687.01	79,075,272.74
Less: Operating costs	18,988,920.49	50,963,666.19
Business taxes and surcharges	4,813,445.43	5,787,310.20
Selling expenses	1,124,649.81	2,252,430.20
Administrative expenses	58,323,575.49	57,566,774.75
R&D expenses	19,215,062.97	16,504,005.40
Financial expenses	-15,722.90	-963,314.73
Including: Interest expense		
Interest income	310,927.59	576,910.03
Add: Other gains	122,256.25	65,278.69
Investment income		
(losses are represented by “-”)	60,300,174.40	41,578,959.57
Including: Investment income of associates and joint ventures	48,377,408.12	41,015,155.44
Income on hedging the net exposure (losses are represented by “-”)		
Income from changes in fair value (losses are represented by “-”)	1,830,334.25	173,692.92
Credit impairment loss	-446,921.33	354,992.67
Asset impairment loss		
Gains on disposal of assets (losses are represented by “-”)		-13,197.01

Income Statement (Continued)*January – June 2025*

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Amount for the current period	Amount for corresponding period of last year
2. Operating profit (losses are represented by “-”)	-5,535,400.71	-10,875,872.43
Add: Non-operating income	0.07	48,940.46
Less: Non-operating expenses	16,819.46	11,434.50
3. Total profit (total losses are represented by “-”)	-5,552,220.10	-10,838,366.47
Less: Income tax expense		43,423.23
4. Net profit (net losses are represented by “-”)	-5,552,220.10	-10,881,789.70
(1) Net profit for going concern (net losses are represented by “-”)	-5,552,220.10	-10,881,789.70
(2) Net profit for discontinued operation (net losses are represented by “-”)		
5. Net other comprehensive income after tax		
(1) Other comprehensive income which will not be reclassified subsequently to profit and loss		
1. Changes as a result of remeasurement of defined benefit plan		
2. Other comprehensive income accounted for using equity method which will not be reclassified to profit and loss		
3. Changes in fair value of other equity instruments investment		
4. Changes in fair value of the enterprise’s own credit risk		

Income Statement (Continued)*January – June 2025*

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Amount for the current period	Amount for corresponding period of last year
(2) Other comprehensive income which will be reclassified to profit and loss		
1. Other comprehensive income accounted for using equity method which will be reclassified to profit and loss		
2. Gains or losses arising from changes in fair value of available for-sale financial assets		
3. Gains or losses arising from reclassification of held-to-maturity investments as available-for-sale financial assets		
4. Changes in fair value of other debt investment		
5. Amount of financial assets reclassified to other comprehensive income		
6. Provision for credit impairment of other debt investment		
7. Cash flow hedging reserve		
8. Translation difference of financial statements in foreign currencies		
9. Others		
Net other comprehensive income after tax attributable to minority shareholders		
6. Total comprehensive income	-5,552,220.10	-10,881,789.70
7. Earnings per share:		
(1) Basic earnings per share		
(2) Diluted earnings per share		

Legal representative:
Hu Huichun

Chief Accountant:
Hu Shoujun

*Head of the Accounting
Department:*
Xue Gang

Prepared by: Nanjing Panda Electronics Company Limited

Amount for the current period

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Statement of Changes in Shareholders' Equity (Continued)

January – June 2025

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

[illegible]

Statement of Changes in Shareholders' Equity (Continued)
January – June 2025

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Other equity instrument			Amount for the current period					Total shareholders' equity
	Share capital	Preference shares	Perpetual bonds	Others	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	
(IV) Internal carry-over within shareholders' equity									
1. Transfer of capital reserve to share capital									
2. Transfer of surplus reserve to share capital									
3. Surplus reserve to cover losses									
4. Change in defined benefit plan carried over to retained earnings									
5. Other comprehensive income carried over to retained earnings									
6. Others									
(V) Appropriation and application of special reserve									
1. Appropriation of special reserve in the period									
2. Application of special reserve in the period									
(VI) Others					-444,062.35				-444,062.35
IV. Balance at the end of the year	913,838,529.00				1,474,197,239.37			309,500,586.70	2,805,807,655.82

Legal representative:
Hu Huichun

Chief Accountant:
Hu Shoujun

Head of the Accounting Department:
Xue Gang

Statement of Changes in Shareholders' Equity (Continued)
January – June 2025

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Other equity instrument				Amount for corresponding period of last year							Total shareholders' equity
	Share capital	Preference shares	Perpetual bonds	Others	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	
I. Balance at the end of prior year	913,838,529.00				1,434,870,834.28				309,500,586.70		343,943,952.51	3,002,153,902.49
Add: Changes in accounting policies												
Error correction of previous period												
Others												
II. Balance at the beginning of current year	913,838,529.00				1,434,870,834.28				309,500,586.70		343,943,952.51	3,002,153,902.49

