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If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Nanjing Panda Electronics Company Limited**, you should at once hand this circular and the accompanying supplemental form of proxy to the purchaser or other transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

WORK REPORT OF THE BOARD OF DIRECTORS FOR 2018
WORK REPORT OF THE SUPERVISORY COMMITTEE FOR 2018
AUDITED FINANCIAL REPORT FOR 2018
FINANCIAL BUDGET REPORT FOR 2019
PROFIT APPROPRIATION PLAN FOR 2018
REAPPOINTMENT OF AUDITORS FOR 2019
2018 ANNUAL REPORT AND ITS SUMMARY
REPORT OF INDEPENDENT DIRECTORS FOR 2018
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
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COMPANY'S PROVISIONS OF GUARANTEE
ELECTION OF DIRECTORS OF THE NINTH SESSION OF THE BOARD
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ELECTION OF THE NON-EMPLOYEE REPRESENTATIVE SUPERVISOR
OF THE NINTH SESSION OF THE SUPERVISORY COMMITTEE
OF THE COMPANY

Capitalized terms used in this cover page shall have the same meanings as those defined in this circular.

A letter from the Board is set out on pages 1 to 12 of this circular. The AGM will be held on Friday, 28 June 2019 at 2:30 p.m. at the Company's Conference Room, 7 Jingtian Road, Nanjing, the People's Republic of China. The notice convening the AGM, the proxy form and the reply slip have been sent to the H Shareholders on 10 May 2019. Whether or not you are able to attend and vote at the AGM, please complete and return the accompanying proxy form in accordance with the instructions printed thereon to the Company's H Share Registrar, Hong Kong Registrars Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong or the office of the Company as soon as possible and in any event not less than 24 hours before the time of the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

28 May 2019

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DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context otherwise requires:

“A Share(s)”	domestic share(s) with a nominal value of RMB1.00 each issued by the Company which are listed on the Shanghai Stock Exchange
“AGM”	the annual general meeting of the Company to be held on Friday, 28 June 2019 at 2:30 p.m. at the Company’s Conference Room, 7 Jingtian Road, Nanjing, the PRC
“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors
“Company”	Nanjing Panda Electronics Company Limited (南京熊貓電子股份有限公司), a joint stock company incorporated in the PRC with limited liability, whose H Shares are listed on the Main Board of the Stock Exchange and A Shares are listed on the Shanghai Stock Exchange
“Directors”	the directors of the Company
“H Share(s)”	overseas listed foreign share(s) with nominal value of RMB1.00 each in the share capital of the Company which are listed on the main board of the Hong Kong Stock Exchange
“H Shareholder(s)”	holder(s) of H Shares
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended from time to time
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“PRC”	the People’s Republic of China (for the purpose of this circular, excluding Hong Kong, Macau and Taiwan)
“Proposed Amendments”	the proposed amendments to the Articles of Association and its appendix (namely, the Procedural Rules for General Meetings)
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	A Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the Share(s) of the Company
“%”	per cent

LETTER FROM THE BOARD

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)

Executive Directors

Mr. Xia Dechuan

Non-executive Directors

Mr. Lu Qing

Mr. Deng Weiming

Mr. Gao Gan

Independent non-executive Directors

Ms. Du Jie

Mr. Zhang Chun

Mr. Gao Yajun

Registered Address:

Level 1-2, Block 5,
North Wing, Nanjing High
and New Technology
Development Zone,
Nanjing, the PRC

Office Address:

7 Jingtian Road
Nanjing, the PRC
Postal Code: 210033

28 May 2019

To the Shareholders

Dear Sir or Madam,

**WORK REPORT OF THE BOARD OF DIRECTORS FOR 2018
WORK REPORT OF THE SUPERVISORY COMMITTEE FOR 2018
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OF THE NINTH SESSION OF THE SUPERVISORY COMMITTEE
OF THE COMPANY**

LETTER FROM THE BOARD

INTRODUCTION

The purpose of this circular is to provide you with more information regarding the resolutions to be proposed and considered at the AGM to enable you to make an informed decision on whether to vote for or against the resolutions at the AGM.

WORK REPORT OF THE BOARD OF DIRECTORS FOR 2018

Please refer to Discussion and Analysis of the Operation of the 2018 annual report of the Company for relevant contents of the work report of the Board for 2018.

WORK REPORT OF THE SUPERVISORY COMMITTEE FOR 2018

Please refer to this circular for the work report of the supervisory committee of the Company for 2018.

AUDITED FINANCIAL REPORT FOR 2018

Please refer to the financial report in the 2018 annual report of the Company for the audited financial report of the Company for 2018.

FINANCIAL BUDGET REPORT FOR 2019

The operating targets of the Company in 2019 are to achieve a revenue of RMB5,000,000,000 and total profit of RMB180,000,000. In 2019, the Board has formulated the above operating targets based on the overall economic situation at home and abroad, taking into full account the developments of the industry in which the Company operates and the actual conditions of the Company. Although the Company may be subject to many uncertainties in its daily course of operations, it will insist on pragmatic approaches and seek progress while maintaining stability in an effort to achieve its operating targets.

PROFIT APPROPRIATION PLAN FOR 2018

In 2018, the Company (as parent company) achieved a net profit of RMB36,516,400 and appropriated surplus reserves of RMB3,651,600. Given the cash dividend of RMB63,968,700 distributed in 2017, and the undistributed profit at the beginning of the period of RMB230,533,600, the actual distributable profit to Shareholders this year amounted to RMB199,429,600. In accordance with the Articles of Association and the relevant requirements of The Shanghai Stock Exchange, it was proposed to distribute a cash dividend of RMB0.80 (tax inclusive) for every ten shares to all the Shareholders on the basis of a total share capital of 913,838,529 shares as at 31 December 2018, with the total cash dividend to be distributed amounting to RMB73,107,082.32, and the remaining part to be carried forward to next year. The Company will not transfer capital reserve into share capital.

