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

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

(Stock Code: 00553)

ANNOUNCEMENT ON ESTIMATED INCREASE IN PROFIT FOR THE YEAR 2018

This announcement is made by Nanjing Panda Electronics Company Limited (the "**Company**") pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

IMPORTANT NOTICE:

It is estimated that the net profit attributable to shareholders of the Company for 2018 will be between RMB161,070,000 and RMB182,550,000, representing a year-on-year increase between 50% and 70%.

I. ESTIMATED RESULTS OF THE CURRENT PERIOD

(I) Period covered by the estimated results

From 1 January 2018 to 31 December 2018 (the "**Current Period**").

(II) Estimated results

1. Based on the preliminary estimation by the financial department of the Company, it is estimated that the net profit attributable to shareholders of the Company for 2018 will be between RMB161,070,000 and RMB182,550,000, representing an increase between 50% and 70% as compared with the corresponding period of the previous year.

2. It is estimated that the net profit attributable to shareholders of the Company after extraordinary items will be between RMB107,520,000 and RMB129,000,000, representing an increase between 48% and 78% as compared with the corresponding period of the previous year.

II. RESULTS OF THE CORRESPONDING PERIOD OF THE PREVIOUS YEAR

(I) Net profit attributable to shareholders of the Company: RMB107,380,000. Net profit attributable to shareholders of the Company after extraordinary items: RMB72,410,000.

(II) Earnings per share: RMB0.1175.

III. MAIN REASONS FOR THE ESTIMATED INCREASE IN PROFIT FOR THE CURRENT PERIOD

The estimated increase in profit for the Current Period is mainly due to the growth of principal operations of the Company. The main reasons are as follows:

(1) The Company actively promoted scientific and technological innovation, constantly adjusted its product structure and increased investment in research and development. The Company's smart manufacturing segment, information network equipment and consumer electronics have maintained a good momentum of development.

(2) The Company strengthened business integration to optimize resource allocation, and products such as those for smart transportation and smart building are in line with the development trends of the industry, resulting in increase in orders and enhancement of profitability.

IV. RISK WARNING

The estimated results of the Current Period are the preliminary estimation made by the finance department of the Company based on operation and have not been audited by certified public accountants. Therefore, no special explanation was issued by certified public accountants on the appropriateness and prudence in respect of the estimated increase in profit of the Company for the Current Period. There are no uncertain factors that may affect the accuracy of the estimated results of the Company as disclosed herein.

V. OTHER MATTERS

The estimated results above are only preliminary estimation. Please refer to the audited 2018 annual report officially disclosed by the Company for specific and accurate financial information. Investors are reminded to exercise caution when making investment decisions.

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

Nanjing, the People's Republic of China
23 January 2019

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