Statement of Changes in Shareholders' Equity (Continued)
January – June 2025

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Other equity instrument				Amount for corresponding period of last year							Total shareholders' equity
	Share capital	Preference shares	Perpetual bonds	Others	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	
III. Changes of current year (decreases are represented by "-")												
(I) Total comprehensive income					39,770,467.44						-10,881,789.70	28,888,677.74
(II) Share capital contributed or withdrawn by shareholders												
1. Share capital contributed by shareholders												
2. Capital contributed by holders of other equity instruments												
3. Amount of share-based payment included in shareholders' equity												
4. Others												
(III) Profit distribution												
1. Appropriation of surplus reserve												
2. Appropriation of general risk reserve												
3. Appropriation of profit to shareholders												
4. Others												
											-10,881,789.70	-10,881,789.70

Statement of Changes in Shareholders' Equity (Continued)
January – June 2025

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Other equity instrument				Amount for corresponding period of last year							Total shareholders' equity
	Share capital	Preference shares	Perpetual bonds	Others	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	
(IV) Internal carry-over within shareholders' equity												
1. Transfer of capital reserve to share capital												
2. Transfer of surplus reserve to share capital												
3. Surplus reserve to cover losses												
4. Change in defined benefit plan carried over to retained earnings												
5. Other comprehensive income carried over to retained earnings												
6. Others												
(V) Appropriation and application of special reserve												
1. Appropriation of special reserve in the period												
2. Application of special reserve in the period												
(VI) Others												
IV. Balance at the end of the year	913,838,529.00				1,474,641,301.72	39,770,467.44			309,500,586.70		333,062,162.81	3,031,042,580.23
												39,770,467.44

Legal representative:
Hu Huichun

Chief Accountant:
Hu Shoujun

Head of the Accounting Department:
Xue Gang

Statement of Cash Flows

January – June 2025

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Amount for the current period	Amount for corresponding period of last year
1. Cash flows from operating activities		
Cash received from the sale of goods and rendering of services	42,343,454.28	89,472,664.63
Net increase in deposits and placements from financial institutions		
Net increase in borrowings due to central bank		
Net increase in loans from other financial institutions		
Cash received from premiums of original insurance contract		
Net cash amount of reinsurance business		
Net increase in deposits of the insured and investment		
Net increase in disposal of financial assets held for trading		
Cash received from interests, fees and commissions		
Net increase in placements from banks and other financial institutions		
Net increase in repurchasing		
Refunds of taxes	1,192,175.36	911,038.81
Cash received relating to other operating activities	10,396,166.96	7,100,372.99
Sub-total of cash inflows from operating activities	53,931,796.60	97,484,076.43

Statement of Cash Flows (Continued)*January – June 2025*

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Amount for the current period	Amount for corresponding period of last year
Cash paid on purchase of goods and services received	31,587,294.47	26,116,244.01
Net increase in loans and advances		
Net increase in deposits in the central bank and other financial institutions		
Cash paid for claim settlements on original insurance contract		
Cash paid for interests, fees and commissions		
Cash paid for policy dividends		
Cash paid to and on behalf of employees	56,311,168.88	54,383,250.49
Cash paid for all types of taxes	5,333,715.54	7,930,991.19
Cash paid relating to other operating activities	31,591,118.89	21,976,129.42
Sub-total of cash outflows from operating activities	124,823,297.78	110,406,615.11
Net cash flows generated from operating activities	-70,891,501.18	-12,922,538.68

Statement of Cash Flows (Continued)*January – June 2025*

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Amount for the current period	Amount for corresponding period of last year
2. Cash flows from investing activities		
Cash received from disposal of investments	74,588,105.84	
Cash received from return on investments	110,073,254.36	60,597,632.38
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets		8,000.00
Net cash received from disposal of subsidiaries and other operating entities		
Cash received relating to other investing activities	494,282,671.23	190,000,000.00
Sub-total of cash inflows from investing activities	678,944,031.43	250,605,632.38
Cash paid on purchase of fixed assets, intangible assets and other long-term assets	784,936.52	4,623,904.33
Cash paid for investments		
Net cash paid on acquisition of subsidiaries and other operating entities		
Cash paid relating to other investing activities	522,000,000.00	247,000,000.00
Sub-total of cash outflows from investing activities	522,784,936.52	251,623,904.33
Net cash flows generated from investing activities	156,159,094.91	-1,018,271.95

Statement of Cash Flows (Continued)*January – June 2025*

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Amount for the current period	Amount for corresponding period of last year
3. Cash flows generated from financing activities		
Cash received from investment		
Including: Cash received by subsidiaries from minority shareholders' investment		
Cash received from borrowings		
Cash received from issuing bonds		
Cash received relating to other financing activities	90,000,000.00	169,000,000.00
Sub-total of cash inflows from financing activities	90,000,000.00	169,000,000.00
Cash paid on repayment of borrowings		
Cash paid on distribution of dividends or profits, or interest expenses		
Including: dividend and profit paid to minority shareholders by subsidiaries		
Cash paid relating to other financing activities	50,000,000.00	199,000,000.00
Sub-total of cash outflows from financing activities	50,000,000.00	199,000,000.00
Net cash flows generated from financing activities	40,000,000.00	-30,000,000.00

