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## 南京熊貓電子股份有限公司

### NANJING PANDA ELECTRONICS COMPANY LIMITED

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

(Stock Code: 00553)

#### ANNOUNCEMENT

#### PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND PROCEDURAL RULES

The board of directors of Nanjing Panda Electronics Company Limited (the “**Company**”) (the “**Board**”) hereby announces that the Board convened the extraordinary meeting of the eighth session of the Board on 10 November 2017 and approved, among others, the resolutions in relation to the amendments to the Articles of Association of the Company (the “**Articles of Association**”), the Procedural Rules of General Meetings and the Procedural Rules of the Board of Directors (the “**Proposed Amendments**”).

In accordance with the relevant requirements of the “Notice regarding the Promotion of the requirements of Incorporation of Party Building Work into the Articles of Associations of State-owned Enterprises” (《關於紮實推動國有企業黨建工作 要求寫入公司章程的通知》) (Zu Tong Zi [2017] No.11) and the “Notice of Accelerating the Inclusion of General Provisions into the Articles of Associations of Central Level State-Owned Enterprises for Party Building” (《關於加快推進中央企業黨建工作總體要求納入公司章程有關事項的通知》) (Guo Zi Dang Wei Dang Jian [2017] No. 1), and for the purpose of further improving the standardized operation of the Company and safeguarding the legitimate rights and interests of minority shareholders, the Board proposes to make the Proposed Amendments in compliance with the relevant requirements of the Company Law of the People’s Republic of China and the Guidelines for the Articles of Association of Listed Companies, and taking into consideration the actual situations of the Company. The details of the Proposed Amendments are set out in the appendix of this announcement.

Save for the terms set out in the appendix, other terms of the Articles of Association, the Procedural Rules of General Meetings and the Procedural Rules of the Board of Directors remain unchanged.

The numbers of relevant chapters and articles in the current Articles of Association and the Procedural Rules of the Board of Directors will be adjusted accordingly by the Company according to the Proposed Amendments.

## **EXTRAORDINARY GENERAL MEETING**

The Proposed Amendments are subject to the approval of the shareholders of the Company at the first extraordinary general meeting in 2017 (the “EGM”) to be held on 30 November 2017 by way of special resolutions. The Board believes that the Proposed Amendments are in the best interests of the Company and its shareholders and accordingly recommends shareholders to vote in favour of such resolutions at the EGM. A supplemental circular containing, among other things, details of the Proposed Amendments will be dispatched to the shareholders as soon as practicable.

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

Nanjing, the People’s Republic of China  
10 November 2017

*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.*

## APPENDIX

### 1. Comparison Chart of Amendments to the Articles of Association

No.	Original Article	Amended Article
1	<p><b>Article 70</b> The shareholders' general meetings exercise the following functions and powers:</p> <p>.....</p> <p>(13) to consider the motions put forward by shareholder(s) representing 5% or more of the Company's shares with voting rights;</p> <p>.....</p>	<p><b>Article 70</b> The shareholders' general meetings exercise the following functions and powers:</p> <p>.....</p> <p>(13) to consider the motions put forward by shareholder(s) representing <b>3% or more</b> of the Company's shares with voting rights;</p> <p>.....</p>
2	<p><b>Article 133</b> Directors shall be elected at shareholders' general meetings to hold office for a term of three (3) years. A director may be re-elected and re-appointed upon the expiry of his term of office, provided that an independent director shall not hold office for a consecutive period of more than six (6) years. Independent directors shall be elected from candidates nominated by the board of directors, the supervisory committee or one or more shareholders representing 1% or more of issued shares of the Company. Other directors shall be elected from candidates nominated by the board of directors or one or more shareholders representing 5% or more of issued shares of the Company.</p> <p>.....</p>	<p><b>Article 133</b> Directors shall be elected at shareholders' general meetings to hold office for a term of three (3) years. A director may be re-elected and re-appointed upon the expiry of his term of office, provided that an independent director shall not hold office for a consecutive period of more than six (6) years. Independent directors shall be elected from candidates nominated by the board of directors, the supervisory committee or one or more shareholders representing 1% or more of issued shares of the Company. Other directors shall be elected from candidates nominated by the board of directors or one or more shareholders representing <b>3% or more</b> of issued shares of the Company.</p> <p>.....</p>

