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If you have sold or transferred all your shares in **Nanjing Panda Electronics Company Limited**, you should at once hand this circular and the 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.

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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)

**ORDINARY RELATED PARTY TRANSACTIONS UNDER THE LISTING
RULES OF SHANGHAI STOCK EXCHANGE
AND
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 17 of this circular. A notice of the EGM to be held on Wednesday, 16 March 2022 at 2:30 p.m. at the Company's Conference Room, 7 Jingtian Road, Nanjing, the People's Republic of China and the Proxy Form for use at the EGM have been despatched to the Shareholders on 25 February 2022. Whether or not you are able to attend and vote at the EGM, please complete and return the Proxy Form in accordance with the instructions printed thereon to 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 Proxy Form will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

25 February 2022

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DEFINITIONS

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

“Annual Cap(s)”	the proposed annual caps of the ordinary related party transactions under the 2022 Related Party Transaction Agreement;
“Board”	the board of Directors;
“Chengdu Display Technology”	Chengdu China Electronic Panda Display Technology Co., Ltd. (成都中電熊貓顯示科技有限公司), a company incorporated under the laws of the PRC;
“Chengdu Electronic Technology”	Chengdu Panda Electronic Technology Co., Ltd. (成都熊貓電子科技有限公司), a company incorporated under the laws of the PRC;
“Company”	Nanjing Panda Electronics Company Limited (南京熊貓電子股份有限公司), a joint stock company incorporated in the PRC with limited liability, whose H shares are listed on the Main Board of the Stock Exchange of Hong Kong and whose 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 convened to consider and approve the ordinary related party transactions under the Listing Rules of the Shanghai Exchange Stock for the year 2022 and the Annual Caps;
“Group”	the Company and its subsidiaries;
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended from time to time;
“Huadong Technology”	Nanjing Huadong Electronics Information Technology Co., Ltd. (南京華東電子信息科技股份有限公司), a company incorporated under the laws of the PRC;

DEFINITIONS

“PRC”	the People’s Republic of China (for the purpose of this circular, excluding Hong Kong, Macau and Taiwan);
“related party(ies)”	has the meaning ascribed to it under the Listing Rules of Shanghai Stock Exchange;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholder(s)”	holder(s) of the share(s) of the Company;
“share(s)”	A share(s) and H share(s);
“%”	per cent; and
“2022 Related Party Transaction Agreement” or “Agreement”	the agreement entered into between Chengdu Electronic Technology and Chengdu Display Technology in relation to the ordinary related party transactions under the Listing Rules of Shanghai Stock Exchange for the year 2022.

The English names of the PRC established companies/entities in this circular are only translations of their official Chinese names. In case of inconsistency, the Chinese names prevail.

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. Zhou Guixiang (*Chairman*)

Mr. Li Renzhi

Mr. Xia Dechuan

Non-executive Directors

Mr. Shen Jianlong

Mr. Deng Weiming

Mr. Yi Guofu

Independent Non-executive Directors

Mr. Dai Keqin

Ms. Xiong Yanren

Mr. Chu Wai Tsun, Baggio

Registered Address:

7 Jingtian Road
Economic and Technological
Development Zone
Nanjing, the PRC

Office Address:

7 Jingtian Road
Economic and Technological
Development Zone
Nanjing, the PRC
Postal Code: 210033

25 February 2022

To the Shareholders

Dear Sir or Madam,

**ORDINARY RELATED PARTY TRANSACTIONS UNDER THE LISTING
RULES OF SHANGHAI STOCK EXCHANGE
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

I. INTRODUCTION

Reference is made to the announcement of the Company dated 18 February 2022 in relation to the ordinary related party transactions with Chengdu Display Technology under the Listing Rules of the Shanghai Stock Exchange for the year 2022. The matter is subject to the approval of Shareholders at the EGM.

This circular is issued in relation to the EGM to be held at the Company's Conference Room, 7 Jingtian Road, Nanjing, the People's Republic of China at 2:30 p.m. on Wednesday, 16 March 2022.