Statement of Cash Flows (Continued)*January – June 2025*

Prepared by: Nanjing Panda Electronics Company Limited

Unit: RMB

Items	Amount for the current period	Amount for corresponding period of last year
4. Effect of fluctuations in exchange rates on cash and cash equivalents	-41.15	37.51
5. Net increase in cash and cash equivalents	125,267,552.58	-43,940,773.12
Add: balance of cash and cash equivalents at the beginning of the year	60,473,856.82	101,341,164.10
6. Balance of cash and cash equivalents at the end of the year	185,741,409.40	57,400,390.98

Legal representative:
Hu Huichun

Chief Accountant:
Hu Shoujun

*Head of the Accounting
Department:*
Xue Gang

The following is the account section only:

Unless otherwise stated, the amounts are denominated in RMB

Amount in the current period covers: January to June 2025

Amount in the corresponding period of last year covers: January to June 2024

Balance as at the end of last year/Opening balance relates to: 31 December 2024

Closing balance relates to: 30 June 2025

NOTES:

(I) BASIS OF PREPARATION

The financial statements have been prepared in accordance with the basic and specific standards of the Accounting Standards for Business Enterprises, the Application Guidance for Accounting Standard for Business Enterprises, interpretations of the Accounting Standards for Business Enterprises and other relevant regulations issued by the Ministry of Finance (hereinafter collectively referred to as “CAS”), and the disclosure requirements in the Preparation Convention of Information Disclosure by Companies Offering Securities to the Public No. 15 – General Provisions on Financial Reporting issued by the China Securities Regulatory Commission. In addition, the financial statements comply with the applicable disclosure provisions of the rules governing the listing of securities issued by The Stock Exchange of Hong Kong Limited and with the applicable disclosure provisions of the Hong Kong Companies Ordinance.

(II) GOING CONCERN

This financial statement is prepared on a going concern basis.

(III) SEGMENT INFORMATION

According to the Company’s internal organizational structure, management requirements and internal reporting system, three reportable segments were identified, namely: smart transportation and safe city, green service-oriented electronic manufacturing, industrial Internet and intelligent manufacturing. The Company’s various reportable segments provide different products or services, or engage in business activities in different regions. Due to the need for different technologies or market strategies for each segment, the Company’s management monitors the different segments in respect of their business activities separately, and evaluate the operating results on a regular basis in order to allocate resources and evaluate their performance.

The transfer prices between segments are determined based on the actual transaction prices. Indirect expenses that are attributable to each segment are allocated among the segments in proportion. Assets are allocated based on the operations of the segments and the location of the assets. Segment liabilities include liabilities arising from the segment’s operating activities that are attributable to the segment. If expenses related to liabilities that are jointly borne by multiple operating segments are allocated to these operating segments, the jointly borne liabilities are also allocated to these operating segments.

Non-current assets are classified according to the region in which the assets are located in, and the Company’s non-current assets are all located in the territory of China.

The following tables set out the segment information for the year ended 30 June 2025 and the year ended 30 June 2024.

For the year ended 30 June 2025

Item	Smart Transportation and Safe city	Green Service- oriented Electronic Manufacturing	Industrial Internet and Intelligent Manufacturing	Offsetting	Total
Revenue	559,854,032.34	485,371,451.02	42,562,486.96	-45,136,736.60	1,042,651,233.72
Investment income from associates and joint ventures	48,290,460.77				48,290,460.77
Assets impairment losses	1,740,669.30	-546,382.53			1,194,286.77
Credit impairment losses	-5,618,156.16	-272,129.00	-808,369.39		-6,698,654.55
Depreciation and Amortization	28,575,751.78	14,972,261.22	9,530,373.49	-1,041,773.15	52,036,613.34
Total profit (Total loss)	37,733,852.25	1,655,067.07	-47,199,175.78	1,041,773.15	-6,768,483.31
Income tax expenses	10,017,752.39	2,168,777.08		40,118.39	12,226,647.86
Net profit (Net loss)	27,716,099.86	-513,710.01	-47,199,175.78	1,001,654.76	-18,995,131.17
Total assets	4,458,995,820.22	1,087,557,424.52	315,758,687.85	-776,257,657.24	5,086,054,275.35
Total liabilities	1,233,270,629.67	571,936,628.41	482,266,032.39	-571,598,269.29	1,715,875,021.18
Long-term equity investments in associates and joint ventures	389,991,205.34				389,991,205.34
Increase in other non-current assets except long-term equity investments	-28,975,939.14	1,247,050.77	-8,582,098.48	775,081.98	-35,535,904.87

(IV) ACCOUNTS RECEIVABLE

1. Accounts receivable by aging

Aging	Closing Balance	Opening Balance
Within 1 year	1,003,294,212.89	1,058,676,684.09
Including: 0-6 months	625,460,756.59	834,046,420.47
7-12 months	377,833,456.30	224,630,263.62
1-2 years	199,830,433.36	224,822,427.20
2-3 years	91,026,819.07	90,518,974.51
3-4 years	55,037,555.00	54,186,725.99
4-5 years	46,968,690.37	41,979,545.13
More than 5 years	50,028,334.30	46,396,005.16
Sub-total	1,446,186,044.99	1,516,580,362.08
Less: Allowance for credit losses	116,246,669.32	109,571,119.62
Total	<u>1,329,939,375.67</u>	<u>1,407,009,242.46</u>

Note: The aging is counted starting from the date when accounts receivable is recognized.

