



**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: 0553)

**SUPPLEMENTAL PROXY FORM**  
**FOR THE 2ND EXTRAORDINARY GENERAL MEETING IN 2012**

No. of shares authorized by me <sup>(Note 1)</sup>	
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I/We<sup>(Note 2)</sup>, \_\_\_\_\_ of \_\_\_\_\_, \_\_\_\_\_,  
 being a member of Nanjing Panda Electronics Company Limited (the “Company”) and the holder of \_\_\_\_\_ A Shares/ H Shares<sup>(Note 3)</sup>, **HEREBY APPOINT THE CHAIRMAN OF THE MEETING, OR**  
 \_\_\_\_\_ of \_\_\_\_\_

(Note 4)

as my proxy to attend and vote at the second extraordinary general meeting of the Company in 2012 (the “EGM”) to be held at the Conference Room, 301 Zhongshan Road East, Nanjing, the People’s Republic of China on Friday, 21 December 2012 at 9:30 a.m. The proxy/proxies are authorized to vote on the resolution according to the following instructions. In the absence of instructions, the proxy/ proxies shall vote for or against the resolution at their discretion.

<b>ORDINARY RESOLUTIONS</b>		<b>For<sup>(Note 5)</sup></b>	<b>Against<sup>(Note 5)</sup></b>	<b>Abstain<sup>(Note 5)</sup></b>
1.	(a) To consider and approve the Sub-contracting Agreement;			
	(b) To consider and approve the Annual Cap under the Sub-contracting Agreement; and			
	(c) To authorise the Board to take all steps necessary to give effect to the Sub-contracting Agreement.			
2.	(a) To consider and approve the CEC Sub-contracting Agreement;			
	(b) To consider and approve the Annual Cap under the CEC Sub-contracting Agreement; and			
	(c) To authorise the Board to take all steps necessary to give effect to the CEC Sub-contracting Agreement.			
3.	(a) To consider and approve the Sale Agreement;			
	(b) To consider and approve the Annual Cap under the Sale Agreement; and			
	(c) To authorise the Board to take all steps necessary to give effect to the Sale Agreement.			

<b>ORDINARY RESOLUTIONS</b>		<b>For</b> <sup>(Note 5)</sup>	<b>Against</b> <sup>(Note 5)</sup>	<b>Abstain</b> <sup>(Note 5)</sup>
4.	(a) To consider and approve the Purchase Agreement;			
	(b) To consider and approve the Annual Cap under the Purchase Agreement; and			
	(c) To authorise the Board to take all steps necessary to give effect to the Purchase Agreement.			
5.	(a) To consider and approve the Lease Agreement;			
	(b) To consider and approve the Annual Cap under the Lease Agreement; and			
	(c) To authorise the Board to take all steps necessary to give effect to the Lease Agreement.			
6.	(a) To consider and approve the NEIIC Group Lease Agreement;			
	(b) To consider and approve the Annual Cap under the NEIIC Group Lease Agreement; and			
	(c) To authorise the Board to take all steps necessary to give effect to the NEIIC Group Lease Agreement.			
7.	(a) To consider and approve the Trademark Licence Agreement;			
	(b) To consider and approve the Annual Cap under the Trademark Licence Agreement; and			
	(c) To authorise the Board to take all steps necessary to give effect to the Trademark Licence Agreement.			
8.	(a) To consider and approve the PEGL Import & Export Agency Agreement;			
	(b) To consider and approve the Annual Cap under the PEGL Import & Export Agency Agreement; and			
	(c) To authorise the Board to take all steps necessary to give effect to the PEGL Import & Export Agency Agreement.			
9.	(a) To consider and approve the Financial Services Agreement;			
	(b) To consider and approve the proposed caps under the Financial Services Agreement; and			
	(c) To authorise the Board to take all steps necessary to give effect to the Financial Services Agreement.			
10.	To consider and approve the Shareholders' Return Plan as defined and set out in the announcement of the Company dated 24 August 2012.			