LETTER FROM THE BOARD

II. ORDINARY RELATED PARTY TRANSACTIONS UNDER THE LISTING RULES OF SHANGHAI STOCK EXCHANGE

1. Basic information of ordinary related party transactions

The Company held an interim meeting of the tenth session of the board of directors on 18 February 2022, and considered and approved the resolution on Ordinary Related Party Transactions for 2022, agreeing that Chengdu Electronic Technology, a wholly-owned subsidiary of the Company, sells materials and components and provides subcontracting services to Chengdu Display Technology for an annual amount not exceeding RMB70,000,000 (inclusive), approving the 2022 Related Party Transaction Agreement signed between Chengdu Electronic Technology and Chengdu Display Technology, and authorizing the Company's senior management or related persons to take all necessary steps to facilitate the agreement for such ordinary related party transaction.

According to the relevant provisions of paragraph (3) of Article 6.3.3 of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange for related legal person, Mr. Huang Shaofeng is currently the deputy general manager of the Company and is a related natural person of the Company. Mr. Huang Shaofeng is also a director of Chengdu Display Technology. Therefore, Chengdu Display Technology constitutes a related legal person of the Company and the daily business between Chengdu Electronic Technology, a wholly-owned subsidiary of the Company, and Chengdu Display Technology constitutes an ordinary related party transactions of the Company.

No director of the Company has a material interest in the above transaction. The Board and all Directors agreed to the above ordinary related party transaction and no Director was required to abstain from voting at the Board meeting. Mr. Dai Keqin, Ms. Xiong Yanren, and Mr. Chu Wai Tsun, Baggio, the Independent Non-executive Directors, agreed to the above related party transaction.

In accordance with the relevant provisions of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the transactions contemplated under the 2022 Related Party Transaction Agreement between Chengdu Electronic Technology and Chengdu Display Technology for the sale of materials, components and the provision of subcontracting services will be subject to the disclosure and submission to the general meeting of the Company for approval.

LETTER FROM THE BOARD

The related party transaction is conducive to the stability of the production and operation of Chengdu Electronic Technology, and the terms of the related party transaction agreement are fair and reasonable with fair pricing. The approval procedures have been performed in accordance with relevant regulations. Such ordinary related party transactions will be conducted in the ordinary course of business and on normal commercial terms, are in the interest of the Company and all Shareholders as a whole and have no impact on the independence of the Company, and there is no serious reliance on related party transactions for the Company's main business.

2. Historical amounts incurred and proposed annual cap for the ordinary related party transaction

(1) Historical Amounts Incurred (the Group and Chengdu Display Technology)

Unit: 0'000 Currency: RMB

	January to June 2021 (Unaudited)	2020 (Audited)	2019 (Audited)
Amount incurred	26,796.70	53,693.84	79,377.84
Percentage of similar business (%)	15.60	14.57	20.83

The ordinary related party transactions between the Company and Chengdu Display Technology for the aforesaid period were approved at the first extraordinary general meeting of the Company in 2018.

In December 2020, BOE Technology Group Co., Ltd. (京東方科技集團股份有限公司) increased its capital to Chengdu Display Technology by RMB7.55 billion, holding 35.03% equity interest in Chengdu Display Technology and becoming the controlling Shareholder of Chengdu Display Technology. At present, Chengdu Display Technology no longer constitutes a related legal person of the Company under paragraph (2) of Article 6.3.3 of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange for related legal person.

LETTER FROM THE BOARD

(2) *Proposed Annual Caps*

Unit: 0'000 Currency: RMB

Classification of Related Party Transactions	Proposed Annual Caps 1 January to 31 December 2022	
	Proposed amount	Percentage of similar business (%)
the sale of materials, components and the provision of subcontracting services from Chengdu Electronic Technology to Chengdu Display Technology	70,000	27.58

Chengdu Electronic Technology will further develop a stable and sustainable supply partnership with Chengdu Display Technology based on its own strengths to provide high quality, stable and reliable products and processing services, and the Company also recognises that display-related industries will enjoy stable and sustainable development.

