
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 circular.

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)

**(1) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AND PROCEDURAL RULES
AND
(2) SUPPLEMENTAL NOTICE OF EXTRAORDINARY GENERAL MEETING**

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 3 of this circular. A supplemental notice of EGM to be held on Thursday, 30 November 2017 at 2:30 p.m. at the Company's Conference Room, 7 Jingtian Road, Nanjing, the People's Republic of China is set out on pages 10 to 11. Whether or not you are able to attend and vote at the EGM, please complete and return the accompanying supplemental 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 EGM or any adjournment thereof. Completion and return of the supplemental proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

14 November 2017

CONTENTS

	<i>Page</i>
DEFINITIONS	ii
LETTER FROM THE BOARD	1
APPENDIX — PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND PROCEDURAL RULES	4
SUPPLEMENTAL NOTICE OF EXTRAORDINARY GENERAL MEETING	10

DEFINITIONS

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

“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors
“Company”	Nanjing Panda Electronics Company Limited (南京熊猫电子股份有限公司), 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
“EGM”	the extraordinary general meeting of the Company to be held on Thursday, 30 November 2017 to consider and approve, among other matters, the Proposed Amendments
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“PRC”	the People’s Republic of China (for the purpose of this circular, excluding Hong Kong, Macau and Taiwan)
“Procedural Rules”	the Procedural Rules of General Meetings and the Procedural Rules of the Board of Directors
“Procedural Rules of General Meetings”	the Procedural Rules of General Meetings of the Company
“Procedural Rules of the Board of Directors”	the Procedural Rules of the Board of Directors of the Company
“Proposed Amendments”	the proposed amendments to the Articles of Association and its appendices (namely, the Procedural Rules of General Meetings and the Procedural Rules of the Board of Directors)

DEFINITIONS

“Shareholder(s)”	holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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. Xu Guofei (*Chairman*)

Mr. Chen Kuanyi

Mr. Xia Dechuan

Non-executive Directors

Mr. Lu Qing

Mr. Deng Weiming

Mr. Gao Gan

Independent non-executive Directors

Ms. Du Jie

Mr. Chu Wai Tsun, Vincent

Mr. Zhang Chun

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

14 November 2017

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AND PROCEDURAL RULES
AND
(2) SUPPLEMENTAL NOTICE OF EXTRAORDINARY GENERAL MEETING**

I. INTRODUCTION

Reference is made to the announcement of the Company dated 10 November 2017 in relation to the Proposed Amendments. The purpose of this circular is to provide the Shareholders with more information regarding, among other matters, the Proposed Amendments.

LETTER FROM THE BOARD

II. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND ITS APPENDICES (THE PROCEDURAL RULES OF GENERAL MEETINGS AND THE PROCEDURAL RULES OF THE BOARD OF DIRECTORS)

The Board has 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 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 PRC 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 on pages 4 to 9 of this circular.

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.

The Articles of Association and the Procedural Rules 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 special resolutions at the EGM. The Proposed Amendments shall come into effect upon the approval from the Shareholders at the EGM.

III. EGM

A notice convening the EGM to be held on Thursday, 30 November 2017 at 2:30 p.m. at the Company’s Conference Room, 7 Jingtian Road, Nanjing, the People’s Republic of China, a proxy form and the reply slip for use at the EGM have been issued to the H Shareholders.

LETTER FROM THE BOARD

A supplemental notice setting out the additional resolutions to be resolved at the EGM is set out on pages 10 to 11 of this circular. Whether or not you are able to be present at the EGM, please complete and return the accompanying supplemental 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) or the office of the Company (in case of holders of A shares) as soon as possible and in any event not less than 24 hours before the time of the EGM or any adjournment thereof. Completion and return of the supplemental proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

IV. 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.

V. RECOMMENDATION

The Directors consider that the Proposed Amendments are in the interests of the Company and the Shareholders as a whole, and accordingly, recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM.

