

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)

PROPOSAL ON RE-APPOINTMENT OF BDO AS AUDITORS

This is an announcement made by Nanjing Panda Electronics Company Limited (the “**Company**”) further to its announcement dated 14 June 2017 (the “**Announcement**”). Unless otherwise defined, capitalised terms used in this announcement have the same meanings given in the Announcement.

BACKGROUND

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. It has already commenced the Rectification and ceased to undertake new securities business during the rectification period, being the two months from the issuance date of the second administrative penalty. 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.

PROPOSAL ON RE-APPOINTMENT OF BDO AS THE INTERNATIONAL AUDITOR, PRC AUDITOR AND INTERNAL CONTROL AUDITOR OF THE COMPANY

On 10 August 2017, the Ministry of Finance of the People's Republic of China issued the “Notice in Relation to the Verification on Rectification of BDO China Shu Lun Pan Certified Public Accountants LLP and the Decision” (Cai Kuai Bian [2017] No. 38). Based on the rectification work of BDO and verification result of the verification team, the Ministry of Finance of the People's Republic of China and China Securities Regulatory Commission permitted BDO to re-assume new securities business from 10 August 2017.

Based on the foregoing and the performance of the BDO team in the 2016 audit work provided to the Company, and for the purpose of maintaining the continuity of the external audit work of the Company, the Company agreed to appoint BDO as the international auditor and PRC auditor as well as internal control auditor of the Company and proposed to determine their remunerations within the limit of RMB2.10 million (“**Proposal in relation to Appointment of Auditors for the year 2017**”).

Relevant resolutions on the re-appointment have been considered and approved at the meeting of the eighth session of the board of Directors of the Company held on 13 October 2017 and “Proposal in relation to Appointment of Auditors for the year 2017” is subject to the consideration and approval at the 2017 first extraordinary general meeting of the Company to be held on 30 November 2017. The notice of the extraordinary general meeting will be despatched to the shareholders as soon as practicable.

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

Nanjing, the People’s Republic of China
13 October 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.