3. Introduction to related parties and related relationships

(1) *Basic Information on Related Parties*

a. *Chengdu Electronic Technology*

Enterprise name	Chengdu Panda Electronic Technology Co., Ltd.(成都熊猫电子科技有限公司)
Nature of Business	Limited liability companies (solely owned legal person invested in or controlled by a non-natural person)
Date of Establishment	20 December 2017
Legal Representative	Huang Shaofeng
Registered Capital	RMB20 million
Domicile	Industrial Concentration Zone of Southwest Airport Economic Development Zone, Shuangliu District, Chengdu

LETTER FROM THE BOARD

Major shareholders	Nanjing Panda Electronics Company Limited(南京熊猫电子股份有限公司)
Historical development	Chengdu Electronic Technology is a limited liability company established by the Company with approval and obtained the Business License for Enterprise Legal Person with the unified social credit code of 91510122MA6C89LK42 from the Market Supervision Administration of Shuangliu District, Chengdu on 20 December 2017.
Business scope	Development, manufacturing, sale, technical services and environmental protection supporting services of digital video and audio products, information appliance, communication system and terminal products, IT products and electronic components, industrial moulds, rail transit electrical control equipment, communication systems, automatic ticketing systems, clearing systems, rail transit Internet of Things equipment, industrial automation equipment, industrial control products, environmental protection equipment, instruments, power protection products, logistics supporting equipment; design, consultation, construction and services of building intelligent system engineering, computer information system integration; electromechanical equipment installation engineering, electronic engineering, fire engineering, software development, information services; design, installation, maintenance, consultation and services of surface spraying of metal products, heat treatment processing, system engineering (including industrial automation systems, environmental protection systems, power protection systems, electronic information systems, mechanical electronic systems); external design, processing, assembly and testing of related products; equipment leasing; foreign trade operations for the import and export of goods and technologies (for projects subject to approval in accordance with law, business activities can only be carried out upon approval by relevant departments).

LETTER FROM THE BOARD

Key Financial Figures

Unit: 0'000 Currency: RMB

	30 September 2021 (Unaudited)	31 December 2020 (Audited)
Total assets	44,399.12	42,380.36
Total liabilities	37,682.15	37,336.11
Net Assets	6,719.97	5,044.25

	January to September 2021 (Unaudited)	Year 2020 (Audited)
Operating income	41,060.66	49,399.15
Net profit	1,672.72	2,853.28

b. *Chengdu Display Technology*

Enterprise name	Chengdu China Electronic Panda Display Technology Co., Ltd. (成都中電熊貓顯示科技有限公司)
Nature of Business	Other limited liability companies
Date of Establishment	7 December 2015
Legal Representative	Gao Wenbao
Registered Capital	RMB21.55 billion
Domicile	No. 1778 Qinglan Road, Huangjia Street, Shuangliu District, Chengdu, Pilot Free Trade Zone, (Sichuan) China
Major shareholders	BOE Technology Group Co., Ltd.(京東方科技集團股份有限公司)

LETTER FROM THE BOARD

Historical
development

Chengdu Display Technology is a limited liability company jointly invested by Huadong Technology, Chengdu Advanced Manufacturing Industry Investment Co., Ltd. (成都先進製造產業投資有限公司) and Chengdu Xihanggang Industrial Development Investment Co., Ltd. (成都西航港工業發展投資有限公司), which was established on 7 December 2015 and obtained a business license issued by Chengdu Shuangliu District Market and Quality Supervision Administration.

On 11 December 2017, Huadong Technology, a Shareholder of the Company, and Nanjing Electronics Information Industrial Corporation (南京中電熊貓信息產業集團), its controlling Shareholder, signed the Capital Contribution Transfer Agreement to transfer the RMB2.4 billion unpaid capital of the Company held by Huadong Technology.

On 20 December 2017, the Shareholders' Meeting of Chengdu Display Technology resolved to approve that the Company's Shareholder, Chengdu Advanced Manufacturing Industry Investment Co., Ltd. and Chengdu Xihanggang Industrial Development Investment Co., Ltd. adopt public listing to transfer their equity interests to introduce investors, which are Sichuan Integrated Circuit and Information Security Industry Investment Fund Co., Ltd. (四川省集成電路和信息安全產業投資基金有限公司) and Chengdu Shuangliu Xingrong Optoelectronic Display Industry Equity Investment Centre (Limited Partnership) (成都雙流興融光電顯示產業股權投資中心(有限合夥)).