LETTER FROM THE BOARD

REAPPOINTMENT OF AUDITORS FOR 2019

The Board proposes to re-appoint BDO China Shu Lun Pan Certified Public Accountants LLP as the Company's international auditor and PRC auditor as well as internal control auditor respectively for the year 2019, and authorize the Board to determine their remuneration within the limit of RMB2,100,000.

2018 ANNUAL REPORT AND ITS SUMMARY

Please refer to annual report of the Company for the year ended 31 December 2018 and its summary which were published on the website of the Company and the website of the Hong Kong Stock Exchange on 26 April 2019 and 28 March 2019 respectively.

REPORT OF THE INDEPENDENT DIRECTORS OF THE COMPANY FOR 2018

Please refer to the Overseas Regulatory Announcement—Report of the Independent Directors in 2018 disclosed on the website of the Hong Kong Stock Exchange on 28 March 2019 for the report of the independent directors of the Company for 2018.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND ITS APPENDIX (THE PROCEDURAL RULES OF GENERAL MEETINGS)

Reference is made to the announcement of the Company dated 28 March 2019 in relation to the Proposed Amendments. The Board has convened the extraordinary meeting of the ninth session of the Board on 28 March 2019 and considered and approved, among others, the resolutions in relation to the Proposed Amendments.

In pursuance of the Decision of the Standing Committee of the National People's Congress on the Amendments to the Company Law of the People's Republic of China (《全國人民代表大會常務委員會關於修改〈中華人民共和國公司法〉的決定》) approved by the Standing Committee of the 13th National People's Congress at its sixth Session, Opinions on Supporting Listed Companies to Repurchase Shares (《關於支持上市公司回購股份的意見》) jointly published by China Securities Regulatory Commission, the Ministry of Finance of the PRC and the State-owned Assets Supervision and Administration Commission of the State Council (China Securities Regulatory Commission Announcement [2018]No.35), the Guidelines for the Articles of Association of Listed Companies, the Rules for the Shareholders' Meetings of Listed Companies and other related regulations, after taking into consideration the actual situation of the Company, the Board proposes to make the Proposed Amendments. The details of the Proposed Amendments are set out in the appendix on pages 13 to 16 of this circular.

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

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

LETTER FROM THE BOARD

The Articles of Association and the Procedural Rules of General Meetings are written in Chinese and there is no official English translation in respect thereof. The English translation is for reference only. In case of any inconsistency between the English and Chinese versions, the Chinese version shall prevail.

The Proposed Amendments are subject to the approval of the Shareholders by way of passing a special resolution at the AGM. Further, the proposed amendments of the Articles of Association shall become effective upon the completion of relevant approval, registration or filing procedures in the PRC.

The proposed amendment to relevant articles of the Articles of Association regarding the share repurchase is made in accordance with relevant PRC laws and regulations. Pursuant to the amended Articles of Association, the Company shall comply with the laws and regulations of the place where the Company is listed and listing rules when repurchasing shares. Any share repurchase by the Company shall also be conducted in accordance with relevant requirements and restrictions under the Hong Kong Listing Rules, including but not limited to Chapter 10 and Chapter 19A. The Company will ensure to satisfy the public float requirements under the Hong Kong Listing Rules when conducting share repurchase.

SHAREHOLDER RETURN PLAN OF NANJING PANDA (2019–2021)

In order to further improve and perfect the profit distribution decision-making procedures and supervision mechanism of Nanjing Panda Electronics Company Limited (the “**Company**”), ensure the continuity and stability of profit distribution policies, reinforce the transparency and operability of profit distribution decision-making procedures, actively reward its shareholders, steer investors towards long-term and reasonable investment, earnestly protect the lawful interest of investors, according to the requirement of the “Notice Regarding Further Implementation of Cash Dividends Distribution of Listed Companies”, the “Listed Companies Regulatory Guidance No. 3 – Cash Dividends Distribution of Listed Companies” promulgated by the China Securities Regulatory Commission and other relevant documents, and the provisions of its Articles of Association, the Shareholders’ Return Plan of Nanjing Panda Electronics Company Limited (2019–2021) (the “**Plan**”) is hereby formulated.

I. Factors Taken into Account in Formulation of the Plan

In order to achieve long-term and sustainable development, the Company, after analyzing such factors as its actual operation conditions, the requirements and desires of shareholders, social capitals costs and external financing environment and taking into full account its development plans and goals, future profit, cash flow status, current stage of development, capital requirement, etc., shall establish a continuous, stable, scientific and transparent plan and mechanism for rewarding investors and make institutional arrangements for profit distribution to ensure the continuity and stability of profit distribution policies.

LETTER FROM THE BOARD

II. Principles for Formulation of the Plan

1. The Shareholders' Return Plan shall take into full account and listen to the opinions and demands of independent directors, supervisors and minority shareholders. It shall guarantee the normal operation and business development of the Company as well as providing investors with reasonable investment return to safeguards the legitimate interests of minority shareholders in a practical way and implement continuous and stable profit distribution policies.
2. The Company may distribute dividends in cash, in shares or in a combination of both cash and shares. On the condition that profit is recorded and there is sufficient cash to support the ongoing operation and long-term development of the Company, the Company shall actively distribute dividends in the form of cash. Cash dividend distribution shall enjoy preference over share dividend in profit distribution.
3. The Company conducts one profit distribution each year in principle. The board of directors of the Company may propose interim dividend distribution based on the Company's profit, cash flows, development stages and capital needs.

