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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 ON THE PROGRESS OF CONTEMPLATION
OF A SIGNIFICANT EVENT**

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

CONTEMPLATION OF A SIGNIFICANT EVENT

References are made to the announcement on trading halt dated 23 September 2016 and the announcement on resumption of trading dated 23 September 2016 of the Company, concerning that Panda Electronics Group Limited (“**PEGL**”) is contemplating a significant event in relation to the Company which may involve significant assets injection (the “**Event**”). As at the date of this announcement, the Company is discussing with PEGL and its associate Nanjing Electronics Information Industrial Corporation (“**NEIIC**”) about the Event which may involve material asset reorganization and is subject to significant uncertainties.

CONTINUING SUSPENSION OF TRADING OF A SHARES

Trading of A shares of the Company as listed on the Shanghai Stock Exchange (the “**Shanghai Stock Exchange**”) has been suspended with effect from 23 September 2016. As at the date of this announcement, the Event is still under discussion and is therefore subject to significant uncertainties. Pursuant to the relevant provisions including the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, and upon application by the Company to the Shanghai Stock Exchange, the trading of A shares of the Company will be further suspended from Friday, 30 September 2016.

The Company undertakes that it will confirm with PEGL and NEIIC on whether to proceed with the Event as soon as practicable. The Company will fulfill its obligation on disclosure of information in a timely manner in accordance with the relevant provisions of the Shanghai Stock Exchange and the progress of the discussion of the Event.

The Event may or may not proceed in light of the material uncertainties. If it proceeds, the Event may still be subject to certain conditions. Investors and shareholders are advised by the board of the Company to exercise caution when dealing in the shares of the Company.

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

Nanjing, the People’s Republic of China
29 September 2016

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. Chu Wai Tsun, Vincent and Mr. Zhang Chun.