LETTER FROM THE BOARD

On 25 February 2019, the shareholders' meeting of Chengdu Display Technology resolved to approve the Company's Shareholder, Chengdu Xihangangang Industrial Development Investment Co., Ltd. to transfer its 2 billion equity interests in Chengdu Display Technology (accounting for 14.286% of the registered capital) to Chengdu Shuangliu Water Construction and Investment Development Co, and approved the Company's Shareholder, Chengdu Shuangliu Xingrong Optoelectronic Display Industry Equity Investment Centre (Limited Partnership) to transfer its 3 billion equity interests in Chengdu Display Technology (accounting for 21.428% of the registered capital) to Chengdu Shuangliu Xingcheng Construction Investment Co.

On 19 November 2020, the shareholders' meeting of Chengdu Display Technology resolved to approve that Huadong Technology, the Shareholder of the Company, to transfer its 1.6 billion equity interests (representing 11.429% of the registered capital) to China Electronics Corporation (中國電子信息產業集團有限公司).

On 7 December 2020, the shareholders' meeting of Chengdu Display Technology resolved to approve to absorb BOE Technology Group Co., Ltd. as the new Shareholder of the Company, and the new shareholder BOE Technology Group Co., Ltd. subscribed the registered capital of RMB7.55 billion, and upon the capital increase, the registered capital of Chengdu Display Technology increased from RMB14 billion to RMB21.55 billion. BOE Technology Group Co., Ltd. has become the controlling shareholder of Chengdu Display Technology, accounting for 35.03% of the registered capital.

LETTER FROM THE BOARD

Business scope Research and development, manufacturing, sales and technical services of thin-film transistor liquid crystal display (TFT-LCD) panels and modules, liquid crystal displays, televisions, instruments, mechanical equipment and accessories; foreign trade operations for the import and export of goods and technologies (for projects subject to approval in accordance with law, business activities can only be carried out upon approval by relevant departments).

Key Financial Figures

Unit: 0'000 Currency: RMB

	30 June 2021 (Unaudited)	31 December 2020 (Audited)
Total assets	3,243,864.30	3,166,876.65
Total liabilities	1,422,885.10	1,706,917.08
Net Assets	1,820,979.20	1,459,959.57
	January to June 2021 (Unaudited)	Year 2020 (Audited)
Operating income	617,793.80	885,853.67
Total profit	134,519.70	-148,044.04

(2) **Related Relationships**

According to the relevant provisions of paragraph (3) of Article 6.3.3 of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange for related legal person, Mr. Huang Shaofeng is currently the deputy general manager of the Company and is a related natural person of the Company. Mr. Huang Shaofeng is also a director of Chengdu Display Technology. Therefore, Chengdu Display Technology constitutes a related legal person of the Company, and the daily businesses between Chengdu Electronic Technology, a wholly-owned subsidiary of the Company, and Chengdu Display Technology constitute continuing related party transactions of the Company.

LETTER FROM THE BOARD

(3) *Implementation of Related Party Transactions of Same Type in Previous Period and Analysis of Ability to Perform Contract*

The production and operation of the above related parties are normal and the implementation of the related party transactions of same type in previous period is normal. There is no non-performance or improper performance.

4. Main contents and pricing principles of the related party transaction

On 18 February 2022, Chengdu Electronic Technology and Chengdu Display Technology entered into the 2022 Related Party Transaction Agreement, the main contents of which are as follows.

Party A: Chengdu Display Technology

Party B: Chengdu Electronic Technology

(1) *Basic principles and cooperation mode*

The Agreement aims to clarify the basic principles that both parties must comply with in the process of selling products and providing services by Party B under this Agreement to Party A and to clarify the rights and obligations that both parties shall enjoy and perform as agreed in this Agreement.

Principle of compensation of equal value: Pursuant to this Agreement, Party B shall sell products and provide services to Party A, which are non-gratuitous transactions during the course of economic exchanges between enterprises, and Party B has the right to charge a reasonable price to Party A for the products it sells and services it provides in compliance with the principle of fair market, while Party A assumes corresponding payment obligations. The price for sale of supplies and parts and components and provision of subcontract service by Party B to Party A shall be determined by the parties after arm's length negotiations in accordance with relevant pricing policy, on normal commercial terms and with reference to prevailing market prices, that is, the sales price charged by Party B to Party A shall not be lower than the price charged when selling the same or similar products to an independent third party, and the service fee charged by Party B to Party A shall not be lower than the service fee charged when providing same or similar services to an independent third party.

