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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)

ANNOUNCEMENT IN RELATION TO TERMINATION OF INVESTMENT PROJECT

References are made to the relevant announcements published by Nanjing Panda Electronics Company Limited (the “**Company**”) on 9 June and 2 July 2015, respectively, in relation to the establishment of Shanghai Panda Robot Technology Company Limited (“**such company**”) as a wholly-owned subsidiary of the Company. It was proposed that such company will construct a comprehensive research and development building in Shanghai Zhangjiang Hi-Tech Park and will be principally engaged in research and development of robots and equipment of intelligent manufacturing system. Such company has a registered capital of RMB285 million and its scope of business includes the development, services, consultation and transfer of robot technology, intelligent technology and computer technology; the research and development, design, manufacture and sales of computer software; and the research and development, design and sales of computer hardware and system equipment.

At present, land acquisition has not been completed for such company which also has not engaged in any substantive operations. According to the audited financial report, as at 31 December 2018, the paid-up capital of such company amounted to RMB6 million and both of its total and net assets were RMB5,491,400; the net profit of such company for 2018 was RMB-475,600.

According to the Company's development plan, the Company has adjusted its industrial layout and optimized allocation of resources by investing more resources in the fields with high benefits. It has also implemented lean management, resulting in higher utilization efficiency of existing resources. In light of this, the Company proposed to terminate the project of investment in Shanghai Panda Robot Technology Company Limited.

The termination of the project of investment in Shanghai Panda Robot Technology Company Limited by the Company has no material impact on the production and operation activities of the Company. Subsequently, the Company will proceed with deregistration of such company.

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

Nanjing, the People's Republic of China
29 March 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.