2. Accounts receivable shown by classification of bad debt provisions

Category	Closing Balance				
	Book value		Provision for bad debts		Carrying amount
	Amount	Proportion (%)	Amount	Expected credit loss rate (%)	
Accounts receivable accruing bad debt provisions in individual portfolio	45,866,888.60	3.17	34,570,313.60	75.37	11,296,575.00
Accounts receivable accruing bad debt provisions by collective portfolio	1,400,319,156.39	96.83	81,676,355.72	5.83	1,318,642,800.67
Including: aging portfolio	1,118,682,723.49	77.36	77,904,655.39	6.96	1,040,778,068.10
other portfolio	<u>281,636,432.90</u>	<u>19.47</u>	<u>3,771,700.33</u>	<u>1.34</u>	<u>277,864,732.57</u>
Total	<u>1,446,186,044.99</u>	<u>100.00</u>	<u>116,246,669.32</u>	<u>8.04</u>	<u>1,329,939,375.67</u>

Category	Opening Balance		Provision for bad debts		Carrying amount
	Book value			Expected credit loss rate	
	Amount	Proportion (%)	Amount	(%)	
Accounts receivable accruing bad debt provisions in individual portfolio	45,965,959.08	3.03	34,669,384.08	75.42	11,296,575.00
Accounts receivable accruing bad debt provisions by collective portfolio	1,470,614,403.00	96.97	74,901,735.54	5.09	1,395,712,667.46
Including: aging portfolio	1,151,378,825.75	75.92	70,943,007.98	6.16	1,080,435,817.77
other portfolio	319,235,577.25	21.05	3,958,727.56	1.24	315,276,849.69
Total	<u>1,516,580,362.08</u>	<u>100.00</u>	<u>109,571,119.62</u>	<u>7.22</u>	<u>1,407,009,242.46</u>

(1) Accounts receivable that are individually assessed for provisions at the end of the period

Company name	Book value	Provision for bad debts	Expected credit loss rate (%)	Reasons
Jiangsu Jinmao Robot Technology Co., Ltd.	22,593,150.00	11,296,575.00	50.00	Expected to be partially unrecoverable
Xuzhou Suning Real Estate Co., Ltd.	6,611,197.07	6,611,197.07	100.00	Expected to be unrecoverable
Jiangsu Zhongshi Environmental Technology Co., Ltd.	6,500,000.00	6,500,000.00	100.00	Expected to be unrecoverable
Nanchang Shuntang Green Electric Technology Co., Ltd.	2,553,482.35	2,553,482.35	100.00	Expected to be unrecoverable
Wenzhou Zhongdian Xingxin Intelligent Technology Co., Ltd.	2,040,000.00	2,040,000.00	100.00	Expected to be unrecoverable
Information Technology Department of a Military Region	2,023,000.00	2,023,000.00	100.00	Expected to be unrecoverable
Zhejiang Bajun Plastic Industry Co., Ltd.	1,600,000.00	1,600,000.00	100.00	Expected to be unrecoverable
Other unimportant totals	1,946,059.18	1,946,059.18	100.00	Expected to be unrecoverable
Total	<u>45,866,888.60</u>	<u>34,570,313.60</u>	<u>75.37</u>	

(2) *Accounts receivable that are assessed on grouping basis for provisions:*

① Group 1: Aging group

Aging	Balance as at 30 June 2025			Balance as at 1 January 2025		
	Book value	Expected credit loss rate (%)	Provision for bad debts	Book Value	Expected credit loss rate (%)	Provision for bad debts
Within 1 year	851,342,081.29		15,230,059.87	851,408,942.18		7,110,878.56
Including: 0-6 months	546,740,883.83			709,191,371.03		
7-12 months	304,601,197.46	5.00	15,230,059.87	142,217,571.15	5.00	7,110,878.56
1-2 years	126,875,922.97	10.00	12,687,592.36	163,641,078.03	10.00	16,364,107.79
2-3 years	48,437,546.17	15.00	7,265,631.99	49,005,295.10	15.00	7,350,794.26
3-4 years	40,964,704.81	30.00	12,289,411.51	39,276,073.88	30.00	11,782,822.16
4-5 years	41,261,017.26	50.00	20,630,508.67	39,426,062.71	50.00	19,713,031.36
More than 5 years	9,801,450.99	100.00	9,801,450.99	8,621,373.85	100.00	8,621,373.85
Total	<u>1,118,682,723.49</u>	<u>6.96</u>	<u>77,904,655.39</u>	<u>1,151,378,825.75</u>	<u>6.16</u>	<u>70,943,007.98</u>

