

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)

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The board (the “**Board**”) of directors of Nanjing Panda Electronics Company Limited (the “**Company**”) hereby announces that the Board proposes to make amendments to partial articles of the articles of association (the “**Articles of Association**”) in order to implement a modern enterprise system with Chinese characteristics and the requirements of the three-year action plan for the reform of state-owned enterprises, taking into account the actual situation of the Company.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The tenth meeting of the tenth session of the Board was convened on 25 August 2022, at which the resolution in relation to the Amendments to the Certain Articles of the Articles of Association was approved and the Articles of Association of the Company will be amended correspondingly. The proposed amendments to the Articles of Association are as follows:

No.	Before amendment	After amendment
1	Article 134 The board of directors shall be accountable to the shareholders' general meetings and exercise the following functions: (1) to convene shareholders' general meetings and report its work to the shareholders' general meetings; (2) to implement resolutions of shareholders' general meetings; (3) to decide on the Company's business and investment plans; (4) to formulate the Company's annual financial budget and final accounts; (5) to formulate the Company's profits distribution plans (including programs other than distribution of year-end dividend) and loss recovery plans; (6) to formulate plans for increase or reduction of the Company's registered capital and issue of corporate bonds; (7) to draw up plans for the merger, division or dissolution of the Company;	Article 134 The board of directors shall be accountable to the shareholders' general meetings, <u>is the operating decisions making body of the Company, assumes the responsibilities to formulate strategies, make decisions and prevent risks,</u> and exercise the following functions: (1) to convene shareholders' general meetings and report its work to the shareholders' general meetings; (2) to implement resolutions of shareholders' general meetings; (3) to decide on the Company's business and investment plans; (4) to formulate the Company's annual financial budget and final accounts; (5) to formulate the Company's profits distribution plans (including programs other than distribution of year-end dividend) and loss recovery plans; (6) to formulate plans for increase or reduction of the Company's registered capital and issue of corporate bonds; (7) to draw up plans for the merger, division or dissolution of the Company;

No.	Before amendment	After amendment
	(8) to decide on the establishment of the Company's internal management departments; (9) to determine the legal representative of the Company; (10) to specify the products as stated in the authorized business scope of the Company in accordance with operating requirements; (11) to hire or dismiss the Company's general manager and secretary to the board of directors, in accordance with the recommendation of the general manager, to hire or dismiss assistant general managers, chief accountant and other senior management and fixing their remuneration; (12) to formulate the Company's basic management system; (13) to prepare proposals for any amendments to the Articles of Association; (14) to make decisions on issues such as external investment, acquisition and sale of assets, pledge of assets, provision of external guarantee, trustee investment, and connected transactions, except for those to be resolved at general meetings;	(8) to decide on the establishment of the Company's internal management departments; (9) to determine the legal representative of the Company; (10) to specify the products as stated in the authorized business scope of the Company in accordance with operating requirements; (11) to hire or dismiss the Company's general manager and secretary to the board of directors, in accordance with the recommendation of the general manager, to hire or dismiss assistant general managers, chief accountant and other senior management and fixing their remuneration; (12) to formulate the Company's basic management system; (13) to prepare proposals for any amendments to the Articles of Association; (14) to make decisions on issues such as external investment, acquisition and sale of assets, pledge of assets, provision of external guarantee, trustee investment, and connected transactions, except for those to be resolved at general meetings;

No.	Before amendment	After amendment
	(15) to take up any other duties as stipulated in the Articles of Association or authorized by general meetings. All of the above matters, excluding those under subparagraphs (6), (7), (13) and (14) which require the approval of two-thirds of the votes at board meetings, require the approval of the majority votes at board meetings.	(15) to take up any other duties as stipulated in the Articles of Association or authorized by general meetings. All of the above matters, excluding those under subparagraphs (6), (7), (13) and (14) which require the approval of two-thirds of the votes at board meetings, require the approval of the majority votes at board meetings.
2	Article 137 The board of directors shall formulate the rules of procedure for board meetings to ensure the implementation of the resolutions of general meetings by the board, to enhance work efficiency and secure scientific decision making.	Article 137 The board of directors shall formulate the rules of procedure for board meetings to ensure the implementation of the resolutions of general meetings by the board, to enhance work efficiency and secure scientific decision making. <u>The board of directors shall formulate an authorisation management system to clarify the principles of authorisation, management mechanism, scope of matters and conditions for permission in accordance with laws. In accordance with the basic principles of compliance with laws and regulations, equality of rights and responsibilities and controllable risks, the board of directors may delegate its partial powers and functions to the Chairman and general manager, and shall adhere to the principle that the delegation of powers does not exempt it from responsibilities, strengthen supervision and inspection, and make dynamic adjustments to the delegation of powers in accordance with the exercise of powers.</u>

