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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)

**PAYMENT OF FINAL DIVIDEND**  
**CLOSURE OF REGISTER OF MEMBERS**

Reference is made to the 2015 preliminary results announcement of Nanjing Panda Electronics Company Limited (the “**Company**”) dated 21 March 2016 and the announcement dated 22 March 2016 in relation to, among others, the proposed distribution of final dividend of RMB68 cents per ten shares (tax inclusive) for the year ended 31 December 2015 (the “**Final Dividend**”).

The Company will pay the Final Dividend of RMB68 cents per ten shares (tax inclusive) on a pro-rata basis to shareholders whose names appear on the register of members of the Company at close of business on Thursday, 14 July 2016.

In order to determine the holders of H shares of the Company (“**H Shareholders**”) who are entitled to receive the Final Dividend, the register of members of the Company will be closed from Saturday, 9 July 2016 to Thursday, 14 July 2016 (both dates inclusive) during which no transfer of H shares of the Company can be registered. In order to be entitled to receive the proposed Final Dividend (if approved), all transfers of H shares of the Company accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the Company’s H shares registrar, Hong Kong Registrars Limited at 46th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 4:30 p.m. on Friday, 8 July 2016.

According to the Articles of Associations of the Company, dividends payable to the shareholders of the Company shall be denominated and declared in Renminbi. Dividends payable to the holders of A shares shall be paid in Renminbi while dividends payable to H Shareholders shall be paid in Hong Kong dollars. For payment of the Final Dividend, the corresponding exchange rate for Renminbi to Hong Kong dollar shall be the average exchange rate announced by the People’s Bank of China for the week prior to 30 June 2016, the date at which dividend is declared at the AGM (if approved).

In accordance with the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) and the Rules for the Implementation of the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法實施條例》), both with effect from 1 January 2008, the Company shall be obliged to withhold and pay PRC enterprise income tax on behalf of non-resident enterprise shareholders with a tax rate of 10% when the Company distributes any dividends to non-resident enterprise shareholders whose names appear on the register of members of H shares of the Company. As such, any H shares of the Company which are not registered in the name(s) of individual(s) (which, for this purpose, includes shares registered in the name of HKSCC Nominees Limited, other nominees, trustees, or other organizations or groups) shall be deemed to be H shares held by non-resident enterprise shareholder(s), and the PRC enterprise income tax shall be withheld from any dividends payable thereon.

In addition, pursuant to the Announcement on the List of Fully and Partially Invalid and Repealed Tax Regulatory Documents (《關於公佈全文失效廢止、部份條款失效廢止的稅收規範性文件目錄的公告》) published on 4 January 2011 by the State Administration of Taxation of the People's Republic of China, the Circular on the Questions Concerning Tax on the Profits Earned by Enterprises with Foreign Investment, Foreign Enterprises and Individual Foreigners from the Transfer of Stocks (Stock Rights) and on Dividend Income (Guo Shui Fa [1993] No. 45) (《關於外商投資企業、外國企業和外籍個人取得股票(股權)轉讓收益和股息所得稅收問題的通知》(國稅發[1993]45號)) has been repealed, which means individual foreigners holding H shares, who received dividends (bonuses) from PRC domestic enterprises which issued such H shares, would no longer enjoy exemption from individual income tax. Therefore, pursuant to the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法》), the Implementation Regulations of the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法實施條例》), the Tentative Measures on Withholding and Payment of Individual Income Tax (《個人所得稅代扣代繳暫行辦法》) and other relevant laws and regulations, all H Shareholders of the Company registered in the name(s) of individual(s) shall pay such individual income tax and the related tax shall be withheld and paid by the Company. For H Shareholders registered in the name(s) of individual(s), the Company will withhold and pay their individual income tax based on the 10% tax rate.

For investors of the Shanghai Stock Exchange (including enterprises and individuals) investing in the H shares of the Company listed on the Hong Kong Stock Exchange (the “**Southbound Trading**”), the Company has entered into “the Agreement on Distribution of Cash Dividends of H shares for Southbound Trading” (《港股通H股股票現金紅利派發協議》) with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited, pursuant to which, the Shanghai Branch of China Securities Depository and Clearing Corporation Limited, as the nominee of the investors of H shares for Southbound Trading, will receive all cash dividends distributed by the Company and distribute the cash dividends to the relevant investors of H shares of Southbound Trading through its depository and clearing system.

The cash dividends for the investors of H shares of Southbound Trading will be paid in Renminbi. Pursuant to the relevant requirements under the “Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect” (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》) (Caishui [2014] No. 81), for dividends received by domestic investors from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the company of such H shares shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The company of such H shares will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

The record date and the date of distribution of dividends and other arrangements for the investors of Southbound Trading will be the same as those for the H Shareholders of the Company.

The Company has appointed Bank of China (Hong Kong) Trustees Limited as the receiving agent in Hong Kong (the “**Receiving Agent**”) and will pay to such Receiving Agent the Final Dividend declared for payment to H Shareholders. The Final Dividend will be distributed by the Receiving Agent on or before Thursday, 28 July 2016. Relevant cheques will be dispatched on the same day to H Shareholders entitled to receive such dividend by ordinary post and at their own risk.

By Order of the Board  
**Nanjing Panda Electronics Company Limited**  
**Xu Guofei**  
*Executive Director*

Nanjing, the People’s Republic of China  
23 June 2016

*As at the date of this announcement, the Board comprises Executive Directors: Mr. Xu Guofei and Mr. Xia Dechuan; Non-executive Directors: Mr. Deng Weiming and Mr. Lu Qing; and Independent Non-executive Directors: Ms. Du Jie, Mr. Chu Wai Tsun, Vincent and Mr. Zhang Chun.*