LETTER FROM THE BOARD

Principle of independence: On the basis of a comprehensive consideration and comparison of the conditions of all parties, Party A has the right to independently select transaction conditions that are most favourable to itself, or to procure same or similar products or obtain same or similar services from an independent third party.

Principle of timely notification and substitution: Where Party B is unable to provide or fully provide the products as agreed in this Agreement or its implementation agreement or provide the services as agreed in this Agreement or its implementation agreement for reasons other than its own fault or force majeure, it is obliged to notify Party A in a timely manner when it can reasonably ascertain that it is unable to provide or fully provide the products or services, and shall use reasonable efforts to assist Party A in obtaining same or similar products or services from other sources as agreed in this Agreement or its implementation agreement.

Before Party B sells product/products, provides service and/or services to Party A, Party A and Party B may, on the basis of this Agreement, enter into corresponding implementation agreements in accordance with the principles and manners stipulated herein.

Party A and Party B warrant to each other that they will strictly perform the terms in this Agreement and assume their respective obligations in accordance with the principles stipulated herein. Party B as referred to in this Agreement includes, in addition to itself, its subsidiaries. A subsidiary referred to in this Agreement means a company or other entity wholly owned or controlled by one of the parties.

If the other party(ies) to the related party transactions conducted by Party B is a listed company controlled by Party A, the entering into of this Agreement will not affect the entering into of relevant agreements and the performance of relevant information disclosure, consideration and other procedures by the listed company controlled by Party A pursuant to the provisions of the Company's on management of related party transactions and relevant regulatory rules and regulations based on market pricing principle.

(2) *Products to be sold and services to be provided*

During the term of this Agreement, the products to be sold by Party B to Party A mainly include: supporting products of T-con panel and LCD panel, etc;

During the term of this Agreement, the main subcontract services to be provided by Party B to Party A are: SMT processing; technology development and services, etc.

LETTER FROM THE BOARD

(3) Pricing policy and basis

The price for sale of raw materials and parts and components by Party B to Party A under this Agreement shall be determined based on the principles of fairness and justice, and based on market prices, agreed prices and cost-plus pricing.

The market price of the products to be sold under this Agreement refers to the price charged by domestic enterprises in the same industry for the sale of similar products.

In the absence of the market price of the products to be sold, the agreed price shall be adopted. The agreed price of the products to be sold under this Agreement refers to:

- a. the price proposed with reference to Party B's transaction records for selling same type of products at the market price in previous years and taking into account the rising cost of raw materials and human resources;
- b. If the relevant products to be sold by Party B are not available in the domestic market, the price shall be the import price of the relevant products plus Party B's import costs and margin.

Cost-plus pricing for products to be sold under this Agreement means:

A pricing method based on cost plus a reasonable fee and profit.

The fees for the subcontract services to be provided by Party B to Party A under this Agreement shall be determined based on the principles of fairness and justice and in accordance with the market price and agreed price.

The market price of the services to be provided under this Agreement refers to the price paid by domestic enterprises in the same industry for receiving similar services.

In the absence of the market price for the provision of services, the agreed price shall be adopted. The agreed price for the services to be provided under this Agreement means:

- a. the price proposed with reference to Party B's transaction records for selling same type of services at the market price in previous years and taking into account the rising cost of raw materials and human resources; or

LETTER FROM THE BOARD

- b. If the raw materials or machineries for relevant products for the services to be provided by Party B are not available in the domestic market, the price shall be the import price of the raw materials or machineries for relevant products plus Party B's import costs and margin.

(4) *Payment arrangement*

The commitments and guarantees of Party B on the sale of goods, delivery of services, quality, etc. and the specific payment by Party A for the goods shall be agreed upon by both parties in the implementation agreement and order.

(5) *Effectiveness and term*

This Agreement will come into effect on the date of signature by the legal representatives or authorized representatives of both parties and affixation of the contract seal or official seal, and on the date of approval of this Agreement by the board of directors or general meeting of Party B's parent company in accordance with its approval regulations after the basic contracts or material procurements for material procurement of both parties have come into effect, and will be valid for one year.

