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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)

DISCLOSEABLE TRANSACTION SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCT

The Board is pleased to announce that on 17 April 2019, the Company used its own temporarily idle fund of RMB110,000,000 (approximately HK\$124,740,000) in accordance with the First Industrial Bank Wealth Management Agreement, on 19 April 2019, Nanjing Panda Communications Technology Co., Ltd. (南京熊猫通信科技有限公司), a subsidiary of the Company, used its own temporarily idle fund of RMB40,000,000 (approximately HK\$45,360,000) in accordance with the Second Industrial Bank Wealth Management Agreement and on 5 June 2019, the Company used its own temporarily idle fund of RMB160,000,000 (approximately HK\$181,440,000) in accordance with the Third Industrial Bank Wealth Management Agreement, to subscribe for the principal-guaranteed Wealth Management Product issued by Industrial Bank.

The First Subscription does not constitute a discloseable transaction of the Company under the Listing Rules. However, pursuant to Rule 14.22 of the Listing Rules, the Second Subscription and the Third Subscription will be aggregated with the First Subscription, and the relevant applicable percentage ratios (as defined under the Listing Rules) exceed 5% but are lower than 25%. Therefore, the above subscriptions also constitute discloseable transactions of the Company for the purposes of the Listing Rules and are subject to the reporting and announcement requirements under the Listing Rules.

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FIRST SUBSCRIPTION

On 17 April 2019, the Company used its own temporarily idle fund of RMB110,000,000 (approximately HK\$124,740,000) to subscribe for the Wealth Management Product issued by Industrial Bank in accordance with the First Industrial Bank Wealth Management Agreement. The terms of the subscription are summarised as follows:

Date of Wealth Management Agreement: 17 April 2019

Parties:

- (i) the Company
- (ii) Industrial Bank

Industrial Bank is a licensed bank incorporated under the laws of the PRC. To the best knowledge, information and belief of the Directors, Industrial Bank and its ultimate beneficial owners are independent third parties. The principal businesses of Industrial Bank include the provision of corporate and individual services, capital operation, investment banking, assets management, trust and financial leasing as well as other financial services.

Name of the Wealth Management Product: Industrial Bank Corporate Financing Structured Deposit Product

(1) Size of the product and currency of returns: RMB110,000,000

(2) Nature of the product: Principal-guaranteed with floating yield

(3) Term of the product: 91 days

(4) Date of establishment: 17 April 2019

(5) Effective date: The effective date of subscription shall be the date of establishment

(6) Maturity date: 17 July 2019

- (7) **Early termination:** In case of early termination of the product, the seller shall publish the date of early termination two working days before such early termination date through its business outlets or website and designate the payment date, which shall be normally within three working days following the early termination date. The seller shall transfer the amount of principal in relation to the products amount held by the buyer as at the early termination date and the returns thereof to the account of the buyer under the agreement. The seller is not obliged to make other compensation, reimbursement or take any other obligations for the early termination of the product.
- (8) **Yield of the product:** Fixed yield and floating yield;
- Fixed yield = amount of principal * expected annual return rate on fixed yield * number of days for product duration/365, where the expected annual return rate on fixed yield being 2.26%;
- Floating yield = amount of principal * expected annual return rate on floating yield * number of days for product duration/365, where the expected annual return rate on floating yield ranging from 1.78% to 1.82%; the floating yield is determined based on the fluctuations of the benchmark price of Shanghai Gold in the morning on the Shanghai Gold Exchange.
- (9) **Product duration days:** Number of days commencing from effective date to the maturity date (excluding the maturity date).

SECOND SUBSCRIPTION

On 19 April 2019, Nanjing Panda Communications Technology Co., Ltd. (南京熊猫通信科技有限公司), a subsidiary of the Company, used its own temporarily idle fund of RMB40,000,000 (approximately HK\$45,360,000) to subscribe for the Wealth Management Product issued by Industrial Bank in accordance with the Second Industrial Bank Wealth Management Agreement. The terms of the subscription are summarised as follows:

Date of Wealth 19 April 2019

Management Agreement:

Parties: (i) Nanjing Panda Communications Technology Co., Ltd. (南京熊猫通信科技有限公司), a subsidiary of the Company

(ii) Industrial Bank

Industrial Bank is a licensed bank incorporated under the laws of the PRC. To the best knowledge, information and belief of the Directors, Industrial Bank and its ultimate beneficial owners are independent third parties. The principal businesses of Industrial Bank include the provision of corporate and individual services, capital operation, investment banking, assets management, trust and financial leasing as well as other financial services.

