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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 A SUBSIDIARY OF THE COMPANY RECEIVING THE DECISION OF ADMINISTRATIVE PENALTY FROM NANJING ENVIRONMENTAL PROTECTION BUREAU

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, 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).

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 Huan Fa Zi [2018] No. 5) by Nanjing Environmental Protection Bureau (“**Nanjing Bureau**”). The main contents are as follows:

On 18 May 2017, in the on-site inspection, Nanjing Bureau found that Huage Plastic’s treatment facilities for recycling wastewater from paint spraying were in transformation, and approximately 20kg of spent activated carbon was piled in the open air and certain was scattered in the surrounding open space and grass, which is in violation of Article 17 of the Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste “units and individuals that collect, store, transport, utilize or dispose of solid waste shall take measures to prevent the scattering, running-off and leakage of solid waste, or other measures to prevent pollution of the environment; they shall not dump, pile up, discard or litter solid waste without authorization”.

Upon receipt of the advance notice on administrative penalty from the Nanjing Bureau, Huage Plastic responded to allegation and defended itself, and appealed for mitigation or remission of the penalty. After consideration, Nanjing Bureau did not adopt the same.

In accordance with relevant provisions in sub-clause 11 of clause I and clause II under Article 75 of the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, Nanjing Bureau, based on applicable law and verification of relevant evidences, made the following decision:

1. the behaviour in violation of environmental law be immediately corrected; and
2. a fine of RMB62,000.

Since Huage Plastic has corrected its behaviour, the administrative order of "the behaviour in violation of environmental law be immediately corrected" has been executed. Huage Plastic shall take the Decision of Administrative Penalty and the Demand Note of Administrative Penalty of Nanjing to any outlet of Nanjing Agricultural Bank for payment of the fine within 15 days from the date of the Decision of Administrative Penalty.

The respondent, if not accepting the penalty decision, may either apply to the Environmental Protection Department of Jiangsu Province or Nanjing People's Government for an administrative review within 60 days of receipt of the decision, or directly initiate an administrative action at Nanjing Railway Transportation Court within six months from the date of receipt of the written decision.

The production and operation activities of the Company and Huage Plastic are not materially affected by the administrative penalty. The Company has requested the Company and relevant subsidiaries to further strengthen study of laws and regulations on environmental protection 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
25 April 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. Chu Wai Tsun, Vincent and Mr. Zhang Chun.