<b>SPECIAL RESOLUTIONS</b>		<b>For</b> <sup>(Note 5)</sup>	<b>Against</b> <sup>(Note 5)</sup>	<b>Abstain</b> <sup>(Note 5)</sup>
11.	To consider and approve by way of special resolution the amendments to the Articles of Association of the Company.			
	<p>(a) The original Article 106 be amended as follows:</p> <p>“Article 106 The following matters shall be resolved by special resolution at a general meeting:</p> <p>(1) increase or reduction of the share capital and issue of shares of any class, warrants or other similar securities;</p> <p>(2) issue of corporate bonds;</p> <p>(3) division, merger, dissolution and liquidation of the Company;</p> <p>(4) amendment to the Articles of Association;</p> <p>(5) purchase or disposal of material assets or provision of guarantee within one year, the amount of which exceeds 30% of the latest audited total assets of the Company;</p> <p>(6) share incentive scheme;</p> <p>(7) adjustment to the profit distribution policy;</p> <p>(8) any other matters required by the laws, administrative regulations and the Articles of Association and considered by a general meeting, by way of ordinary resolution, to have a substantial impact on the Company and require approval by special resolution.”</p>			

<b>SPECIAL RESOLUTIONS</b>		<b>For</b> <sup>(Note 5)</sup>	<b>Against</b> <sup>(Note 5)</sup>	<b>Abstain</b> <sup>(Note 5)</sup>
	<p>(b) The original Article 202 be amended as follows:</p> <p>“Article 202 Decision-making procedures for the Company’s profit distribution:</p> <p>(1) The board of directors of the Company shall, based on the Company’s profit, capital needs and the Shareholders’ Return Plan, formulate its annual profit distribution proposal and submit the same to the general meeting for consideration. When making decisions on and formulating its profit distribution proposal, the board of directors shall record in detail the advice of the management, key points of the speeches of directors present at the meeting, opinions of independent directors, voting results of the board of directors, etc. and form written minutes to be properly kept as the Company’s records.</p> <p>(2) When considering the cash dividend distribution plan, the board of directors of the Company shall carefully consider and deliberate the timing, conditions and minimum percentage, etc., and independent directors shall express their opinions thereon.</p> <p>(3) When the profit distribution plan is considered at the general meeting, the Company shall communicate and exchange ideas through multiple channels with shareholders (minority shareholders in particular), listen fully to the opinions and demands of minority shareholders, and give timely replies to issues that concern minority shareholders.</p>			

<b>SPECIAL RESOLUTIONS</b>	<b>For</b> <sup>(Note 5)</sup>	<b>Against</b> <sup>(Note 5)</sup>	<b>Abstain</b> <sup>(Note 5)</sup>
<p>(4) On the condition that profit is recorded and there is sufficient cash to support the ongoing operation and long-term development of the Company, the Company shall actively distribute dividends in the form of cash. If profit is recorded in the reporting period but the board of directors of the Company does not put forth a cash dividend distribution proposal, reasons therefor and the use of capital that may otherwise be used as dividends but has been retained by the Company shall be disclosed in its periodic report, and independent directors shall express independent opinions thereon.</p> <p>(5) The Company's profit distribution policy shall be formulated by the board of directors of the Company and be implemented upon consideration and approval by shareholders at the general meeting. The profit distribution proposal proposed by the board of directors of the Company shall be passed by majority votes of the board of directors of the Company. Independent directors shall provide their independent opinions on the formulation of or amendment to the profit distribution policy. If the Company needs to adjust its profit distribution policy and Shareholders' Return Plan due to significant changes in the external operating environment or its own operation, with the protection of shareholders' interests as the starting point and after discussing the relevant matters in detail, the board of directors of the Company shall put forward a proposal for adjusting the profit distribution policy and Shareholders' Return Plan to the general meeting for consideration and approval.</p>			

<b>SPECIAL RESOLUTIONS</b>		<b>For</b> <sup>(Note 5)</sup>	<b>Against</b> <sup>(Note 5)</sup>	<b>Abstain</b> <sup>(Note 5)</sup>
	<p>(6) The Company shall strictly implement the cash dividend policy as determined in the Articles of Association and the specific plan for distribution of cash dividends as considered and approved at the general meeting. If the Company needs to adjust or change the cash dividend policy as determined in the Articles of Association, it is required to satisfy the conditions under the Articles of Association and execute appropriate decision-making procedures after discussion. The adjustment or changes shall be passed by shareholders present in the meeting representing not less than two-thirds of voting rights. The Company shall disclose the formulation and implementation of cash dividend policy in detail in its periodic reports.”</p>			
	<p>(c) The original Article 203 be amended as follows:</p> <p>“Article 203 Profit distribution policy of the Company:</p> <p>(1) The Company shall adopt a continuous and steady profit distribution policy. The Company’s profit distribution shall focus on providing investors with reasonable investment return as well as maintaining the sustainable development of the Company. The Company’s profit distribution shall not exceed the range of the accumulated distributable profits or damage the Company’s ability to continue operations. If there is any surplus following appropriation of after-tax profits according to items (1) to (4) of Article 197, the Company shall distribute dividends. The dividends of the Company shall be distributed at least once a year. After the profit distribution plan is approved at the general meeting of the Company, the board of directors of the Company shall complete the distribution of the dividends (or shares) within two months after convening the shareholders’ general meeting.</p> <p>(2) The Company may distribute dividends in cash, in shares or in a combination of both cash and shares.</p>			