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

1. Comparison Chart of Amendments to the Articles of Association

No.	Original Article	Amended Article
1	<p>Article 70 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>Article 70 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 3% or more of the Company's shares with voting rights;</p> <p>.....</p>
2	<p>Article 133 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>Article 133 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 3% or more 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>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.</p> <p>The addition of the following as Chapter 15 Party Committee:</p> <p>Chapter 15 Party Committee</p> <p>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.</p> <p>Article 197 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>

No.	Original Article	Amended Article
		<p data-bbox="887 272 1396 476">Article 198 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 data-bbox="887 532 1396 859">(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> <p data-bbox="887 915 1396 1583">(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>

No.	Original Article	Amended Article
		<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>Article 3 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>Article 3 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 3% or more 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>Article 4 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>Article 4 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 3% or more 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>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.</p>

SUPPLEMENTAL NOTICE OF EXTRAORDINARY 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)

SUPPLEMENTAL NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING IN 2017

This notice is supplemental to the notice dated 13 October 2017 (the “**Former EGM Notice**”) of the first extraordinary general meeting in 2017 of Nanjing Panda Electronics Company Limited (the “**Company**”) to be held at the Conference Room, 7 Jingtian Road, Nanjing, the People's Republic of China at 2:30 p.m. on Thursday, 30 November 2017 (the “**EGM**”), to consider and, if thought fit, approve the following resolutions (with or without modification) in addition to the resolutions set out in the Former EGM Notice. Unless otherwise specified, capitalized terms used in this notice shall have the same meaning as those defined in the circular of the Company dated 14 November 2017 (the “**Circular**”).

SPECIAL RESOLUTION

3. To consider and approve the resolution in relation to the proposed amendments to the Articles of Association.
4. To consider and approve the resolution in relation to the proposed amendments to the Procedural Rules of General Meetings.
5. To consider and approve the resolution in relation to the proposed amendments to the Procedural Rules of the Board of Directors.

(For details of the Proposed Amendments, please refer to the appendix of the Circular.)

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

Nanjing, the People's Republic of China
14 November 2017

As at the date of this notice, 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.

SUPPLEMENTAL NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. Apart from the proposed supplemental resolutions set out above, all other matters of the EGM remain unchanged. For details of other resolutions to be considered and approved at the EGM, eligibility for attending the EGM, registration procedures, closure of register of members and other relevant matters, please refer to the Former EGM Notice of the Company dated 13 October 2017.
2. A supplemental form of proxy for the EGM (the “**Supplemental Form of Proxy**”) is enclosed with this supplemental notice. Supplemental Form of Proxy together with notarially certified power of attorney or other authorization documents (if any) must be delivered to the office of the Company (in respect of A Shares) or 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 EGM.
3. A shareholder who has the right to attend and vote at the EGM is entitled to appoint one proxy or several proxies, whether a member of the Company or not, to attend and vote at the EGM. If more than one proxy is appointed by a shareholder, the proxies can exercise their voting rights only in the case of a poll.
4. Shareholders who intend to appoint a proxy to attend the EGM but have not returned the form of proxy (the “**First Form of Proxy**”) sent together with the Former Notice of the EGM shall only return the Supplemental Form of Proxy while the First Form of Proxy needs not to be returned.
5. A Shareholder who has already lodged the First Form of Proxy should note that:
 - (a) If the Supplemental Form of Proxy is yet to be returned 24 hours before the time designated for holding the EGM or any adjournment thereof, the duly completed and returned First Form of Proxy will be deemed as a valid form of proxy. Other than those resolutions contained in the Former EGM Notice and the First Form of Proxy, the proxy/proxies so appointed by the Shareholder shall also be entitled to vote at its/his/her discretion or abstain from voting on any resolutions properly put forward at the EGM, including the supplemental resolutions set out in the supplemental notice of the EGM.
 - (b) If the Supplemental Form of Proxy has been returned 24 hours before the time designated for the holding the EGM or any adjournment thereof, the First Form of Proxy previously returned by the Shareholder shall be revoked and superseded by the Supplemental Form of Proxy. The duly completed Supplemental Form of Proxy will be deemed as a valid form of proxy.
6. 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.
7. The Company’s office and correspondence address:
7 Jingtian Road, Nanjing,
The People’s Republic of China
Postal code: 210033
Telephone: (8625) 8480 1144
Fax: (8625) 8482 0729