3	Article 164 In performing their duties and powers, the general manager and deputy general managers shall act honestly and diligently in accordance with laws, administrative regulations and the Articles of Association.	Article 164 In performing their duties and powers, the general manager and deputy general managers shall <u>perform the duties of operation planning, implementation monitoring and management strengthening</u>, act honestly and diligently in accordance with laws, administrative regulations and the Articles of Association.
4	Article 165 The general manager, deputy general managers and other senior management members who wish to resign shall give a written notice to the board of directors in advance.	Article 165 <u>The terms of general manager, deputy general managers and other senior management members are three years, and they are eligible for reelection. The tenure mechanism and contractual management shall be established among general manager, deputy general managers and other senior management members of the Company, and shall build standard tenure management, scientifically determine the contractual objectives, implement remuneration in a rigid manner, and strictly evaluate dismissal.</u> The general manager, deputy general managers and other senior management members who wish to resign shall give a written notice to the board of directors in advance.

5	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. <u>The Party committee shall perform the core leadership and core political functions to provide directions, manage overall situations and ensure implementation.</u> 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.	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. <u>It shall give play to leadership to provide directions, manage overall situations and ensure implementation.</u> 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.
6	Article 197 The Company shall establish the Party Committee consisting of <u>one secretary, one deputy secretary and several other committee members.</u> 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.	Article 197 The Company shall establish the Party Committee consisting of <u>one secretary, one to two deputy secretaries and several other committee members.</u> 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.

7	Article 209 The Company's after-tax profits shall be distributed in the following order of priority: (1) making up for losses; (2) appropriation to statutory surplus reserve; <u>(3) appropriation to statutory welfare reserve;</u> (4) appropriation to discretionary surplus reserve according to relevant resolution of a general meeting; (5) payment of ordinary share dividend. <u>The Company shall contribute 10% of the after-tax profits to its statutory surplus reserve and 5% to 10% to its statutory welfare reserve.</u> When the accumulated amount of the statutory surplus reserve has reached 50% or more of the Company's registered capital, no further appropriation is required.	Article 209 The Company's after-tax profits shall be distributed in the following order of priority: (1) making up for losses; (2) appropriation to statutory surplus reserve; <u>(3) appropriation to discretionary surplus reserve according to relevant resolution of a general meeting;</u> <u>(4) payment of ordinary share dividend.</u> <u>The Company shall contribute 10% of the after-tax profits to its statutory surplus reserve.</u> When the accumulated amount of the statutory surplus reserve has reached 50% or more of the Company's registered capital, no further appropriation is required.
8	Article 212 The Company shall not pay dividends or carry out other distributions in the form of dividends <u>before making for its losses and making allocations to the statutory surplus reserve and the statutory welfare reserve.</u>	Article 212 The Company shall not pay dividends or carry out other distributions in the form of dividends <u>before making for its losses and making allocations to the statutory surplus reserve.</u>

Save for the proposed amendments set out above, other provisions in the Articles of Association remain unchanged.

GENERAL MATTERS

The aforementioned proposed amendments to the Articles of Association are subject to the approval of the shareholders of the Company at the general meeting. A circular containing, among other things, relevant details will be dispatched to the shareholders as soon as practicable.

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

Nanjing, the People's Republic of China
25 August 2022

As at the date of this announcement, the Board comprises Executive Directors: Mr. Zhou Guixiang and Mr. Xia Dechuan; Non-executive Directors: Mr. Shen Jianlong, Mr. Deng Weiming and Mr. Yi Guofu; Independent Non-executive Directors: Mr. Dai Keqin, Ms. Xiong Yanren and Mr. Chu Wai Tsun, Baggio.