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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 TERMINATING  
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 on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) 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).

References are made to the announcement on trading halt dated 23 September 2016, the announcement on resumption of trading dated 23 September 2016 and the announcements on progress dated 29 September 2016, 13 October 2016 and 20 October 2016 of the Company, concerning that Panda Electronics Group Limited (the “**PEGL**”) and its associate Nanjing Electronics Information Industrial Corporation (the “**NEIIC**”) are contemplating a significant event in relation to the Company (the “**Event**”) which may involve significant assets injection.

The Board hereby announces that, as relevant parties fail to reach an agreement on the terms and conditions, the Company has decided to terminate the negotiation on the Event from the date of this announcement. Relevant matters on termination of the Event are announced as follows:

**I. BASIC INFORMATION ON THE CONTEMPLATED MATERIAL ASSET REORGANISATION**

**(I) Background of and reasons for the contemplated material asset reorganisation**

In order to further improve the Company’s comprehensive strength and profitability, the Company intended to optimise its capital structure and integrate relevant resources to accelerate its business development through injection of relevant assets and businesses by implementing a material asset reorganisation with PEGL and NEIIC.

## **(II) Transaction framework of the material asset reorganisation**

The main counterparties, mode of transaction and target assets of the transaction have not been finalized. It has been preliminarily determined that the main counterparties are PEGL and NEIIC, the transaction will be carried out through issuance of shares for purchase of assets and the industry type of the target assets is electronic equipment (device) manufacturing industry or relevant industry.

## **II. MAIN WORK CONDUCTED BY THE COMPANY IN ADVANCING THE MATERIAL ASSET REORGANISATION**

### **(I) Work conducted for advancing the material asset reorganisation**

1. During the suspension of trading of A shares of the Company, the Company has considered and discussed with the relevant parties on relevant matters in relation to the Event, and has actively and positively advanced various work concerning the material asset reorganisation, including preliminary determination of the industry type and general scope of target assets, mode of transaction, etc.

On 22 September 2016, PEGL and NEIIC contemplated the Event.

From 23 September 2016 to 30 September 2016, PEGL and NEIIC discussed the significant assets injection and conducted preliminary confirmation as to the industry type and scope of the assets to be injected.

From 8 October to 13 October 2016, the Company discussed with NEIIC and PEGL on the injection plan and confirmed that the Event constitutes a material asset reorganisation according to the preliminary plan. The Company prepares to appoint intermediary agencies.

From 14 October to 20 October 2016, the Company analysed and discussed the problems found in the preliminary confirmation of assets to be injected and related matters with NEIIC and PEGL and further analysed the conditions on the assets to be injected with reference to relevant laws and regulations.

On 21 October 2016, relevant parties held a meeting, at which it was estimated, upon discussion, that the ownership certificates for certain lands and properties of the target assets to be injected could not be obtained within the specified period of suspension of trading. The Company and relevant parties were of the view that further advancement of the material asset reorganisation might encounter many uncertainties, and thus decided, upon earnest study, to terminate the contemplation of the material asset reorganisation for the purpose of safeguarding the interests of all the shareholders and the Company.

## **(II) Obligations of information disclosure fulfilled**

1. In accordance with relevant provisions, the Company applied for suspension of trading urgently on 23 September 2016 and the trading of A shares was suspended on 23 September 2016.
2. On 23 September 2016, the Company published the Announcement on Suspension of Trading in Relation to A Significant Event of Nanjing Panda Electronics Company Limited (Lin 2016-055). Upon application by the Company, the trading of A shares of the Company was further suspended from 26 September 2016.
3. In accordance with relevant provisions, on 29 September 2016, the Company published the Announcement on the Progress of Suspension of Trading in Relation to A Significant Event of Nanjing Panda Electronics Company Limited (Lin 2016-058) to disclose the progress of the Event. Upon application by the Company, the trading of A shares of the Company was further suspended from 30 September 2016.
4. In accordance with relevant provisions, on 13 October 2016, the Company published the Announcement on the Suspension of Trading in Relation to the Material Asset Reorganisation of Nanjing Panda Electronics Company Limited (Lin 2016-059), pursuant to which PEGL and NEIIC were contemplating the Event. Upon application by the Company, the trading of A shares of the Company was further suspended from 14 October 2016 and the suspension of A shares would not be more than one month from 23 September 2016.
5. In accordance with relevant provisions, on 17 October 2016, the Company published the Announcement on the Information on Shareholders Prior to Suspension of Trading in Relation to the Material Asset Reorganisation of Nanjing Panda Electronics Company Limited (Lin 2016-060) to disclose the total number of shareholders, names and shareholdings of top 10 shareholders, and names and shareholdings of top 10 holders of shares not subject to trading moratorium on the trading day prior to the suspension of trading (i.e. 22 September 2016).
6. In accordance with relevant provisions, on 20 October 2016, the Company completed relevant information on insiders online through the “Corporate Business Management System” of the Shanghai Stock Exchange.
7. In accordance with relevant provisions, on 20 October 2016, the Company published the Announcement on the Progress of the Material Asset Reorganisation of Nanjing Panda Electronics Company Limited (Lin 2016-061) to disclose the progress of the Event.

### **III. REASONS FOR TERMINATING THE CONTEMPLATED MATERIAL ASSET REORGANISATION**

Ever since the launch of the material asset reorganisation, the Company and relevant parties have proactively advanced the material asset reorganisation by conducting various works including the preliminary confirmation of the industry type and scope of the assets to be injected. Upon discussion, it was estimated that the ownership certificates for certain lands and properties of the target assets to be injected could not be obtained within the specified period of suspension of trading. The Company and relevant parties were of the view that further advancement of the material asset reorganisation might encounter many uncertainties, and thus decided, upon earnest study, to terminate the contemplation of the material asset reorganisation for the purpose of safeguarding the interests of all the shareholders and the Company.

### **IV. UNDERTAKING**

The Company undertakes that it will not contemplate any material asset reorganisation within 1 month from the date of this announcement on terminating the Event.

### **V. ARRANGEMENT FOR RESUMPTION OF TRADING OF A SHARES AND THEIR DERIVATIVES**

In accordance with relevant provisions, the trading of A shares of the Company will resume on the Shanghai Stock Exchange on 24 October 2016.

**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  
21 October 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.*