

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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 THE RE-ELECTION OF THE BOARD OF DIRECTORS AND THE SUPERVISORY COMMITTEE

The term of office of the eighth session of the board of directors (“**Board**”) and the eighth session of the supervisory committee (“**Supervisory Committee**”) of Nanjing Panda Electronics Company Limited (“**Company**”) will expire on 30 June 2018. To facilitate the re-election of the Board and the Supervisory Committee (“**Re-election**”), the Company announces the matter in relation to the Re-election in accordance with the requirement under the Company Law of the People’s Republic of China (“**Company Law**”) and the Articles of Association of Nanjing Panda Electronics Company Limited (“**Articles of Association**”) as follows:

I. GENERAL INFORMATION OF THE NINTH SESSION OF THE BOARD AND THE SUPERVISORY COMMITTEE

In accordance with the requirement of the Articles of Association, the ninth session of the Board of the Company shall consist of 9 directors (“**Director(s)**”), including 3 independent non-executive directors (“**Independent Director(s)**”) and at least 1 accounting professional (with senior title or qualifications as a certified public accountant) among them. The members of the ninth session of the Board of the Company shall be elected at general meetings and are to hold office for a term of 3 years. The ninth session of the Supervisory Committee of the Company shall consist of 3 supervisors (“**Supervisor(s)**”), including 2 staff representative supervisors and 1 shareholders’ representative supervisor. The shareholders’ representative supervisor shall be elected at general meetings and to hold office for a term of 3 years.

II. NOMINATION OF CANDIDATES FOR DIRECTORS

In accordance with the requirement of the Articles of Association, Independent Directors shall be elected from candidates nominated by the Board, the Supervisory Committee or one or more shareholders representing 1% or more of the issued share capital of the Company. Other Directors shall be elected from candidates nominated by the Board or one or more shareholders representing 3% or more of the issued share capital of the Company.

(I) Nomination of candidates for Directors

The Board of the Company and one or more shareholders whose names appear in the register of shareholders of the Company and representing 3% or more of the issued share capital of the Company from the date of this announcement may nominate candidate(s) for Directors of the ninth session of the Board of the Company.

(II) Nomination of candidates for Independent Directors

The Board and the Supervisory Committee of the Company and one or more shareholders whose names appear in the register of shareholders of the Company and representing 1% or more of the issued share capital of the Company from the date of this announcement may nominate candidate(s) for Independent Directors of the ninth session of the Board of the Company.

III. NOMINATION OF CANDIDATES FOR SUPERVISORS

In accordance with the requirement of the Articles of Association, staff representative Supervisors shall be elected and removed by the staff while shareholders' representative Supervisors shall be elected and removed at a general meeting.

One or more shareholders whose names appear in the register of shareholders of the Company and representing 3% or more of the issued share capital of the Company from the date of this announcement may nominate candidate(s) for shareholders' representative Supervisors of the ninth session of the Supervisory Committee of the Company.

IV. PROCEDURES OF THE RE-ELECTION

1. The nominators shall submit the list of candidates for Directors and/or Supervisors and relevant materials to the secretary office of the Board of the Company in written form before 30 April 2018.
2. The secretary office of the Board of the Company shall submit the list of candidates for Directors and materials to the nomination committee of the Board. The nomination committee of the Board shall be responsible for reviewing the qualification of nominators and candidates for Directors and submit candidates for Directors who passed the qualification review to the Board for consideration.
3. The Board/Supervisory Committee of the Company shall convene a meeting in due course to finalise the lists of candidates for Directors of the ninth session of the Board and candidates for Supervisors respectively and propose to the general meeting of the Company for consideration.
4. The Company will lodge relevant materials of the candidates for Independent Directors with the Shanghai Stock Exchange for its review and examination pursuant to relevant regulations. The candidate(s) for Independent Directors against whom the Shanghai Stock Exchange raises objections shall not be proposed by the Company to the general meeting for election as Independent Directors.
5. If the Company receives nomination materials submitted by a shareholder pursuant to the Articles of Association and relevant regulations after the issue of the notice of general meeting, the Company shall issue supplemental notice and materials as soon as possible and decide whether to adjourn the general meeting pursuant to requirements.

V. QUALIFICATIONS FOR DIRECTORS AND SUPERVISORS

1. Candidates for Directors and Supervisors shall meet the qualifications for Directors and Supervisors as required by the Company Law, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**HKEx**”) and the relevant laws, regulations and guidelines.