Name of the Wealth Industrial Bank Corporate Financing Structured Deposit
Management Product: Product

(1) **Size of the product** RMB40,000,000
and currency of
returns:

(2) **Nature of the product:** Principal-guaranteed with floating yield

(3) **Term of the product:** 91 days

(4) **Date of establishment:** 19 April 2019

(5) **Effective date:** The effective date of subscription shall be the date of establishment

(6) **Maturity date:** 19 July 2019

- (7) **Early termination:** In case of early termination of the product, the seller shall publish the date of early termination two working days before such early termination date through its business outlets or website and designate the payment date, which shall be normally within three working days following the early termination date. The seller shall transfer the amount of principal in relation to the products amount held by the buyer as at the early termination date and the returns thereof to the account of the buyer under the agreement. The seller is not obliged to make other compensation, reimbursement or take any other obligations for the early termination of the product.
- (8) **Yield of the product:** Fixed yield and floating yield;
- Fixed yield = amount of principal * expected annual return rate on fixed yield * number of days for product duration/365, where the expected annual return rate on fixed yield being 2.26%;
- Floating yield = amount of principal * expected annual return rate on floating yield * number of days for product duration/365, where the expected annual return rate on floating yield ranging from 1.78% to 1.82%; the floating yield is determined based on the fluctuations of the benchmark price of Shanghai Gold in the morning on the Shanghai Gold Exchange.
- (9) **Product duration days:** Number of days commencing from effective date to the maturity date (excluding the maturity date).

THIRD SUBSCRIPTION

On 5 June 2019, the Company used its own temporarily idle fund of RMB160,000,000 (approximately HK\$181,440,000) to purchase the Wealth Management Product issued by Industrial Bank in accordance with the Third Industrial Bank Wealth Management Agreement. The terms of the subscription are summarised as follows:

Date of Wealth Management Agreement: 5 June 2019

Parties:

- (i) the Company
- (ii) Industrial Bank

Industrial Bank is a licensed bank incorporated under the laws of the PRC. To the best knowledge, information and belief of the Directors, Industrial Bank and its ultimate beneficial owners are independent third parties. The principal businesses of Industrial Bank include the provision of corporate and individual services, capital operation, investment banking, assets management, trust and financial leasing as well as other financial services.

Name of the Wealth Management Product: Industrial Bank Corporate Financing Structured Deposit Product

(1) Size of the product and currency of returns: RMB160,000,000

(2) Nature of the product: Principal-guaranteed with floating yield

(3) Term of the product: 92 days

(4) Date of establishment: 5 June 2019

(5) Effective date: The effective date of subscription shall be the date of establishment

(6) Maturity date: 5 September 2019

(7) Early termination: In case of early termination of the product, the seller shall publish the date of early termination two working days before such early termination date through its business outlets or website and designate the payment date, which shall be normally within three working days following the early termination date. The seller shall transfer the amount of principal in relation to the products amount held by the buyer as at the early termination date and the returns thereof to the account of the buyer under the agreement. The seller is not obliged to make other compensation, reimbursement or take any other obligations for the early termination of the product.

(8) Yield of the product: Fixed yield and floating yield;

Fixed yield = amount of principal * expected annual return rate on fixed yield * number of days for product duration/365, where the expected annual return rate on fixed yield being 2.21%;

Floating yield = amount of principal * expected annual return rate on floating yield * number of days for product duration/365, where the expected annual return rate on floating yield ranging from 1.78% to 1.82%; the floating yield is determined based on the fluctuations of the benchmark price of Shanghai Gold in the morning on the Shanghai Gold Exchange.

(9) Product duration days: Number of days commencing from effective date to the maturity date (excluding the maturity date).