III. Specific Contents of the Plan

(I) Principles for dividends distribution

The Company's profit distribution policies shall focus on providing investors with reasonable investment return and it shall keep the continuity and stability of profit distribution policies. The profits distributed by the Company shall not exceed the accumulated distributable profits or jeopardise the ability of sustainable operation of the Company.

(II) Form of dividends distribution

The Company may distribute dividends in the form of cash, shares, a combination of cash and shares or other forms permitted by laws and regulations. On the condition that profit is recorded and there is sufficient cash to support the ongoing operation and long-term development of the Company, the Company shall actively and preferentially distribute dividends in the form of cash. The Company shall combine its shares capital, development prospect, profit growth and cash flow status, etc., when adopting dividends distribution in form of cash, to formulate reasonable plan.

LETTER FROM THE BOARD

(III) Conditions for cash dividend distribution

All the following conditions shall be satisfied when the Company proposes cash dividend distribution:

1. The distributable profit (i.e. after-tax profit net of the profit used for making up for losses and the profit transferred to the statutory reserve fund) for the year is positive and the cash flow of the Company after the cash dividend distribution can meet the demands for normal production and operation of the Company;
2. The auditing firm has issued a standard audit report with unqualified opinions on the financial report for the year (interim cash dividend distribution is not subject to audit).

(IV) The provision regarding the ratio of dividends distribution

The Company's cash dividend policy adopts the fixed ratio policy, i.e. distributing cash dividend at a fixed percentage of distributable profit realized by the Company. The profits which the Company has accumulatively distributed in cash in the last three years shall not be less than 30% of the average annual distributable profit realized in the last three years. If the board of directors of the Company has not prepared the proposal for profit distribution in cash, it shall disclose in its periodic reports the reasons for not distributing dividends and the purposes of the funds, which are not distributed as dividends, accumulated by the Company. If the Company has not distributed profits in cash in the last three years, the Company shall not issue to the public new shares, convertible bonds or place shares with existing shareholders.

Whenever the Company distributes dividends, an announcement in respect thereof shall be made to shareholders. No profit shall be distributed in respect of the shares held by the Company.

Dividends payable to the holders of the overseas-listed foreign-invested shares of the Company shall be denominated and declared in Renminbi and paid in foreign currencies. Dividends payable on foreign-invested shares listed in Hong Kong shall be paid in Hong Kong dollars.

LETTER FROM THE BOARD

The board of directors shall take various factors into consideration, including its industry features, development stages, business model and profitability as well as whether it has any substantial capital expenditure arrangement, and differentiate the following circumstances and formulate differentiated cash dividend policies in accordance with the procedures under the Articles of Association:

- (1) Where the Company is in a developed stage with no substantial capital expenditure arrangement, the dividend distributed in the form of cash shall not be less than 80% of the total profit distribution when distributing its profits;
- (2) Where the Company is in a developed stage with substantial capital expenditure arrangement, the dividend distributed in the form of cash shall not be less than 40% of the total profit distribution when distributing its profits;
- (3) Where the Company is in a developing stage with substantial capital expenditure arrangement, the dividend distributed in the form of cash shall not be less than 20% of the total profit distribution when distributing its profits.

(V) Time intervals for dividends distribution

Subject to the satisfaction of the aforesaid condition in cash dividend distribution, the Company shall actively distribute dividends in the form of cash. In principal, the Company shall distribute dividends in cash once a year. The board of directors of the Company can propose to the Company to carry out interim cash dividend distribution in accordance with its profit and capital requirement. After the profit distribution plan is approved at the general meeting of the Company, the board of directors of the Company shall complete the distribution of the dividends (or shares) within two months after convening the shareholders' general meeting.

(VI) Conditions of stocks dividend distribution

In accordance with the Company's yearly profit and cash flow status and on the condition that the ratio of cash dividends distribution is guaranteed and capital scale and equity structure of its shares is reasonable, the Company may consider to carry out stocks dividend distribution. The specific plan shall be passed by the board of directors of the Company before submitting to the general meeting of the Company for approval.

LETTER FROM THE BOARD

IV. Time Intervals for Formulation of the Shareholders' Dividend Return Plan and Relevant Decision-Making Mechanism

1. The board of directors of the Company shall, in accordance with the Company's profit distribution policies and its actual circumstances, combine the opinions of independent directors, supervisory committee and shareholders to formulate the Shareholders' Dividend Return Plan, and shall review the Shareholders' Dividend Return Plan at least once every three years. When making decisions on and formulating its profit distribution proposal, the board of directors shall listen fully to the opinions and demands of independent directors and record in detail the advice of the management, key points of the speeches of directors present at the meeting, opinions of independent directors, voting results of the board of directors, etc. and form written minutes to be properly kept as the Company's records.
2. When considering the cash dividend distribution plan, the board of directors of the Company shall carefully consider and deeply deliberate the timing, conditions and minimum percentage, etc., and independent directors shall express their opinions thereon. Independent directors can collect advice from minority shareholders and prepare a cash dividend distribution proposal which can be directly proposed to the board of directors for its consideration.
3. When the profit distribution plan (including the cash dividend distribution plan) is considered at the general meeting, the Company shall actively communicate and exchange ideas through multiple channels with shareholders (minority shareholders in particular), listen fully to the opinions and demands of minority shareholders, and give timely replies to issues that concern minority shareholders by ways of open solicitation and convening discussion meetings, etc.
4. If profit is recorded in the reporting period but the board of directors of the Company does not put forth a cash dividend distribution proposal, reasons therefor and the use of capital that may otherwise be used as dividends but has been retained by the Company, as well as the expected profit, the consideration and voting at the board meeting shall be disclosed in its periodic report, and independent directors shall express independent opinions thereon.

