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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)

VOLUNTARY ANNOUNCEMENT ANNOUNCEMENT IN RELATION TO INCREASE IN SHAREHOLDING OF H SHARES OF THE COMPANY BY THE ULTIMATE CONTROLLER

The board of directors of the Company, all directors and the shareholders concerned warrant that there are no false representations or misleading statements contained in, or material omissions from, this announcement, and jointly and severally accept full responsibility for the truthfulness, accuracy and completeness of this announcement.

On 12 May 2020, Nanjing Panda Electronics Company Limited (the “**Company**”) received a notice from China Electronics Corporation (hereinafter referred to as “**CEC**”), the ultimate controller of the Company, stating that CEC increased its shareholding in the Company by purchasing an additional 11,484,000 H shares in aggregate with its own funds from the secondary market by bidding through its overseas wholly-owned subsidiary, CEIEC (H.K.) Limited (華電有限公司), representing 1.26% of the total issued shares of the Company. Details of which are set out as follows:

I. INCREASE IN SHAREHOLDING

Based on the understanding of the current capital market situation and confidence in the future sustainable development prospects of the Company, from 14 April to 11 May of 2020, CEC increased its shareholding in the Company by purchasing an additional 11,484,000 H shares in aggregate with its own funds from the secondary market by bidding through its overseas wholly-owned subsidiary, CEIEC (H.K.) Limited, representing 4.75% of the total issued H shares of the Company and 1.26% of the total issued shares of the Company. The aggregate amount of the shareholding increase is approximately RMB58,590,000 (based on the middle exchange rate of Hong Kong dollar to Renminbi as announced by the People's Bank of China on the date of shareholding increase, the same for below).

Prior to the subject shareholding increase, CEC held 232,782,055 A shares and 13,768,000 H shares in the Company through its controlling subsidiaries, with 246,550,055 shares in aggregate, representing 26.98% of the total issued shares of the Company. In particular, it held 22,120,611 A shares and 13,768,000 H shares in the Company through its controlling subsidiary, Nanjing Electronics Information Industrial Corporation (hereinafter referred to as “**NEIIC**”), representing 3.93% in aggregate of the total issued shares of the Company; it held 210,661,444 A shares in the Company through a wholly-owned subsidiary of NEIIC, Panda Electronics Group Limited (hereinafter referred to as “**PEGL**”), representing 23.05% of the total issued shares of the Company.

After the subject shareholding increase, as of 11 May of 2020, CEC held 232,782,055 A shares and 25,252,000 H shares in the Company through its subsidiaries, with 258,034,055 shares in aggregate, representing 28.24% of the total issued shares of the Company. In particular, it held 22,120,611 A shares and 13,768,000 H shares in the Company through its controlling subsidiary, NEIIC, representing 3.93% in aggregate of the total issued shares of the Company; it held 210,661,444 A shares in the Company through a wholly-owned subsidiary of NEIIC, PEGL, representing 23.05% of the total issued shares of the Company; it held 11,484,000 H shares in the Company through its overseas wholly-owned subsidiary, CEIEC (H.K.) Limited, representing 1.26% of the total issued shares of the Company.

II OTHER RELEVANT INFORMATION

- (I) CEC undertakes that CEC and its affiliated enterprises will not reduce their shareholdings in the Company within the statutory period.

- (II) The Company will comply with relevant provisions under the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong, the Measures for the Administration of the Takeover of Listed Companies and the Guidelines on the Increase in Shareholding by Shareholders and Their Parties Acting in Concert in Companies Listed on the Shanghai Stock Exchange, continue to oversee relevant matters in respect of the increase of shareholding by CEC and its parties acting in concert and fulfill its information disclosure obligations in a timely manner according to relevant rules.

By Order of the Board
Nanjing Panda Electronics Company Limited
Zhou Guixiang
Chairman

Nanjing, the People's Republic of China
12 May 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, Mr. Deng Weiming and Mr. Li Changjiang; and Independent Non-executive Directors: Ms. Du Jie, Mr. Zhang Chun and Mr. Gao Yajun.