2. In accordance with relevant provisions under the Company Law and other laws and regulations as well as the Articles of Association, a person to whom any of the following circumstances applies may not serve as a Director or Supervisor of the Company:
- (1) a person who does not have or has limited capacity for civil conduct;
 - (2) a person who has been sentenced for corruption, bribery, infringement of property or misappropriation of property or sabotaging social economic order and, because of committing such offence, has been punished or has been deprived of his political rights, in each case where less than five (5) years have elapsed since the date of the completion of implementation of such punishment or deprivation;
 - (3) a person who is a former director, factory manager or general manager of a company or enterprise which has been dissolved or put into liquidation as a result of mismanagement and who was personally liable for the insolvency of such company or enterprise, where no more than three (3) years have elapsed since the date of completion of the insolvency liquidation of the company or enterprise;
 - (4) a person who is a former legal representative of a company or enterprise the business licence of which was revoked due to violation of laws and who is personally liable for such revocation, where no more than three (3) years have elapsed since the date of the revocation of the business licence;
 - (5) a person who holds a relatively large amount of debts which have fallen due and outstanding;
 - (6) a person who is currently under investigation by the judicial authorities for violation of criminal law where the said investigation is not yet concluded;
 - (7) a person who, according to laws and administrative regulations, cannot act as a leader of an enterprise;
 - (8) a non-natural person;
 - (9) a person who has been adjudged by the relevant authority for violation of the relevant securities regulations and such conviction involves a finding that such person has acted fraudulently or dishonestly, where not more than five (5) years have lapsed from the date of such conviction.

3. Candidates for the Independent Directors shall also satisfy the requirements of qualification and independence relating to independent directors under the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the Rules Governing the Listing of Securities on HKEx and the relevant laws, regulations and guidelines.
4. In accordance with relevant provisions under the Company Law and other laws and regulations as well as the Articles of Association, an independent director shall satisfy the following fundamental requirements:
 - (1) have the qualifications to be a director of a listed company as provided in laws, administrative regulations and other relevant regulations;
 - (2) be independent;
 - (3) have a command of the basic knowledge of the operations of listed companies, and be familiar with relevant laws, administrative regulations, and departmental rules and regulations;
 - (4) have at least five (5) years of work experience in legal or economic field or other fields indispensable for performing the duties of independent directors;
 - (5) other requirements stipulated in the Article of Association.

For the purpose of the independency of independent directors, the following persons shall not serve as independent directors:

- (1) persons employed by the Company or its subsidiaries and their immediate family members and major social relations (immediate family members means spouse, parents and children, etc; and major social relations means siblings, parents-in-law, sons/daughters-in-law, spouses of siblings, siblings of spouse, etc.);
- (2) natural person shareholders who directly or indirectly hold 1% or more of the Company's issued share capital or who are among the top ten shareholders of the Company and their immediate family members;
- (3) persons employed by the shareholder entities which directly or indirectly holds 5% or more of the Company's issued share capital or which are among the top five shareholder entities of the Company and their immediate family members;
- (4) persons to whom any of the abovementioned three circumstances applied in the recent one year;

- (5) persons who provide financial, legal and consulting services to the Company or its affiliated enterprises;
 - (6) persons who are acting as independent directors in five listed companies;
 - (7) persons who are prohibited from acting as independent directors by the securities regulatory authority of the State Council.
4. In addition to the qualification of Director, Independent Director and Supervisor required under relevant laws and regulation, a nominator shall properly consider whether the person to be nominated possesses relevant professional knowledge and decision-making capability.

VI. REQUIREMENTS AND EXPLANATION REGARDING THE NOMINATION

1. Nomination shall be made in writing. The nomination documents shall include but not limited to the basic information, working experience, work ethics, professional experience, requisite qualification and part time jobs in other entities of the candidates for Directors and Supervisors which are signed by the nominators for confirmation.
2. The nominees shall issue a written commitment in accordance with the Articles of Association and relevant requirements of the Company, which indicates his/her consent to the nomination, undertakes that the materials provided are true and complete and guarantees that he/she will perform the duties of a Director or a Supervisor upon election.
3. The nominators shall make an opinion on the qualification and independence of the candidate in accordance with the forms and contents required by the securities regulatory bodies for nomination of a candidate for Independent Director. The nominees shall make a public declaration, declaring that there is no relationship between the nominee and the Company which affects his/her independent and objective judgment.
4. If nominators are shareholders of the Company, the nominators shall also provide the following documents:
 - (1) for individual shareholders, copies of their documents of identity (together with the original for inspection);
 - (2) for legal person shareholders, copies of their business license affixed with the company's chop (together with the original for inspection);

- (3) copies of share account card for shareholders (together with the original for inspection);
- (4) evidence of shareholding as at the date of nomination.
5. The nominators and the nominees shall have the obligation to cooperate with the Company in respect of verification of the truthfulness of the nomination documents and relevant materials and to provide further documents and materials according to the Company's requirements.
6. The nomination materials shall be delivered either in person or by post.

VII. MEANS OF CONTACT

1. Contact person: Liu Juan
2. Phone number: (8625) 84801144
3. Fax number: (8625) 84820729
4. Contact address: No. 7 Jingtian Road, Nanjing
5. Postal code: 210033

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

Nanjing, the People's Republic of China
19 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.