After the expiry of the term of this Agreement, if both Parties agree, a new agreement may be entered into.

(6) *The maximum transaction amount*

By reference to the total volume and amount of transactions in previous years, and the estimated reasonable increase in categories and total volume and amount of products to be sold and services to be provided by Party B during the term of this Agreement, upon negotiation, it is determined that the amount for sales of supplies and parts and components by Party B to Party A and the fees for subcontract services to be provided to Party A for each year during the term of this Agreement shall not exceed RMB700,000,000 (inclusive).

(7) *Implementation agreement*

During the term of this Agreement, if necessary, Party B undertakes to procure itself or any of its subsidiaries to enter into implementation agreement(s) with the other party or any its subsidiaries for the specific performance of this agreement and procure the core terms of such implementation agreement(s) to be consistent with the relevant terms of this agreement. Party B will procure its subsidiaries in comply with this Agreement.

LETTER FROM THE BOARD

5. The purpose of and effect on the listed companies from the related party transaction

Chengdu Electronic Technology is a wholly-owned subsidiary of the Company and an important part of the business of the Company. Since its establishment, Chengdu Electronic Technology has remained long-term business relationship with Chengdu Display Technology. The transaction is on normal commercial terms and in the ordinary course of business of Chengdu Electronic Technology, and is favorable to the stability of the production and operation of Chengdu Electronic Technology. The terms of the transaction agreement are fair and reasonable, the price is fair and after the procedures for approval agreement are completed in accordance with the relevant regulations. The related party transaction is on normal commercial terms and in the ordinary and usual course of business, and is in the interest of the Company and the Shareholders as a whole. The independence of the Company is not impaired. The major business of the Company does not place significant reliance on related party transactions.

6. Completion of procedures for approval

(1) Opinions of the Board

The Board has approved the 2022 Related Party Transaction Agreement entered into between Chengdu Electronic Technology and Chengdu Display Technology.

The abovementioned transaction is on normal commercial terms and in the ordinary and usual course of Chengdu Electronic Technology, and is favorable to the stability of the production and operation of Chengdu Electronic Technology. The terms of the related party transaction agreement are fair and reasonable, the price is fair and after the procedures for approval are completed in accordance with the relevant regulations. The related party transaction is on normal commercial terms and in the ordinary and usual course of business, and is in the interest of the Company and the Shareholders as a whole. The independence of the Company is not impaired. The major business of the Company does not place significant reliance on related party transaction.

The Directors of the Company have no material interest in the abovementioned transaction, no Director is required to abstain from voting at this Board meeting, except the directorship of Mr. Huang Shaofeng, the deputy general manager of the Company, held in Chengdu Display Technology. The resolution was considered and passed at the extraordinary meeting of the tenth session of the Board of the Company.

In accordance with the relevant regulations of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, for the abovementioned related party transaction, disclosure procedures will be made and it will be submitted for approval at the general meeting of the Company.

LETTER FROM THE BOARD

(2) *Opinion of the Independent Directors*

The Company provided the information on relevant matters for 2022 Related Party Transaction Agreement which is proposed to be entered into by Chengdu Electronic Technology before the review in writing to be made by the Board, and made necessary communication, and obtained approval before the entering.

The transaction is on normal commercial terms during the ordinary and usual course of business of Chengdu Electronic Technology. The Directors have no material interest in the abovementioned transaction, except the directorship of Mr. Huang Shaofeng, the deputy general manager of the Company, held in Chengdu Display Technology. The related party transaction is favorable to the stability of the production and operation of Chengdu Electronic Technology. The terms of the related party transaction agreement are fair and reasonable, the price is fair and after the procedures for approval are completed in accordance with the relevant regulations, and it is in the interest of the Company and the Shareholders as a whole. The Independent Non-executive Directors, namely Mr. Dai Keqin, Ms. Xiong Yanren, Mr. Chu Wai Tsun, Baggio, approve the abovementioned related party transactions, and consider that the transactions are in the interest of the Company and the Shareholders as a whole.