② Group 2: Others

Group Name	Balance as at 30 June 2025			Balance as at 1 January 2025		
	Book value	Proportion (%)	Provision for bad debts	Book value	Proportion (%)	Provision for bad debts
Related party	<u>281,636,432.90</u>	<u>1.34</u>	<u>3,771,700.33</u>	<u>319,235,577.25</u>	<u>1.24</u>	<u>3,958,727.56</u>
Total	<u>281,636,432.90</u>	<u>1.34</u>	<u>3,771,700.33</u>	<u>319,235,577.25</u>	<u>1.24</u>	<u>3,958,727.56</u>

3. Provision for bad debts

Type	Opening Balance	Provision	Changes during the period			Closing Balance
			Recovery or Reversal	Write-off	Others	
Individual provision for bad debts	34,669,384.08		99,070.48			34,570,313.60
Bad debt provisions based on credit risk characteristics	74,901,735.54	6,961,647.41	187,027.23			81,676,355.72
Total	<u>109,571,119.62</u>	<u>6,961,647.41</u>	<u>286,097.71</u>			<u>116,246,669.32</u>

4. No accounts receivable was written off during the Reporting Period.

5. Five largest accounts receivable and contract assets by debtor at the end of the period:

Name	Balance of account receivable at the end of the period	Balance of contract assets at the end of the period	Total balance of accounts receivable and contract assets at the end of the period	Proportion of total accounts receivable and contract assets (%)	Balance of provision for bad debts at the end of the period
Nanjing Metro Group Co., Ltd.	366,083,045.42		366,083,045.42	22.96	7,711,063.06
Nanjing Panda Handa Technology Co., Ltd.	182,416,878.72		182,416,878.72	11.44	1,726,418.80
Ma'anshan Chujiang Intercity Rail Transit Co., Ltd.	52,373,021.44		52,373,021.44	3.29	
Ninebot Technology Co., Ltd.	33,759,770.43		33,759,770.43	2.12	
Nanjing Gusheng Enterprise Management Co., Ltd.	31,561,740.01		31,561,740.01	1.98	
Total	<u>666,194,456.02</u>		<u>666,194,456.02</u>	<u>41.79</u>	<u>9,437,481.86</u>

6. Overdue accounts receivable at the end of the period

Item	Carrying value
Accounts not overdue	1,255,020,475.69
Overdue amount – within 3 months	49,133,277.83
Overdue amount – over 3 months	142,032,291.47
Total	<u>1,446,186,044.99</u>

(V) CONTRACT ASSETS

1. Contract assets by categories

Item	Closing Balance			Opening Balance		
	Book value	Impairment loss	Carrying amount	Book value	Impairment loss	Carrying amount
Smart Transportation and Safe city	<u>147,927,220.49</u>	<u>10,760,877.40</u>	<u>137,166,343.09</u>	<u>157,113,052.22</u>	<u>12,501,546.70</u>	<u>144,611,505.52</u>
Total	<u>147,927,220.49</u>	<u>10,760,877.40</u>	<u>137,166,343.09</u>	<u>157,113,052.22</u>	<u>12,501,546.70</u>	<u>144,611,505.52</u>

2. Significant changes in the contract assets and reasons during the Reporting Period

Item	Amount of change	Reason of change
Smart Transportation and Safe city	<u>9,185,831.73</u>	Transferred to accounts receivable due to changes in settlement progress

3. Disclosure by provision method for impairment loss

Item	Closing Balance				Carrying value
	Book value		Impairment loss		
	Amount	Proportion (%)	Amount	Provision rate (%)	
Contract assets for bad debt provision based on individual portfolio					
Contract assets for bad debt provision based on collective portfolio	147,927,220.49	100	10,760,877.40	7.27	137,166,343.09
Including: aging portfolio	147,915,281.43	99.99	10,760,877.40	7.28	137,154,404.03
other portfolio	11,939.06	0.01			11,939.06
Total	147,927,220.49	100	10,760,877.40	7.27	137,166,343.09

Item	Opening Balance				Carrying value
	Book value		Impairment loss		
	Amount	Proportion (%)	Amount	Provision rate (%)	
Contract assets for bad debt provision based on individual portfolio					
Contract assets for bad debt provision based on collective portfolio	157,113,052.22	100.00	12,501,546.70	7.96	144,611,505.52
Including: aging portfolio other portfolio	157,113,052.22	100.00	12,501,546.70	7.96	144,611,505.52
Total	157,113,052.22	100.00	12,501,546.70	7.96	144,611,505.52

(1) *Contract assets for bad debt provision based on credit risk characteristics*

Group 1: Aging group

Aging	Closing Balance			Opening Balance		
	Book value	Impairment loss	Provision rate (%)	Book value	Impairment loss	Provision rate (%)
Within 1 year	50,315,085.47	1,000,857.81		32,097,585.27		
Including: 0-6 months	30,297,929.32			32,097,585.27		
7-12 months	20,017,156.15	1,000,857.81	5.00			5.00
1-2 years	97,600,195.96	9,760,019.59	10.00	125,015,466.95	12,501,546.70	10.00
Total	<u>147,915,281.43</u>	<u>10,760,877.40</u>	<u>7.28</u>	<u>157,113,052.22</u>	<u>12,501,546.70</u>	<u>7.96</u>

