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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)

ANNOUNCEMENT IN RELATION TO THE BY-ELECTION OF DIRECTORS AND THE SOLICITATION OF CANDIDATES

The ninth session of the board of directors of Nanjing Panda Electronics Company Limited (the “**Company**”) now consists of 8 directors. To further improve the corporate governance structure, the board of directors of the Company announces the matter in relation to the by-election of directors in accordance with the Company Law and other laws and regulations and the relevant requirement under the Articles of Association as follows:

I. GENERAL INFORMATION OF THE NINTH SESSION OF THE BOARD OF DIRECTORS

The ninth session of the board of directors of the Company now consists of 8 directors, including 3 independent directors, which were elected at the 2017 annual general meeting and the 2018 annual general meeting of the Company respectively. In accordance with the relevant requirement under the Articles of Association and in light of our actual situation, a non-independent director shall be by-elected.

II. NOMINATION OF CANDIDATE FOR A NON-INDEPENDENT DIRECTOR

In accordance with the relevant requirement of the Articles of Association, other directors other than independent 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 at the general meeting.

The board of directors 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 the by-election of the non-independent directors.

III. PROCEDURES OF THE BY-ELECTION OF A NON-INDEPENDENT DIRECTOR

1. The nominators shall submit the list of candidates for directors and relevant materials to the secretary office of the board of directors of the Company in written form before 17 January 2020.
2. The secretary office of the board of directors of the Company shall submit the relevant list and materials to the nomination committee of the board of directors. The nomination committee of the board of directors 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 of directors for consideration.
3. The board of directors of the Company shall convene a meeting in due course and hear the review opinion from the nomination committee of the board of directors to finalise the candidates for directors and propose to the general meeting of the Company for consideration.
4. 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.

IV. QUALIFICATIONS FOR NON-INDEPENDENT DIRECTORS

1. Candidates for directors shall meet the qualifications for directors 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 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 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. In addition to the qualification of director 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.

V. REQUIREMENTS AND EXPLANATION REGARDING THE NOMINATION

1. Nomination shall be made in writing. The nomination documents shall include the basic information, working experience, work ethics, professional experience, requisite qualification and part time jobs in other entities of the candidates for directors which are signed by the nominators for confirmation.
2. The nominees shall issue a written undertaking 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 after being elected.
3. 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.
4. 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.
5. The nomination materials shall be delivered either in person or by post.

VI. MEANS OF CONTACT

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5. Postal code: 210033

By Order of the Board
Nanjing Panda Electronics Company Limited
Zhou Guixiang
Chairman

Nanjing, the People's Republic of China
9 January 2020

As at the date of this announcement, the Board comprises Executive Directors: Mr. Zhou Guixiang, Mr. Lu Qing and Mr. Xia Dechuan; Non-executive Directors: Mr. Shen Jianlong and Mr. Deng Weiming; and Independent Non-executive Directors: Ms. Du Jie, Mr. Zhang Chun and Mr. Gao Yajun.