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

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

(Stock Code: 00553)

ANNOUNCEMENT ON ESTIMATED DECREASE IN PROFIT FOR THE YEAR 2019

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

The board of directors and all directors of the Company confirm that the information in this announcement does not contain any false representation, misleading statement or material omission, and jointly and severally accept full responsibility for the truthfulness, accuracy and completeness of the contents herein.

I. ESTIMATED RESULTS OF THE PERIOD

(I) Period covered by the estimated results

From 1 January 2019 to 31 December 2019

(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 2019 will be between RMB56,690,000 and RMB80,980,000, representing a decrease of 50% to 65% 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 RMB31,400,000 and RMB55,690,000, representing a decrease of 50% to 75% as compared with the corresponding period of the previous year.

3. The estimated results have not been audited by certified public accountants, and no special explanation was issued by certified public accountants on the appropriateness and prudence in respect of the estimated results of the Company for the period.

II. RESULTS OF THE CORRESPONDING PERIOD OF THE PREVIOUS YEAR

(I) Net profit attributable to shareholders of the Company: RMB161,960,000. Net profit attributable to shareholders of the Company after extraordinary items: RMB113,580,000.

(II) Earnings per share: RMB0.1772.

III. MAIN REASONS FOR THE ESTIMATED DECREASE IN PROFIT FOR THE PERIOD

Main reasons for the estimated decrease in profit for the period are as follows:

(1) With the increasing downward pressure of macro economy, the market competition of the manufacturing industry has become increasingly fierce, and the risks and challenges in various aspects have increased significantly, so the overall development environment for the Company is increasingly complex and challenging as compared with previous years.

(2) In recent years, the Company have been continuously investing in the research and development of industrial robots, but the industrialized application and marketing and promotion did not perform as expected. In 2018, orders for electronic smart factory business of the Company were scheduled to start delivery and be settled, the smart factory business achieved a rapid growth and satisfactory results. In 2019, orders for electronic production line of the smart factory business of the Company decreased, so the Company actively expanded intelligent transformation projects of production lines of aerospace and consumer products, and strived to implement the transformation and development. However, the business scale and profits witnessed a gap as compared with the same period of last year due to business transformation, which had a considerable effect on the results of the Company for 2019.

Based on the research and analysis of the development trend of radio and television market in the future and in accordance with the scale and profitability of the existing radio and television business of the Company, the Company has carried on transformation, adjustment and reconstruction to the radio and television business, which also had certain impact to the results of the Company for 2019.

IV. RISK WARNING

The estimated results for the period are the preliminary estimation made by finance department of the Company according to the production and operation of the Company and its professional judgement and have not been audited by certified public accountants. No special explanation was issued by certified public accountants on the appropriateness and prudence in respect of the estimated results of the Company for the period. There are no material uncertain factors of the Company that might affect the accuracy of the estimated results.

V. OTHER MATTERS

The estimated results above are only preliminary estimation. Please refer to the audited 2019 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
Zhou Guixiang
Chairman

Nanjing, the People's Republic of China
22 January 2020

As at the date of this announcement, the Board comprises Executive Directors: Mr. Zhou Guixiang, Mr. Lu Qing and Mr. Xia Dechuan; Non-executive Directors: Mr. Shen Jianlong and Mr. Deng Weiming; and Independent Non-executive Directors: Ms. Du Jie, Mr. Zhang Chun and Mr. Gao Yajun.