Group 2: Other groups

Group name	Closing Balance			Opening Balance		
	Book value	Impairment loss	Provision rate (%)	Book value	Impairment loss	Provision rate (%)
Related party portfolio	<u>11,939.06</u>					
Total	<u>11,939.06</u>					

4. *Provision for bad debts of contract assets during the period*

Item	Opening Balance	Provision	Changes during the period		Other Changes	Closing Balance	Reason
			Recovery or Reversal	Write-off			
Smart Transportation and Safe city	12,501,546.70		1,740,669.30			10,760,877.40	Expected credit loss
Total	<u>12,501,546.70</u>	<u></u>	<u>1,740,669.30</u>	<u></u>	<u></u>	<u>10,760,877.40</u>	

(VI) RIGHT-OF USE ASSETS

Item	Houses and Buildings	Machinery & Equipment	Total
I. Original book value			
1. Opening balance	16,704,920.38		16,704,920.38
2. Increase in the period	400,573.33		400,573.33
(1) New lease	400,573.33		400,573.33
3. Decrease in the period	484,917.24		484,917.24
(1) Contracts expired	484,917.24		484,917.24
4. Closing balance	16,620,576.47		16,620,576.47
II. Accumulated depreciation			
1. Opening balance	8,240,104.96		8,240,104.96
2. Increase in the period	2,091,693.47		2,091,693.47
(1) Provision	2,091,693.47		2,091,693.47
3. Decrease in the period	484,917.24		484,917.24
(1) Contracts expired	484,917.24		484,917.24
4. Closing balance	9,846,881.19		9,846,881.19

Item	Houses and Buildings	Machinery & Equipment	Total
III. Provision for impairment			
1. Opening balance			
2. Closing balance			
IV. Book value			
1. Book value as at 30 June 2025	6,773,695.28		6,773,695.28
2. Book value as at 1 January 2025	<u>8,464,815.42</u>	<u></u>	<u>8,464,815.42</u>

(VII) ACCOUNTS PAYABLE

1. By aging

Item	Closing Balance	Opening Balance
Within 1 year (including 1 year)	930,743,525.15	987,034,107.84
1-2 years (including 2 years)	305,743,408.04	209,102,581.68
2-3 years (including 3 years)	44,198,288.83	53,611,183.43
More than 3 years	<u>75,318,560.36</u>	<u>78,470,818.03</u>
Total	<u>1,356,003,782.38</u>	<u>1,328,218,690.98</u>

Note: The age of the accounts payable is disclosed based on the age on the date of entry

2. Significant accounts payable aging over 1 year

Creditor	Closing Balance	Reasons for Unsettled
Beijing Quanlu Communication and Signal Research and Design Institute Group Co., Ltd	12,951,566.98	Not settled
Zhongtian RF Cable Co., Ltd	14,933,655.31	Not settled
Nanjing Metro Resource Development Co., Ltd	31,985,720.00	Not settled
China Railway Signal & Communication Shanghai Engineering Bureau Group Co., Ltd.	28,195,509.02	Not settled
Nanjing Kongchi Technology Co., Ltd	11,186,891.04	Not settled
Henan Dashun Construction Labor Service Co., Ltd.	5,784,000.00	Not settled
Jiangsu Chenyaode Construction Engineering Labor Service Co., Ltd.	7,726,577.44	Not settled
Jiangsu Duanlan Construction Engineering Co., Ltd.	13,042,047.93	Not settled
Jiangsu Zhengjie Construction Labor Service Co., Ltd.	24,560,303.95	Not settled
Jiangsu Zhongzhishun Technology Co., Ltd.	9,844,275.40	Not settled
Nanjing Atmos Fisher Technology Co., Ltd.	7,707,863.75	Not settled
Nanjing Guochuang Electromechanical Engineering Co., Ltd	10,531,624.71	Not settled
Nanjing Hongquan Electronic Technology Co., Ltd.	6,998,502.61	Not settled
Nanjing Keyong Technology Co., Ltd.	9,049,410.21	Not settled
Nanjing Changxin Technology Co., Ltd.	14,808,298.71	Not settled
Urumqi Weirui Innovation Information Technology Co., Ltd.	8,613,178.30	Not settled
Southwest China Institute of Applied Magnetism	5,219,800.00	Not settled
Total	<u>223,139,225.36</u>	

(VIII) CONTRACT LIABILITIES

Item	Closing Balance	Opening Balance
Smart Transportation and Safe City	45,410,623.66	48,867,867.30
Industrial Internet and intelligent manufacturing	36,617,143.70	32,359,975.83
Green service-oriented electronic manufacturing	13,119,368.95	27,542,147.41
Total	<u>95,147,136.31</u>	<u>108,769,990.54</u>

Significant changes in the contract liabilities book value and reasons during the Reporting Period