SPECIAL RESOLUTIONS	For <sup>(Note 5)</sup>	Against <sup>(Note 5)</sup>	Abstain <sup>(Note 5)</sup>
<p>(3) The Company may distribute interim cash dividends. The profits which the Company has accumulatively distributed in cash over the last three years shall not be less than 30% of the average annual distributable profits realized in such three years. If the Company does not distribute profits in cash in the last three years, the Company shall not issue new shares to the public, issue convertible bonds or place shares to the existing shareholders.</p> <p>(4) The following conditions shall be satisfied for cash dividend distribution:</p> <ol style="list-style-type: none"> <li>1. the distributable profit (i.e. after-tax profit net of the profit used for making up for losses and the profit transferred to the statutory reserve fund) for the year is positive;</li> <li>2. the auditing firm has issued a standard audit report with unqualified opinions on the financial report for the financial year;</li> <li>3. the Company has no significant investment plan or material cash outlay event (other than fundraising project).</li> </ol> <p>(5) Depending on the profitability and cash flows for the year, the Company may distribute profits by way of shares provided that the minimum cash dividend payout ratio and an optimal share capital base and shareholding structure are maintained.</p> <p>(6) Whenever the Company distributes dividends, an announcement in respect thereof shall be made to shareholders. No profit shall be distributed in respect of the shares held by the Company.</p>			

<b>SPECIAL RESOLUTIONS</b>		<b>For<sup>(Note 5)</sup></b>	<b>Against<sup>(Note 5)</sup></b>	<b>Abstain<sup>(Note 5)</sup></b>
(7)	Dividends payable to the holders of the overseas-listed foreign-invested shares of the Company shall be denominated and declared in Renminbi and paid in foreign currencies. Dividends payable on foreign-invested shares listed in Hong Kong shall be paid in Hong Kong dollars.”			
(d)	The original Article 205 be amended as follows:  “Article 205 Unless otherwise provided for in relevant laws and administrative regulations, where cash dividends are to be paid in foreign currencies, the relevant exchange rate shall be the average exchange rate of RMB against foreign currency as quoted by the People’s Bank of China for the calendar week preceding the date on which the dividend is declared.”			

Date: \_\_\_\_\_ 2012

Signature: \_\_\_\_\_

*Notes:*

1. Please insert the number of A-shares/H-shares registered in your name(s) and to which the proxy form relates. If no such number is inserted, this proxy form shall be deemed to relate to all the shares of the Company registered in your name(s).
2. Please write in block letters the full name(s) and address(es) as registered in the register of members.
3. Please insert the number of A-shares/ H-shares registered in your name(s) and delete where inapplicable.
4. If any proxy other than the chairman of the meeting is preferred, strike out “THE CHAIRMAN OF THE MEETING, OR” and insert the name(s) and address(es) of proxy/proxies in the space provided in block letters. Shareholders may appoint one or more proxies to attend the EGM and to vote thereat. The proxy/proxies need(s) not be shareholder(s) of the Company. Any alternation made to the proxy form must be initialed by the signatory(ies).
5. Please note that if you would like to vote for a resolution, please put a “✓” in the “For” column; if you would like to vote against a resolution, please put a “✓” in the “Against” column; and if you would like to abstain from voting on a resolution, please put a “✓” in the “Abstain” column. If no instruction is given, the proxy/proxies is/are authorized to vote at his/her/their discretion.
6. The proxy form or other power of attorney must be duly signed by you or your attorney duly authorized in writing. If the appointed is a legal person, the proxy form shall bear the stamp of the legal person or duly signed by its director(s) or duly authorized representative(s). If the appointed is a joint holder, the proxy form shall be signed by the shareholder whose name stands first among such joint shareholders in the register of members.
7. If the proxy form is signed by a person authorized by the appointer, the power of attorney or other authority under which it is signed must be notarized by a notary public. Such notarized power of attorney or other authority together with the proxy form must be deposited at the address of the Company not less than 24 hours before the time appointed for the holding of the EGM in order to be valid.
8. The proxy form shall not preclude the appointer from attending the EGM in person and to vote thereat. In such event, the appointment of the original proxy/proxies will be void.