LETTER FROM THE BOARD

5. The Company's profit distribution policy shall be formulated by the board of directors of the Company and be implemented upon consideration and approval by shareholders at the general meeting. The profit distribution proposal proposed by the board of directors of the Company shall be passed by majority votes of the board of directors of the Company. Independent directors shall provide their independent opinions on the formulation of or amendment to the profit distribution policy. If the Company needs to adjust its profit distribution policy and Shareholders' Return Plan considered and passed at the general meeting by way of amending the Articles of Association due to significant changes in the external operating environment or its own operation, with the protection of shareholders' interests as the starting point and after discussing the relevant matters in detail, the board of directors of the Company shall put forward a proposal for adjusting the profit distribution policy and Shareholders' Return Plan to the general meeting for consideration and approval and shall be passed by shareholders present in the meeting representing not less than two-thirds of voting rights.
6. The Company shall strictly implement the cash dividend policy as determined in the Articles of Association and the specific plan for distribution of cash dividends as considered and approved at the general meeting, and shall disclose the formulation and implementation of cash dividend policy in detail in its periodic reports. If there is any adjustment or change to the cash dividend policy, detailed descriptions shall be provided on the regulatory compliance and transparency regarding the conditions and procedures for such adjustment or change.
7. The supervisory committee of the Company shall monitor the execution of cash dividend policy and the Shareholders' Return Plan carried out by the board of directors, as well as the execution of appropriate decision-making procedures and the information disclosure. The supervisory committee shall express explicit opinions and urge the Board to make correction in a timely manner in case of any of the following circumstances:
 - (1) Failure to strictly implement the cash dividend policy and Shareholders' Return Plan;
 - (2) Failure to strictly execute appropriate decision-making procedures for cash dividends;
 - (3) Failure to make an authentic, accurate and complete disclosure of the cash dividend policy and its implementation.
8. The Company encourages medium and small investors and institutional investors to participate in the decision-making for profit distribution of the Company in accordance with relevant regulations.

LETTER FROM THE BOARD

V. Matters Not Covered and Validity Mechanism

1. The matters not covered in the plan shall be executed in accordance with relevant laws, regulations, regulatory documents and the Articles of Association.
2. The right to interpret the Plan shall vest in the Board of the Company. The Plan and its amendments shall be implemented and effective from the date of its approval at the general meeting of the Company.

COMPANY'S PROVISION OF GUARANTEE

The Board proposes the Company to provide guarantees of a total amount of up to RMB1,030,000,000 for its subsidiaries based on their production and operational needs and actual circumstances, details as follows:

- (i) the Company's provision of guarantee for the financing amount of no more than RMB360,000,000 in total of Nanjing Panda Electronics Equipment Co., Ltd., with effective term from 1 July 2019 until the date of the annual general meeting of 2019 (the "**Period**"), and to authorize the General Manager to handle the specific matters in relation to the provision of guarantee for the financing of Nanjing Panda Electronics Equipment Co., Ltd. during the Period;
- (ii) the Company's provision of guarantee for the financing amount of no more than RMB330,000,000 in total of Nanjing Panda Information Industry Co., Ltd., with effective term from 1 July 2019 until the date of the annual general meeting of 2019, and to authorize the General Manager to handle the specific matters in relation to the provision of guarantee for the financing of Nanjing Panda Information Industry Co., Ltd. during the Period;
- (iii) the Company's provision of guarantee for the financing amount of no more than RMB200,000,000 in total of Nanjing Panda Electronic Manufacture Co., Ltd., with effective term from 1 July 2019 until the date of the annual general meeting of 2019, and to authorize the General Manager to handle the specific matters in relation to the provision of guarantee for the financing of Nanjing Panda Electronic Manufacture Co., Ltd. during the Period;
- (iv) the Company's provision of guarantee for the financing amount of no more than RMB100,000,000 in total of Nanjing Huage Electronics Plastic Industry Co., Ltd., with effective term from 1 July 2019 until the date of the annual general meeting of 2019, and to authorize the General Manager to handle the specific matters in relation to the provision of guarantee for the financing of Nanjing Huage Electronics Plastic Industry Co., Ltd. during the Period; and

LETTER FROM THE BOARD

- (v) the Company's provision of guarantee for the financing amount of no more than RMB40,000,000 in total of Nanjing Panda Machine Electricity Manufacturing Co., Ltd., with effective term from 1 July 2019 until the date of the annual general meeting of 2019, and to authorize the General Manager to handle the specific matters in relation to the provision of guarantee for the financing of Nanjing Panda Machine Electricity Manufacturing Co., Ltd. during the Period.

ELECTION OF DIRECTORS OF THE NINTH SESSION OF THE BOARD OF THE COMPANY AND RELATED MATTERS

- (i) the election of Mr. Zhou Guixiang as an executive director of the ninth session of the Board of the Company was considered and approved, whose term is in line with the term of the ninth session of the Board and becomes effective upon the resolution being considered and approved at the general meeting of the Company;
- (ii) the re-designation of Mr. Lu Qing from a non-executive director to an executive director of the ninth session of the Board of the Company was considered and approved, whose term is in line with the term of the ninth session of the Board and becomes effective upon the resolution being considered and approved at the general meeting of the Company; and
- (iii) the election of Mr. Shen Jianlong as a non-executive director of the ninth session of the Board of the Company was considered and approved, whose term is in line with the term of the ninth session of the Board and becomes effective upon the resolution being considered and approved at the general meeting of the Company.

