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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 WITHDRAWAL OF A RESOLUTION TO BE CONSIDERED AT THE ANNUAL GENERAL MEETING

This is an announcement made by Nanjing Panda Electronics Company Limited (the “**Company**”) in relation to the withdrawal of a resolution proposed to be considered at the 2016 annual general meeting (“**AGM**”).

1. BACKGROUND

- (a) The Company had issued (i) a notice of the AGM dated 12 May 2017 (the “**AGM Notice**”); (ii) a proxy form; and (iii) a reply slip, respectively in relation to the AGM.
- (b) The AGM is scheduled to be held on 30 June 2017.
- (c) As set out in the AGM Notice, the following resolution, together with other resolutions, will be proposed at the AGM for the shareholders to consider and, if thought fit, pass at the AGM:
 - (i) to consider and approve the reappointment of BDO China Shu Lun Pan Certified Public Accountants LLP (“**BDO**”) as the Company’s international auditor and PRC auditor as well as internal control auditor respectively for the year 2017, and authorize the Board to determine their remunerations within the limit of RMB2.10 million (being ordinary resolution No. 6 set out in the AGM Notice) (the “**Auditors Resolution**”).

2. WITHDRAWAL OF THE AUDITORS RESOLUTION

It has come to the attention of the Company that BDO had received two administrative penalty decisions (行政處罰決定書) issued by China Securities Regulatory Commission on 20 July 2016 and 23 May 2017, respectively. The relevant administrative penalties are in relation to BDO's work not related to the Company. BDO has already commenced the comprehensive rectification work in relation to the administrative penalties (the “**Rectification**”) since 23 May 2017 and will cease to undertake new securities business (including audit of the financial statements of securities and futures organisations and audit of internal control) during the rectification period, being the two months from the issuance date of the second administrative penalty.

After taking into account the relevant information (including BDO's still being within the rectification period on the date on which the AGM is scheduled to be held) and the PRC laws and regulations relevant to the said administrative penalties, the Company is of the view that, since BDO has ceased to undertake new securities business and there is uncertainty as to whether it can pass the examination conducted by the relevant authorities upon expiry of the Rectification, the Company decided to withdraw the Auditors Resolution and, as such, the Auditors Resolution will not be proposed for the consideration and voting by the shareholders at the AGM. The proxy forms already lodged shall remain valid although the voting instructions given in the proxy forms in relation to the Auditors Resolution will be ignored. Save and except for the withdrawal of the Auditors Resolution, all the information contained in the AGM Notice, the proxy form and the reply slip remain unchanged.

The terms of office of BDO as the international auditor and PRC auditor as well as internal control auditor of the Company for the year 2016 will expire at the conclusion of the AGM. The Board will consider and propose an appropriate firm to be appointed as the international auditor and PRC auditor as well as internal control auditor of the Company for the year 2017 for the consideration by the shareholders as soon as practicable. Further announcement(s) in this regard will be issued by the Company in due course.

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

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

As at the date of this announcement, the Board comprises Executive Directors: Mr. Xu Guofei, Mr. Chen Kuanyi and Mr. Xia Dechuan; Non-executive Directors: Mr. Lu Qing, Mr. Deng Weiming and Mr. Gao Gan; and Independent non-executive Directors: Ms. Du Jie, Mr. Chu Wai Tsun, Vincent and Mr. Zhang Chun.