(3) *Opinion of the Audit Committee*

2022 Related Party Transaction Agreement is entered into between Chengdu Electronic Technology and Chengdu Display Technology, and it is favorable to the stability of the production and operation of Chengdu Electronic Technology. The terms of the related party transaction agreement are fair and reasonable, the price is fair and after the procedures for approval are completed in accordance with the relevant regulations, and it is in the interest of the Company and the Shareholders as a whole. The related party transaction is conducted on the principles of openness, fairness and justice and in compliance with relevant regulations of the state and industry, without prejudice to the interest of the Company and minority Shareholders.

The Audit Committee of the Board approves the related party transaction agreement.

This resolution was made based on the Listing Rules of the Shanghai Stock Exchange.

The related party transaction does not constitute any transaction under Chapter 14 and Chapter 14A of the Hong Kong Listing Rules.

LETTER FROM THE BOARD

III. THE EGM

The EGM will be held on Wednesday, 16 March 2022 at 2:30 p.m. at the Company's Conference Room, 7 Jingtian Road, Nanjing, the People's Republic of China.

A notice convening the EGM set out on pages 18 to 19 of this circular.

The register of members relating to H-shares of the Company will be closed from 11 March 2022 to 16 March 2022, both days inclusive, during which period no transfer of H-shares of the Company will be registered. In order to attend the EGM, all transfers accompanied by the relevant share certificates must be lodged with the share registrar of the Company in Hong Kong, Hong Kong Registrars Limited, at Shops 1712-1716, 17th Floor, Hopewell Center, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on 10 March 2022.

To the best knowledge and belief of the Company, none of the Shareholders is required to abstain from voting on the proposed resolution at the EGM.

IV. PROXY ARRANGEMENT

The Proxy Form for use at the EGM has been despatched to the Shareholders. Whether or not you intend to attend the EGM, you are requested to complete the Proxy Form in accordance with the instructions printed thereon and return the same to the office of the Company as soon as possible but in any event not less than 24 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the Proxy Form will not preclude you from attending and voting at the EGM or any adjourned meeting should you so wish.

V. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Hong Kong Listing Rules, any vote of shareholders at a general meeting must be taken by way of poll. The results of the poll will be published on the HKExnews website at www.hkexnews.hk and the Company's website at www.panda.cn after the EGM as soon as possible.

LETTER FROM THE BOARD

VI. RECOMMENDATION

The Directors (including the Independent Non-executive Directors) are of the opinion that the ordinary party transactions under the Listing Rules of Shanghai Stock Exchange for 2022 are fair and reasonable, on normal commercial terms, in the ordinary course of business of the Company and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the Independent Non-executive Directors) recommend all the Shareholders to vote in favour of the relevant resolution to be proposed at the EGM.

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

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)

NOTICE OF THE 2022 FIRST EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2022 first extraordinary general meeting (the “**EGM**”) of Nanjing Panda Electronics Company Limited (the “**Company**”) will be held at the Conference Room, 7 Jingtian Road, Nanjing, the People's Republic of China (the “**PRC**”) on Wednesday, 16 March 2022 at 2:30 p.m. to consider and, if thought fit, pass the following resolution:

ORDINARY RESOLUTION

1. **THAT** the ordinary related transactions with Chengdu Display Technology under the Listing Rules of Shanghai Stock Exchange for 2022 be and are hereby approved.

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

Nanjing, the PRC
25 February 2022

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. All holders of H shares of the Company should pay attention that the register of members of the Company will be closed from 11 March 2022 to 16 March 2022, both days inclusive, during which period no transfer of H shares can be registered so as to ascertain the holders of H shares' entitlement to attend and vote at the EGM. Holders of H shares who intend to attend the EGM must deposit the share certificates together with the transfer documents at the H-Share registrar of the Company, Hong Kong Registrars Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, on or before 4:30 p.m. on 10 March 2022.
2. Shareholders who are entitled to attend the EGM or their representatives or proxies are entitled to attend the EGM with their identity certificates or passports. If a shareholder appoints a proxy to attend the EGM on his behalf, his proxy must bring along the proxy form.
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.
4. If more than one proxy is appointed by a shareholder, the proxies can exercise their voting rights only in the case of a poll.
5. 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 notarized.
6. The proxy form together with the notarized power of attorney or other authority 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 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (in respect of H shares) 24 hours before the time appointed for the holding of the EGM.
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