ELECTION OF THE NON-EMPLOYEE REPRESENTATIVE SUPERVISOR OF THE NINTH SESSION OF THE SUPERVISORY COMMITTEE

The election of Mr. Zhao Ji as a non-employee representative supervisor of the ninth session of the Supervisory Committee of the Company was considered and approved, whose term is in line with the term of the ninth session of the Supervisory Committee and becomes effective upon the resolution being considered and approved at the general meeting of the Company.

AGM

The AGM will be held on Friday, 28 June 2019 at 2:30 p.m. at the Company's Conference Room, 7 Jingtian Road, Nanjing, the People's Republic of China. The notice convening the AGM, the proxy form and the reply slip have been sent to the H Shareholders on 10 May 2019.

LETTER FROM THE BOARD

A notice setting out the resolutions to be resolved at the AGM is set out on pages 21 to 24 of this circular. Whether or not you are able to be present at the AGM, please complete and return the proxy form in accordance with the instructions printed thereon to the Company's H Share Registrar, Hong Kong Registrars Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong (in case of holders of H shares) as soon as possible and in any event not less than 24 hours before the time of the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by way of poll.

RECOMMENDATION

The Directors consider that the resolutions set out in the notice of AGM for consideration and approval by the Shareholders are in the interests of the Company and the Shareholders as a whole, and accordingly, recommend the Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

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

**APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES ASSOCIATION
AND PROCEDURAL RULES FOR GENERAL MEETINGS**

1. COMPARISON CHART OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Existing Article	Amended Article
1	Article 3 Company's corporate domicile: Level 1–2, Block 05, North Wing, Nanjing High and New Technology Development Zone, Nanjing, Jiangsu Province, the PRC Postcode: 210002 Telephone: (8625) 4800855 Facsimile: (8625) 4820729	Article 3 Company's corporate domicile: Panda Tower, No. 301 Zhongshan East Road, Xuanwu District, Nanjing, Jiangsu Province, the PRC Postcode: 210002 Telephone: (8625) 84801144 Facsimile: (8625) 84820729
2	Article 35 The Company may, according to the provisions of relevant laws, administrative regulations, departmental rules and the Articles of Association, and subject to the approval of the relevant governing authority of the State, repurchase its issued shares under the following circumstances: (1) cancellation of shares for the purpose of capital reduction; (2) merger with another company that holds shares in the Company; (3) granting shares to employees of the Company as incentives; (4) acquiring shares held by shareholders (upon their request) who vote against any resolution proposed in any general meeting on the merger or division of the Company; or (5) other circumstances as permitted by laws and administrative regulations. Repurchase of issued shares in the Company shall be made in accordance with Articles 35 to 38 of the Articles of Association.	Article 35 The Company may, according to the provisions of relevant laws, administrative regulations, departmental rules and the Articles of Association, repurchase its issued shares under the following circumstances: (1) cancellation of shares for the purpose of capital reduction; (2) merger with another company that holds shares in the Company; (3) utilising its shares for the employee share ownership scheme or as equity incentives; (4) acquiring shares held by shareholders (upon their request) who vote against any resolution proposed in any general meeting on the merger or division of the Company; or (5) utilising the shares for the conversion of corporate bonds that are convertible into the shares issued by the Company; (6) where it is necessary for the Company to safeguard the value of the Company and the interests of its shareholders; or (7) other circumstances as permitted by laws and administrative regulations. Repurchase of issued shares in the Company shall be made in accordance with Articles 35 to 38 of the Articles of Association.

**APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES ASSOCIATION
AND PROCEDURAL RULES FOR GENERAL MEETINGS**

No.	Existing Article	Amended Article
3	Article 36 The Company may, with the approval of the relevant governing authority of the State for repurchasing its shares, conduct the repurchase in one of the following manners: (1) make a pro rata general offer of repurchase to all of its shareholders; (2) repurchase shares through open transactions on a stock exchange; (3) repurchase under an off-market agreement; (4) in other manners as permitted by China Securities Regulatory Commission.	Article 36 The Company may conduct the repurchase in one of the following manners: (1) make a pro rata general offer of repurchase to all of its shareholders; (2) repurchase shares through open transactions on a stock exchange; (3) repurchase under an off-market agreement; (4) in other manners as permitted by China Securities Regulatory Commission. The Company shall fulfill the information disclosure obligation in accordance with the Security Law of the People’s Republic of China if repurchase its own shares. Where the Company repurchases its shares under the circumstances described in subparagraph (3), (5), (6) of Article 35, the repurchase shall be carried out through public centralized transaction. The Company shall not accept its own shares as the subject matter of a pledge.

**APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES ASSOCIATION
AND PROCEDURAL RULES FOR GENERAL MEETINGS**

No.	Existing Article	Amended Article
4	Article 38 Where the Company repurchases its shares pursuant to subparagraphs (1) to (3) of Article 35, such purchase shall be approved by shareholders at general meeting. Shares repurchased by the Company under subparagraph (1) of Article 35 shall be cancelled within ten (10) days from the date of acquisition; for those circumstances described in subparagraphs (2) and (4), the shares shall be transferred or cancelled within six (6) months. Shares repurchased under subparagraph (3) of the Article 35 shall not exceed 5% of the total number of shares of the Company in issue; funds applied by the Company for repurchase shall be made out of the after-tax profit of the Company; and the shares purchased shall be transferred to the employees within one (1) year.	Article 38 Where the Company repurchases its own shares under the circumstances as described in subparagraphs (1) and (2) of Article 35, such repurchase shall be approved by shareholders at general meeting. Where the Company repurchases its own shares under the circumstances described in subparagraphs (3), (5), (6) of Article 35, such repurchase shall be approved by more than two-thirds of directors attending the board meeting. In the event that there are other provisions of the laws and regulations and the listing rules in the place where the shares of the Company are listed, the provisions shall prevail. Shares repurchased by the Company under the circumstance described in subparagraph (1) of Article 35 shall be cancelled within ten (10) days from the date of acquisition; for those repurchased under the circumstances described in subparagraphs (2) and (4), the shares shall be transferred or cancelled within six (6) months; for those repurchased under the circumstances described in subparagraphs (3), (5) and (6), the shares held by the Company in aggregate shall not exceed 10% of the total shares issued by the Company, and shall be transferred or cancelled in three (3) years.

**APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES ASSOCIATION
AND PROCEDURAL RULES FOR GENERAL MEETINGS**

No.	Existing Article	Amended Article
5	Article 102 Any shareholder or proxy present at the meeting shall propose one of the following opinions for each resolution: in favour of, against or abstain. Any abstain vote or waiver to vote or unfilled vote or vote filled wrongly or with unrecognizable writing shall be disregarded as voting rights for the purpose of calculating the result of that resolution.	Article 102 Any shareholder or proxy present at the meeting shall propose one of the following opinions for each resolution: in favour of, against or abstain, except for the securities registration and settlement institutions which, being the nominal holders of shares under Stock Connect between the Mainland and Hong Kong, shall make declarations according to the intentions of the beneficial holders. For voter(s) whose voting slips are left blank, incorrectly completed, illegible or without vote casting, such voter(s) shall be deemed to have waived his voting rights, and the votes in respect of the number of shares held by him shall be counted as “abstain”.

2. COMPARISON CHART OF AMENDMENTS TO THE PROCEDURAL RULES FOR GENERAL MEETINGS

No.	Existing Article	Amended Article
1	Article 40 Any shareholder or proxy of shareholder who attends the general meeting shall take one of the following stances when a resolution is put forward for voting: for, against or abstain. Any abstention vote or blank vote, vote filled wrongly or illegible vote shall be disregarded as valid votes for the purpose of counting the result of that resolution.	Article 40 Any shareholder or proxy of shareholder who attends the general meeting shall take one of the following stances when a resolution is put forward for voting: for, against or abstain, except for the securities registration and settlement institutions which, being the nominal holders of shares under Stock Connect between the Mainland and Hong Kong, shall make declarations according to the intentions of the beneficial holders. For voter(s) whose voting slips are left blank, incorrectly completed, illegible or without vote casting, such voter(s) shall be deemed to have waived his voting rights, and the votes in respect of the number of shares held by him shall be counted as “abstain”.

2018 Work Report of the Supervisory Committee

During the reporting period, all the members of the Supervisory Committee of Nanjing Panda Electronics Company Limited (the “**Company**”) have followed the principle of honesty and integrity, faithfully performed their duties conferred by laws, regulations and the Articles of Association and tried to protect the interests of the Company and all shareholders in accordance with laws and regulations including company law and securities law, relevant requirements of domestic and international regulatory bodies and the Articles of Association.

I. MEETINGS OF THE SUPERVISORY COMMITTEE

During the reporting period, the Supervisory Committee held eight meetings, with details as follows:

Session of the meeting	Date of the meeting	Newspapers for disclosure	Subject matter of the resolution	Date of disclosure
14th meeting of the 8th session of the Supervisory Committee	2018-3-29	China Securities Journal, Shanghai Securities News	The resolutions in relation to the following matters were considered and approved: the 2017 work report of the Supervisory Committee, total remuneration for supervisors in 2017, the proposal on adjustment of annual remuneration cap for senior management of the Company, the 2017 annual report of the Company and its summary, the 2017 corporate social responsibility report, 2017 internal control evaluation report, the special report on deposit and actual use of the raised funds for 2017, the proposal on the Change in the Company’s Accounting Policies and the Related Matters, Bylaws for Implementing Enterprise Annuity Payment.	2018-3-30
Extraordinary meeting of the 8th session of the Supervisory Committee	2018-3-29	/	The proposal for write-off of certain equity investments and creditors’ rights was considered and approved.	/
15th meeting of the 8th session of the Supervisory Committee	2018-4-26	/	The 2018 first quarterly report of the Company was considered and approved.	/

APPENDIX II WORK REPORT OF THE SUPERVISORY COMMITTEE FOR 2018

Session of the meeting	Date of the meeting	Newspapers for disclosure	Subject matter of the resolution	Date of disclosure
16th meeting of the 8th session of the Supervisory Committee	2018-5-24	China Securities Journal, Shanghai Securities News	The nomination of Mr. Tu Changbai as the non-employee supervisor of the ninth session of the Supervisory Committee of the Company and the confirmation of Mr. Song Yunfeng and Mr. Zhou Yuxin, both being employee representatives as elected at the employee representative congress of the Company, as the employee supervisors of the ninth session of the Supervisory Committee of the Company, for a term of three years which is in line with that of the ninth session of the Supervisory Committee of the Company, were considered and approved.	2018-5-25
1st meeting of the 9th session of the Supervisory Committee	2018-6-29	China Securities Journal, Shanghai Securities News	The election of Mr. Tu Changbai as the chairman of the ninth session of the Supervisory Committee was considered and approved.	2018-6-30
2nd meeting of the 9th session of the Supervisory Committee	2018-8-30	China Securities Journal, Shanghai Securities News	The 2018 interim report of the Company and its summary, and the proposals on the Change in the Company's Accounting Policies and the Related Matters and the Write-Off of Certain Equity Investments And Creditors' Rights were considered and approved.	2018-8-31
3rd meeting of the 9th session of the Supervisory Committee	2018-10-29	/	The 2018 third quarterly report of the Company was considered and approved.	/
4th meeting of the 9th session of the Supervisory Committee	2018-12-27	China Securities Journal, Shanghai Securities News	The nomination of Mr. Zhong Youxiang as the candidate for the non-employee supervisor of the ninth session of the Supervisory Committee of the Company was considered and approved.	2018-12-28