Item	Amount of change	Reasons for change
Smart Transportation and Safe City	-3,457,243.64	Contract liabilities at the beginning of the period was recognized as revenue in current period
Industrial Internet and intelligent manufacturing	4,257,167.87	Amounts increased due to receipt of cash
Green service-oriented electronic manufacturing	-14,422,778.46	Contract liabilities at the beginning of the period was recognized as revenue in current period
	<u> </u>	

(IX) LEASE LIABILITIES

Item	Closing Balance	Opening Balance
Lease payment	8,599,451.38	9,303,070.75
Less: Unrealized finance expense	361,585.50	526,166.92
Less: Lease liabilities due within one year	4,554,683.15	4,148,681.83
Total	<u>3,683,182.73</u>	<u>4,628,222.00</u>

(X) OPERATING INCOME AND OPERATING COSTS**1. Operating income and operating costs**

Item	Amount in the period		Amount in the previous period	
	Income	Cost	Income	Cost
Principal business	1,027,847,907.37	877,782,560.16	1,235,445,114.04	1,079,384,627.77
Other business	14,803,326.35	3,460,428.03	14,901,398.05	8,214,230.72
Total	<u>1,042,651,233.72</u>	<u>881,242,988.19</u>	<u>1,250,346,512.09</u>	<u>1,087,598,858.49</u>

2. Breakdown of operating income

Item	Amount in the period	Amount in the previous period
Income from contracts with customer	985,726,596.19	1,195,465,477.59
Rental income – operating leases	56,924,637.53	54,881,034.50
Total	<u>1,042,651,233.72</u>	<u>1,250,346,512.09</u>

3. Breakdown information of operating income and operating costs

Income Categories	Industrial Internet and intelligent manufacturing		Smart transportation and safe city		Green service-oriented electronic manufacturing		Offsetting		Total	
	Operating Income	Operating Costs	Operating Income	Operating Costs	Operating Income	Operating Costs	Operating Income	Operating Costs	Operating Income	Operating Costs
Business type:										
Income from contracts with customer	42,562,486.96	60,094,163.80	492,213,526.08	408,792,318.78	485,371,451.02	444,891,897.17	-34,420,867.87	-39,838,563.57	985,726,596.19	873,939,816.18
Rental income – operating leases			67,640,506.26	12,579,530.40			-10,715,868.73	-5,276,358.39	56,924,637.53	7,303,172.01
Total	42,562,486.96	60,094,163.80	559,854,032.34	421,371,849.18	485,371,451.02	444,891,897.17	-45,136,736.60	-45,114,921.96	1,042,651,233.72	881,242,988.19
Operating region:										
Nanjing	42,562,486.96	60,094,163.80	480,425,006.56	389,933,489.86	260,815,451.64	250,228,301.93	-19,312,119.19	-20,028,853.93	764,490,825.97	680,227,101.66
Shenzhen			79,429,025.78	31,438,359.32	191,828,848.61	159,982,186.21	-25,824,617.41	-25,086,068.03	245,433,256.98	166,334,477.50
Chengdu					32,727,150.77	34,681,409.03			32,727,150.77	34,681,409.03
Total	42,562,486.96	60,094,163.80	559,854,032.34	421,371,849.18	485,371,451.02	444,891,897.17	-45,136,736.60	-45,114,921.96	1,042,651,233.72	881,242,988.19
Recognition timing:										
Point in time	42,562,486.96	60,094,163.80	388,219,934.91	296,966,355.86	485,371,451.02	444,891,897.17	-45,136,736.60	-45,114,921.96	871,017,136.29	756,837,494.87
Within a certain period of time			171,634,097.43	124,405,493.32					171,634,097.43	124,405,493.32
Total	42,562,486.96	60,094,163.80	559,854,032.34	421,371,849.18	485,371,451.02	444,891,897.17	-45,136,736.60	-45,114,921.96	1,042,651,233.72	881,242,988.19

4. *Performance Obligations*

The Company shall recognize revenue when it satisfies the performance obligation in the contract by transferring the control over relevant assets (goods or services) to the customers. A performance obligation satisfied over time or at a point of time is determined by the terms in the contract and the requirements of relevant laws and regulations. If the Company meets one of the following conditions, it is considered to have fulfilled its performance obligations within a certain period of time:

- (1) the customer simultaneously obtains and consumes the benefits provided by the Company's performance as the Company fulfills its obligations;
- (2) the customer is able to control the assets under construction during the Company's performance process;
- (3) the assets produced by the Company during the performance process have irreplaceable uses, and the Company has the right to receive payments for the cumulative performance completed to date throughout the entire contract period.

For performance obligations over a certain period of time, the revenue will be recognized over time by its progress towards complete satisfaction of that performance obligation. Otherwise, the Company shall recognize revenue at the point in time at which the customer obtains control of related goods or services. The progress of a performance obligation is determined based on the value of the goods that has been transferred to the customer.