No.	Original Article	Amended Article
3		<p>The addition of the following as Article 135:</p> <p><b>Article 135 Prior to making decisions on material issues of the Company, the board of directors shall first seek advice from the Party Committee of the Company.</b></p> <p>The addition of the following as Chapter 15 Party Committee:</p> <p><b>Chapter 15 Party Committee</b></p> <p><b>Article 196 In accordance with the requirements of the Constitution of the Communist Party of China, an organization of the Communist Party of China shall be established. The Party committee shall perform the core leadership and core political functions to provide directions, manage overall situations and ensure implementation. The working organs of the Party shall be established, equipped with sufficient staff to deal with Party affairs and provided with sufficient funds to operate the Party organization.</b></p>

No.	Original Article	Amended Article
		<p><b>Article 197</b> The Company shall establish the Party Committee consisting of one secretary, one deputy secretary and several other committee members. Eligible Party Committee members may be appointed as members of the Board of Directors, the Board of Supervisors and the management team of the Company through legal procedures, while eligible Party members from the Board of Directors, the Board of Supervisors and the management team of the Company may be appointed as members of the Party Committee pursuant to relevant regulations and procedures. A Discipline Inspection Commission shall also be established in accordance with relevant regulations.</p>
		<p><b>Article 198</b> The Party Committee of the Company shall perform its duties in accordance with the Constitution of the Communist Party of China and other Party regulations.</p> <p>(I) To ensure and supervise the implementation of guidelines and policies of the Party and of the State by the Company, to implement the significant strategic decisions of the Central Party Committee and the State Council as well as important tasks of the superior Party organizations.</p>

No.	Original Article	Amended Article
		<p>(II) To persist the principle of management by the Party Cadres while ensuring that the Board of Directors is entitled to appoint operation manager pursuant to law and operation manager is entitled to employ staff members pursuant to law. The Party Committee shall consider and advise on the candidates nominated by the Board of Directors or general manager, or may propose candidates to the Board of Directors or general manager for consideration. It shall review the proposed candidates together with the Board of Directors and provide opinions and suggestions.</p> <p>(III) To consider and discuss the reform, development and stability of the Company, major operation and management issues and major issues concerning employees' interests, and provide comments and suggestions.</p> <p>(IV) To undertake the main responsibilities of comprehensive and strict management of the Party; lead the Company's ideological and political work, the united front work, construction of spiritual civilization, construction of corporate culture and affairs of the trade union, the Communist Youth League and other groups; take the lead in the construction of the Party's conduct and upholding integrity and support the Discipline Inspection Commission to perform its supervision duties.</p>

## 2. Comparison Chart of Amendments to the Procedural Rules of General Meetings

No.	Original Article	Amended Article
1	<p><b>Article 3</b> The shareholders' general meeting is the supreme authority of the Company and shall exercise its powers to the extent as provided by the Company Law and the Articles of Association in accordance with law.</p> <p>The shareholders' general meeting may exercise the following functions and powers:</p> <p>.....</p> <p>(13) to consider the motions put forward by shareholder(s) representing 5% or more of the Company's shares with voting rights;</p> <p>.....</p>	<p><b>Article 3</b> The shareholders' general meeting is the supreme authority of the Company and shall exercise its powers to the extent as provided by the Company Law and the Articles of Association in accordance with law.</p> <p>The shareholders' general meeting may exercise the following functions and powers:</p> <p>.....</p> <p>(13) to consider the motions put forward by shareholder(s) representing <b>3% or more</b> of the Company's shares with voting rights;</p> <p>.....</p>

### 3. Comparison Chart of Amendments to the Procedural Rules of the Board of Directors

No.	Original Article	Amended Article
1	<p><b>Article 4</b> Directors shall be elected at the shareholders' general meeting. The term of office of the directors is three years. At the expiry of a Director's term of office, the term is renewable upon re-election. Directors shall be elected from candidates nominated by the Board or one or more shareholders who representing 5% or more of issued shares of the company at the general meeting.</p> <p>.....</p>	<p><b>Article 4</b> Directors shall be elected at the shareholders' general meeting. The term of office of the directors is three years. At the expiry of a Director's term of office, the term is renewable upon re-election. Directors shall be elected from candidates nominated by the Board or one or more shareholders who representing <b>3% or more</b> of issued shares of the company at the general meeting.</p> <p>.....</p>
2		<p>The addition of the following as Article 12:</p> <p><b>Article 12 Prior to making decisions on material issues of the Company, the board of directors shall first seek advice from the Party Committee of the Company.</b></p>