II. THE COMPANY’S OPERATIONS IN COMPLIANCE WITH LAWS

During the reporting period, all Supervisors attended general meetings and Board meetings of the Company and provided supervision over the convening procedures and resolutions of general meetings and Board meetings as well as the implementation by the Board of resolutions of general meetings. The Supervisors also alerted the Board and the management of the Company of any potential risks in a timely manner. The Supervisory Committee holds no objection to any of the reports or proposals submitted by the Board to the general meetings for consideration. During the reporting period, the Company successfully completed the re-election and elected the ninth session of the Supervisory Committee. The Supervisory Committee is of the opinion that during the reporting period, the Company followed standard operating procedures in compliance with company law and securities law, listing rules of the stock exchanges of places of listing and the Articles of Association, endeavouring to comply with national laws and regulation, faithfully carried out resolutions passed at the general meetings, continued to improve internal management and put in place a good internal management system and compliance procedures to ensure the Company’s operation in accordance with laws.

During the reporting period, Nanjing Huage Appliance and Plastic Industrial Co., Ltd. and Nanjing Panda Electronics Equipment Co., Ltd., both being subsidiaries of the Company, was subject to administrative penalties imposed by relevant authorities due to violation of laws and regulations on environmental protection and fire safety. The Supervisory Committee has requested the Company and relevant subsidiaries to further strengthen study of laws and regulations on environmental protection and fire prevention and conduct operations in strict accordance with relevant procedures to prevent similar events.

III. IMPLEMENTATION OF CASH DIVIDENDS DISTRIBUTION POLICY

Pursuant to the relevant requirements of the Notice Regarding Further Implementation of Cash Dividends Distribution of Listed Companies (《關於進一步落實上市公司現金分紅有關事項的通知》) and the “Listed Companies Regulatory Guidance NO. 3 – Cash Dividends Distribution of Listed Companies (《上市公司監管指引第3號 – 上市公司現金分紅》) and Guidance for Cash Dividends Distribution of Companies Listed on the Shanghai Stock Exchange (《上海證券交易所上市公司現金分紅指引》) promulgated by the CSRC, the Supervisory Committee carried out supervision and inspection on the implementation of cash dividend distribution and shareholders’ return plan by the Board, the performance of the decision-making procedures regarding profit distribution and the information disclosure, and discovered that the circumstances of the Article 13 under the “Guidance for Cash Dividends Distribution of Companies Listed on the Shanghai Stock Exchange” did not exist in the Board.

IV. FINANCIAL AND RELEVANT CONDITIONS OF THE COMPANY

The Supervisory Committee has duly examined the financial statements, the profit distribution scheme and changes of accounting policies for the year 2018 and is of the view that the financial income and expenditure accounts are clear; and that the accounting, auditing and financial management have complied with the relevant requirements without any problems identified. The auditors of the Company have audited the 2018 financial statements of the Company in accordance with the PRC Accounting Standards for Business Enterprises, and have issued auditors' reports with unqualified audit opinions accordingly. The Supervisory Committee is of the view that the financial income and expenditure and the operating results of the Company are fairly and correctly reflected by the auditors' reports. The operating results achieved are truthful.

V. USE OF OWNED FUNDS

The Supervisory Committee continuously paid attention to the actual management and use of owned funds and expressed consent on the use of temporarily idle owned funds for cash management.

VI. ACQUISITION AND DISPOSAL OF ASSETS

During the reporting period, the Company had no acquisition and disposal of assets.

VII. CONNECTED TRANSACTIONS OF THE COMPANY

During the reporting period, connected transactions of the Company were made on a fair and reasonable basis and were confirmed by Independent Non-executive Directors of the Company. No acts detrimental to the interests of the Company were found.

VIII. SELF-ASSESSMENT REPORT ON THE INTERNAL CONTROL

The Supervisory Committee reviewed the Self-assessment Report on the Internal Control of the Company prepared by the Board and relevant materials, and held no objection to such report so prepared by the Board. The Supervisory Committee was of the view that the Company's internal control system was basically sound with effective implementation during the reporting period, fulfilled the requirements of various aspects including corporate governance and operation and effectively controlled various operation management risks of the Company; as at 31 December 2018, the internal control system in relation to financial reporting was sound and effectively implemented. The Supervisory Committee agreed with the Board in its assessment of the internal control.

The Supervisory Committee hopes the Company can effectively enhance standard governance, further improve the internal control system, integrate internal control and risk management and continuously improve the risk management and internal control system, to effectively boost the management and control capacity of the Company.

The Supervisory Committee is satisfied with the performance of the Board for the year and has great confidence in the future development of the Company.

