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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)

PROFIT WARNING ANNOUNCEMENT ON ESTIMATED DECREASE IN RESULTS FOR THE YEAR 2021

This announcement is made by Nanjing Panda Electronics Company Limited (the “**Company**”) pursuant to Part XIVA of the Securities and Futures Ordinance (Cap. 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 “**Listing Rules**”). The board of directors of the Company (the “**Board**”) and all the members of the Board warrant that there are no false representation, misleading statements or material omissions, and jointly and severally accept responsibilities for the truthfulness, accuracy and completeness of its contents.

This announcement is made by the Company pursuant to Part XIVA of the Securities and Futures Ordinance and Rule 13.09 of the Listing Rules.

IMPORTANT NOTES:

1. It is estimated that the net profit attributable to shareholders of the Company for 2021 will be between RMB31,000,000 and RMB46,000,000, representing a decrease of approximately 40% to 60% year-on-year.
2. The estimated decrease in the Company's results for the year 2021 is mainly due to the decrease in extraordinary items; as compared with the corresponding period of the previous year, the total extraordinary items included in the current profit or loss decreased by approximately RMB30,000,000, which was mainly due to the reduction and exemption of social insurance contribution amounting to RMB36,790,000 in the corresponding period of the previous year as a result of the COVID-19 pandemic.

3. After deduction of extraordinary items, it is estimated that the net profit attributable to shareholders of the Company after extraordinary items for 2021 will be between RMB8,200,000 and RMB12,000,000, representing a decrease of approximately 35% to 55% year-on-year.

I. ESTIMATED RESULTS OF THE PERIOD

(I) Period covered by the estimated results

From 1 January 2021 to 31 December 2021

(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 2021 will be between RMB31,000,000 and RMB46,000,000, representing a decrease of approximately 40% to 60% 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 RMB8,200,000 and RMB12,000,000, representing a decrease of approximately 35% to 55% 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 FOR THE CORRESPONDING PERIOD OF THE PREVIOUS YEAR

- (I) Net profit attributable to shareholders of the Company: RMB77,318,200. Net profit attributable to shareholders of the Company after extraordinary items: RMB18,255,000.
- (II) Earnings per share: RMB0.0846.

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

(I) Effect on the principal business

During the reporting period, due to the impact of the combination of local COVID-19 pandemic, power cuts in industries and the year-on-year increase in the prices of certain components and raw materials in the supply chain, the cost of raw materials increased by approximately RMB60,000,000 as compared with the corresponding period of the previous year, resulting in a decrease in gross profit margin. During the reporting period, the Company focused on the development of modern digital cities – related businesses and green electronic manufacturing services, with operating revenue increasing by approximately 10% to 15% as compared with the corresponding period of the previous year; the increase in operating revenue basically offsets the impact of the increase in the costs of raw material on the Company's results for the year 2021.

(II) Impact of non-operating profit or loss

As compared with the corresponding period of the previous year, the total extraordinary items included in the current profit or loss decreased by approximately RMB30,000,000, which was mainly due to the reduction and exemption of social insurance contribution amounting to RMB36,790,000 in the corresponding period of the previous year as a result of the COVID-19 pandemic.

IV. RISKS 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 for the period.

V. OTHER MATTERS

The estimated results above are only preliminary estimation. Please refer to the audited 2021 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
21 January 2022

As at the date of this announcement, the Board comprises Executive Directors: Mr. Zhou Guixiang, Mr. Li Renzhi and Mr. Xia Dechuan; Non-executive Directors: Mr. Shen Jianlong, Mr. Deng Weiming and Mr. Yi Guofu; and Independent Non-executive Directors: Mr. Dai Keqin, Ms. Xiong Yanren, Mr. Chu Wai Tsun, Baggio.