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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

PROPOSED CHANGE OF AUDITORS

This announcement is made by Nanjing Panda Electronics Company Limited (the “**Company**”) pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Baker Tilly Hong Kong Limited (“**Baker Tilly Hong Kong**”) and Baker Tilly China (Special General Partnership) (“**Baker Tilly China**”), are currently serving as the international auditor and domestic auditor as well as internal control auditor of the Company respectively and have been providing audit services to the Company for years. Since their terms of provision of financial accounting and auditing services to the Company have reached the prescribed time limit pursuant to the relevant regulations stipulated by the Ministry of Finance of the People's Republic of China and the State-owned Assets Supervision and Administration Commission of the State Council, the Company has come to an agreement with Baker Tilly Hong Kong and Baker Tilly China on matters regarding their removal as the international auditor and domestic auditor as well as internal control auditor of the Company for the year 2016 upon amicable negotiation. Their removal will effect from the conclusion of the forthcoming extraordinary general meeting (the “**EGM**”).

On 11 November 2016, the board of directors of the Company (the “**Board**”) proposed to appoint BDO China Shu Lun Pan Certified Public Accountants LLP as the international auditor and domestic auditor as well as internal control auditor of the Company to fill the vacancy following the removal of Baker Tilly Hong Kong and Baker Tilly China and to hold office until the conclusion of the next annual general meeting of the Company. The removal of auditors and the proposed appointment of auditors (the “**proposed change of auditors**”) are subject to the approval of the shareholders of the Company by way of an ordinary resolution at the EGM and will come into effect upon the passing of such ordinary resolution by the shareholders of the Company at the EGM.

Baker Tilly Hong Kong and Baker Tilly China have confirmed that there is no matter in connection with the proposed change of auditors that needs to be brought to the attention of the shareholders of the Company. The Board is not aware of any matters in connection with the proposed change of auditors that need to be brought to the attention of the shareholders of the Company.

The Board and the audit committee of the Company have confirmed that there are no disagreements or unresolved matters regarding the proposed change of auditors between the Company and Baker Tilly Hong Kong and Baker Tilly China.

The Board would like to take this opportunity to express its gratitude to Baker Tilly Hong Kong and Baker Tilly China for their professional services rendered to the Company over the past years.

A circular containing, among other things, information in relation to the proposed change of auditors will be dispatched to the shareholders of the Company as soon as practicable.

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

Nanjing, the People's Republic of China
11 November 2016

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.