5. *Explanation of allocation to remaining performance obligations*

The revenue based on signed contracts yet to be fulfilled or executed contracts that have not yet been satisfied at the end of the Reporting Period is RMB1,075,679,000, of which the revenue expected to be recognized in the second half of 2025 is RMB410,417,600, and thereafter the Company is expected to recognize revenue in the amount of RMB450,603,500 in year 2026, RMB214,657,900 in 2027 and subsequent years respectively.

(XI) INVESTMENT INCOME

Item	Amount in the period	Amount in the previous period
Income from long-term equity investments calculated under equity method	48,290,460.77	40,995,886.92
Investment income from the disposal of long- term equity	11,032,168.19	
Investment income from large-amount certificates of deposit	2,905,610.32	2,792,734.33
Investment gains from the disposal of financial assets held for trading	625,908.58	6,219,275.72
Total	<u>62,854,147.86</u>	<u>50,007,896.97</u>

(XII) INCOME TAXES EXPENSES

1. Details of income tax expenses

Item	Amount in the period	Amount in the previous period
Current income tax expense calculated according to tax laws and relevant regulations	11,260,133.88	8,651,329.72
Deferred income tax	966,513.98	-1,407,492.91
Total	<u>12,226,647.86</u>	<u>7,243,836.81</u>

2. Reconciliation between income tax expenses and accounting profit

Item	Amount
Total profit	-6,768,483.31
Income tax expenses calculated at statutory/applicable tax rates	-1,692,120.83
Effect of different tax rates applied by subsidiaries	3,494,854.45
Effect of adjustment for income tax in prior year	255,235.01
Tax effect of non-taxable income	-12,072,615.19
Tax effect of non-deductible costs, expenses and losses	172,828.39

Item	Amount
Effect of additional deductions for research and development expenses (expenses for technology development) (represented by “-”)	-10,850,331.85
Effect of deductible temporary differences losses not recognized as deferred tax assets in prior year or unused tax losses not recognized	-254,340.57
Effect of deductible temporary differences unrecognized deferred tax assets or deductible losses in current period	33,173,138.45
Income tax expenses	12,226,647.86

There are taxpayers who implement different corporate income tax rates, and the disclosure is as follows:

Name of taxpayer	Income tax rate (%)
Nanjing Panda Electronics Manufacturing Co., Ltd	15.00
Nanjing Panda Communication Technology Co., Ltd	15.00
Nanjing Huage Electric and Plastic Industry Co., Ltd	15.00
Nanjing Panda Information Industry Co., Ltd	15.00
Nanjing Panda Digital Technology Co., Ltd	15.00
Shenzhen Jinghua Information Technology Co., Ltd	15.00
Nanjing Panda Electronic Equipment Co., Ltd	15.00
Shenzhen Jingyu Electronics Co., Ltd	15.00
Chengdu Panda Electronic Technology Co., Ltd	15.00
Shenzhen Jinghua Property Management Co., Ltd	20.00
Shenzhen Jinghua Digital Technology Co., Ltd	20.00
Shenzhen Jinghua Health Technology Co., Ltd	20.00
Shenzhen Jingjia Property Management Co., Ltd	20.00
HongKong JWD Trading Company Limited	16.50

Pursuant to the Enterprise Income Tax Law of the People’s Republic of China and the Implementation Regulations of the Enterprise Income Tax Law of the People’s Republic of China, domestic enterprises of the Company are required to pay enterprise income tax at a rate of 25%;

Pursuant to the Hong Kong Inland Revenue Ordinance, HongKong JWD Trading Company Limited is required to pay profits tax at a rate of 16.5% in the Hong Kong region;

Pursuant to the relevant national preferential tax policies for high-tech enterprises, qualified high-tech enterprises may enjoy preferential policies for enterprise income tax and pay enterprise income tax at a reduced rate of 15%;

Pursuant to the relevant national preferential tax policies for small low-profit enterprises, if an enterprise is recognized as a qualified small low-profit enterprise, its taxable income will be reduced by 50%, and the enterprise income tax shall be calculated at a rate of 20%.

(XIII) RETURN ON EQUITY AND EARNINGS PER SHARE

Profit in the Reporting Period	Weighted average return on equity (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to the ordinary shareholders	-1.47	-0.0499	-0.0499
Net profit attributable to the ordinary shareholders after deducting non- recurring gain or loss items	<u>-1.99</u>	<u>-0.0673</u>	<u>-0.0673</u>

(XIV) CHANGES OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1. Changes of significant accounting policies

There were no significant changes of accounting policies in the Reporting Period.

2. Changes in significant accounting estimates

There were no significant changes in accounting estimates in the Reporting Period.

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

Nanjing, the People's Republic of China
26 August 2025

As at the date of this announcement, the Board comprises Executive Directors: Mr. Xia Dechuan, Mr. Hu Huichun; Non-executive Directors: Mr. Liu Jianfeng, Mr. Hu Jin, Mr. Yi Guofu and Mr. Lv Song; and Independent Non-executive Directors: Mr. Dai Keqin, Ms. Xiong Yanren and Mr. Chu Wai Tsun, Baggio.

* *For illustration purpose only*