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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 RECEIPT OF DECISIONS OF ADMINISTRATIVE PENALTY BY SUBSIDIARIES OF THE COMPANY

The board of directors of Nanjing Panda Electronics Company Limited (the “**Company**”) and all its board members warrant that this announcement does not contain any false information, misleading statements or material omissions, and are severally and jointly responsible for the truthfulness, accuracy and completeness of the contents of this announcement.

This announcement is made pursuant to Rule 13.09(2) 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) disclosed under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

I. ADMINISTRATIVE PENALTY ON ELECTRONICS EQUIPMENT COMPANY

Recently, Nanjing Panda Electronics Equipment Co., Ltd. (“**Electronics Equipment Company**”), a wholly-owned subsidiary of the Company, was served with the Decision of Administrative Penalty (Ning Xin Qu Guan Huan Fa [2018] No. 123) (《行政處罰決定書》(寧新區管環罰[2018] 123號)) by the Bureau of Environmental Protection and Water Affairs under the Management Committee of Nanjing Jiangbei New District (“Nanjing Jiangbei New District Bureau”). The main contents are as follows:

After investigating Electronics Equipment Company, Nanjing Jiangbei New District Bureau found that Electronics Equipment Company conducted the following environmental illegal acts: it had tampered with the data from automatic pollution source monitor. According to the prosecution proposal from the People's Procuratorate of Gulou District, Nanjing, during the process of handling the environmental pollution case against Sembcorp Nanjing SUIWU Co Ltd., it is found that Zhao Jian, the director of the operating department of Electronics Equipment Company, had been allowing the consistent manipulation of the data recorded by the automatic monitoring device by the relevant staff of Sembcorp Nanjing SUIWU Co Ltd. to assist the latter in falsification and avoiding being monitored by the environmental authorities.

Nanjing Jiangbei New District Bureau adjudges that Electronics Equipment Company's act is in violation of the requirements under Article 5 of the Administrative Measures on Automatic Environmental Monitoring in Nanjing (《南京市環境自動監測監控管理辦法》), which provides that "any entity and individual shall have the right to stop and report... any falsification in the process of utilization, operation and maintenance of facilities and data collection and transmission." and under clause II of Article 24 of the Provisional Measures on the Management of Automatic Monitoring of Sources of Pollution in Jiangsu Province (《江蘇省污染源自動監控管理暫行辦法》), which provides that a commercially operating unit shall not conspire with pollutant discharging entities in providing false data.

According to Article 28 of the Administrative Measures on Automatic Environmental Monitoring in Nanjing, which provides that "a pollutant discharging entity or an operating and maintenance entity which is found tampering data from automatic pollution source monitor, shall be subject to a fine of RMB30,000 by the competent environmental authority...", Nanjing Jiangbei New District Bureau, after consideration, decided to impose the following administrative penalties on Electronics Equipment Company: 1. the behaviour in violation of environmental law be corrected forthwith; 2. a fine of RMB30,000.

The respondent, if not accepting the penalty decision, may either apply to the Nanjing Environmental Protection Bureau or the Administration Commission of Nanjing Jiangbei New District for an administrative review within 60 days of receipt of the decision, or initiate an administrative action at Nanjing Railway Transportation Court within six months upon receipt of the Decision of Administrative Penalty.

The Company received the report on the receipt of the Decision of Administrative Penalty from Electronics Equipment Company. Electronics Equipment Company will apply to the Nanjing Environmental Protection Bureau for an administrative review within 60 days of receipt of the decision.

The Company will make follow-up disclosures on any substantial change in the matter.

II. ADMINISTRATIVE PENALTY ON HUAGE PLASTIC

Recently, Nanjing Huage Appliance and Plastic Industrial Co., Ltd. (“**Huage Plastic**”), a wholly-owned third-tier subsidiary of the Company, was served with the Decision of Administrative Penalty (Ning Jing Gong (Xiao) Xing Fa Jue Zi [2018] No. 0064) by the Brigade of the Economic and Technological Development Zone of the Public Security and Fire Prevention Branch of Nanjing City. The main contents are as follows:

On 12 October 2018, supervisors from the Brigade of the Economic and Technological Development Zone of the Public Security and Fire Prevention Branch of Nanjing City conducted an inspection on Huage Plastic and found that the exits of Huage Plastic were locked, which was in violation of Article 28 of the Law of the People’s Republic of China on Fire Prevention.

In accordance with relevant provisions in sub-clause 3 of clause I under Article 60 of the Law of the People’s Republic of China on Fire Prevention, Huage Plastic was fined RMB10,000. Huage Plastic shall go to any outlet of Agricultural Bank of China in Nanjing for payment of the fine within 15 days upon receipt of the Decision of Administrative Penalty.

The respondent, if not accepting the penalty decision, may either apply to the People’s Government of Qixia District, Nanjing City for an administrative review within 60 days of receipt of the decision or initiate an administrative action at Nanjing Railway Transportation Court within six months.

Currently, Huage Plastic has paid the fine of RMB10,000 according to the Demand Note of Administrative Penalty of Nanjing.

The production and operation activities of the Company, Electronics Equipment Company and Huage Plastic are not materially affected by the administrative penalties. The Company has requested the Company and relevant subsidiaries to further strengthen study of laws and regulations on environmental protection and fire prevention and conduct operations in strict accordance with relevant procedures to prevent similar events.

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

Nanjing, the People’s Republic of China
14 November 2018

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.