RISK CONTROL MEASURES

Giving top priority to risk prevention, the Company implemented stringent control and made prudent decision in respect of the purchase of bank wealth management products on the principle of protecting the interests of all Shareholders and the Company. The product purchased by the Company this time is the principal-guaranteed Wealth Management Product. During the term of the Wealth Management Product, the Company will keep in close contact with the relevant bank to follow up the utilization of funds, strengthen risk control and supervision, and strictly control the security of funds.

REASONS FOR AND BENEFITS OF THE INVESTMENT

The investment with temporarily idle funds of the Company was conducted this time on the premises that the self-owned funds are guaranteed, and that it would not impact the daily capital turnover of the Company or the operation of the Company's principal businesses.

The investment with temporarily idle funds of the Company could improve the capital usage efficiency and earn certain investment returns. The Directors are of the view that the terms of the subscriptions are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE GROUP

The Group is principally engaged in the research and development, manufacturing and sale of electronic equipment and consumer electronic products as well as electronic manufacturing services.

REQUIREMENTS UNDER THE LISTING RULES

As one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the subscriptions is more than 5% but less than 25%, the subscriptions constitute a discloseable transaction of the Company, and is subject to the reporting and announcement requirements under the Listing Rules.

IMPLICATIONS UNDER THE LISTING RULES

The First Subscription does not constitute a discloseable transaction of the Company under the Listing Rules. However, pursuant to Rule 14.22 of the Listing Rules, the Second Subscription and the Third Subscription will be aggregated with the First Subscription, and the relevant applicable percentage ratios (as defined under the Listing Rules) exceed 5% but are lower than 25%. Therefore, the above subscriptions also constitute discloseable transactions of the Company for the purposes of the Listing Rules and are subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

Unless the context otherwise requires, the following terms used herein have the following meanings:

“Board”	the board of Directors
“Company”	Nanjing Panda Electronics Company Limited, a joint stock company incorporated in the PRC with limited liability
“Director(s)”	the directors of the Company
“First Subscription”	the Company subscribes for the Wealth Management Product at a subscription amount of RMB110,000,000 in accordance with the First Industrial Bank Wealth Management Agreement, the principal terms of which are summarized in this announcement
“First Industrial Bank Wealth Management Agreement”	the wealth management agreement entered into between the Company and Industrial Bank on 17 April 2019 in relation to the First Subscription
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	third parties independent of the Company and its connected persons
“Industrial Bank”	Industrial Bank Co., Ltd., a licensed bank incorporated under the laws of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan)
“RMB”	Renminbi, the lawful currency of the PRC

“Second Subscription”	Nanjing Panda Communications Technology Co., Ltd. (南京熊猫通信科技有限公司), a subsidiary of the Company, subscribes for the Wealth Management Product at a subscription amount of RMB40,000,000 in accordance with the Second Industrial Bank Wealth Management Agreement, the principal terms of which are summarized in this announcement
“Second Industrial Bank Wealth Management Agreement”	the wealth management agreement entered into between Nanjing Panda Communications Technology Co., Ltd. (南京熊猫通信科技有限公司), a subsidiary of the Company, and Industrial Bank on 19 April 2019 in relation to the Second Subscription
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Third Subscription”	the Company subscribes for the Wealth Management Product at a subscription amount of RMB160,000,000 in accordance with the Third Industrial Bank Wealth Management Agreement, the principal terms of which are summarized in this announcement
“Third Industrial Bank Wealth Management Agreement”	the wealth management agreement entered into between the Company and Industrial Bank on 5 June 2019 in relation to the Third Subscription
“Wealth Management Product”	the wealth management product(s) denominated in Renminbi subscribed for by the Company in accordance with the First Industrial Bank Wealth Management Agreement, the Second Industrial Bank Wealth Management Agreement and the Third Industrial Bank Wealth Management Agreement
“%”	percent

In this announcement, for the purpose of illustration only, amounts quoted in RMB have been converted into HK\$ at the rate of RMB1.00 to HK\$1.134. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

By order of the Board
Nanjing Panda Electronics Company Limited
Xia Dechuan
Executive Director

Nanjing, the People's Republic of China
6 June 2019

As at the date of this announcement, the Board comprises Executive Director: 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.