By Order of the Supervisory Committee

Tu Changbai

Chairman

Nanjing, the PRC, March 2019

NOTICE OF 2018 ANNUAL GENERAL MEETING

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)

NOTICE OF 2018 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2018 annual general meeting (“**AGM**”) of Nanjing Panda Electronics Company Limited (the “**Company**”) will be held at the Conference Room, 7 Jingtianlu, Nanjing, the People's Republic of China (the “**PRC**”) on Friday, 28 June 2019 at 2:30 p.m., to consider and, if thought fit, to pass the following resolutions:

ORDINARY RESOLUTIONS

1. the work report of the board of directors of the Company (the “**Board**”) for the year 2018;
2. the work report of the supervisory committee of the Company for the year 2018;
3. the audited financial reports of the Company for the year 2018;
4. the financial budget report of the Company for the year 2019;
5. the profit appropriation plan of the Company for the year 2018;
6. the reappointment of BDO China Shu Lun Pan Certified Public Accountants LLP as the Company's international auditor and PRC auditor as well as internal control auditor respectively for the year 2019, and authorize the Board to determine their remuneration within the limit of RMB2,100,000;
7. the 2018 annual report of the Company and its summary;
8. the report of the independent directors of the Company for the year 2018;

NOTICE OF 2018 ANNUAL GENERAL MEETING

SPECIAL RESOLUTIONS

9. the Proposed Amendments to the Articles of Association of the Company;

ORDINARY RESOLUTIONS

10. the Proposed Amendments to the Procedural Rules for General Meeting of the Company;
11. the Shareholder Return Plan of Nanjing Panda (2019–2021);
12. the Company's provision of guarantee for the financing amount of no more than RMB360,000,000 in total of Nanjing Panda Electronics Equipment Co., Ltd., with effective term from 1 July 2019 until the date of the annual general meeting of 2019 (the "**Period**"), and to authorize the General Manager to handle the specific matters in relation to the provision of guarantee for the financing of Nanjing Panda Electronics Equipment Co., Ltd. during the Period;
13. the Company's provision of guarantee for the financing amount of no more than RMB330,000,000 in total of Nanjing Panda Information Industry Co., Ltd., with effective term from 1 July 2019 until the date of the annual general meeting of 2019, and to authorize the General Manager to handle the specific matters in relation to the provision of guarantee for the financing of Nanjing Panda Information Industry Co., Ltd. during the Period;
14. the Company's provision of guarantee for the financing amount of no more than RMB200,000,000 in total of Nanjing Panda Electronic Manufacture Co., Ltd., with effective term from 1 July 2019 until the date of the annual general meeting of 2019, and to authorize the General Manager to handle the specific matters in relation to the provision of guarantee for the financing of Nanjing Panda Electronic Manufacture Co., Ltd. during the Period;
15. the Company's provision of guarantee for the financing amount of no more than RMB100,000,000 in total of Nanjing Huage Electronics Plastic Industry Co., Ltd., with effective term from 1 July 2019 until the date of the annual general meeting of 2019, and to authorize the General Manager to handle the specific matters in relation to the provision of guarantee for the financing of Nanjing Huage Electronics Plastic Industry Co., Ltd. during the Period; and

NOTICE OF 2018 ANNUAL GENERAL MEETING

16. the Company's provision of guarantee for the financing amount of no more than RMB40,000,000 in total of Nanjing Panda Machine Electricity Manufacturing Co., Ltd., with effective term from 1 July 2019 until the date of the annual general meeting of 2019, and to authorize the General Manager to handle the specific matters in relation to the provision of guarantee for the financing of Nanjing Panda Machine Electricity Manufacturing Co., Ltd. during the Period.

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

Nanjing, the People's Republic of China
10 May 2019

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. Zhang Chun and Mr. Gao Yajun.

Notes:

1. Details of the above resolutions are set out in the circular for the AGM of the Company to be issued in due course.
2. All holders of H Shares of the Company should pay attention that the register of members of the Company will be closed from 29 May 2019 to 28 June 2019, both days inclusive, during which period no transfer of H Shares can be registered. Holders of H Shares who intend to attend the AGM must deposit the share certificates together with the transfer documents at the H-Share registrar of the Company, Hong Kong Registrars Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, on or before 4:30 p.m. on 28 May 2019. Holders of H Shares whose names appear in the Company's register of members at the close of business on 28 May 2019, or their representatives or proxies are entitled to attend the AGM with their identity documents.

Further announcement regarding the book closure period and further information relating to the payment of final dividends will be made by the Company in due course.

3. Proxy

A shareholder who has the right to attend and vote at the AGM is entitled to appoint one proxy or several proxies, whether a member of the Company or not, to attend and vote at the AGM.

If more than one proxy is appointed by a shareholder, the proxies can exercise their voting rights only in the case of a poll.

The instrument appointing a proxy must be in writing under the hand of the appointer or his attorney duly authorized in writing. In the case of a corporation, the proxy form must be under its common seal or under the hand of its director or duly authorized attorney. If the proxy form is signed by an agent on behalf of an appointer, the proxy form or other authority must be notarially certified. The proxy form together with the notarially certified power of attorney or other authority must be delivered to the H-Share registrar of the Company, Hong Kong Registrars Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong (in respect of H Shares) 24 hours before the time appointed for the holding of the AGM.

NOTICE OF 2018 ANNUAL GENERAL MEETING

4. Notice of attendance

Shareholders who intend to attend the AGM should send a reply in writing to the office of the Company in person or by post or by fax on or before 6 June 2019. Completion and return of the written reply shall not preclude the shareholders from attending the AGM.

5. Other businesses

The AGM is expected to last for a half day. Shareholders and their proxies attending the AGM are responsible for their own transportation and accommodation expenses.

The Company's office and correspondence address:

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Postal code: 210033
Telephone: (8625) 8480 1144
Fax: (8625) 8482 0729