

**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)

**NANJING PANDA ELECTRONICS COMPANY LIMITED**  
**RULES OF PROCEDURE OF THE STRATEGY COMMITTEE OF**  
**THE BOARD OF DIRECTORS**

(Amended in December 2002)

**Chapter I General Provisions**

**Article 1**

In order to meet the requirements of the strategic development of Nanjing Panda Electronics Company Limited (the "Company"), strengthen its core competitiveness, set down its development plan, refine its procedures for making investment decisions to enhance the effectiveness and quality of major investment decisions and improve the corporate governance structure of the Company, the Board of Directors of the Company has set up "the Strategy Committee and formulated these Rules of Procedure in accordance with the "Company Law of the People's Republic of China", the "Code of Corporate Governance for Listed Companies", the Articles of Association of the Company and other relevant regulations.

**Article 2**

The Strategy Committee is a specialized committee established by the Board of Directors, primarily responsible for studying the long-term development strategies and major investment decisions of the Company and making recommendations in respect thereof.

## Chapter II Composition

### Article 3

The Strategy Committee shall be composed of the Chairman of the Board of Directors and two to four other directors, at least one of whom should be an independent non-executive director.

### Article 4

The members of the Strategy Committee shall be nominated by the Chairman of the Board of Directors, more than half of the independent non-executive directors or one-third of all directors, and shall be elected by the Board of Directors.

### Article 5

The Strategy Committee shall have one chairman who shall be the Chairman of the Board of Directors, and responsible for presiding over the Committee. The Strategy Committee shall have one secretary-general to be responsible for daily liaison and organizing meetings, etc.

### Article 6

The members of the Strategy Committee shall serve a term of one year. Upon expiration, their terms of office are deemed to be renewed if the Board of Directors has not made any adjustment. The Board of Directors has the right to adjust the composition of the Committee at any time. Any member of the Committee who ceases to be a director of the Company during his term shall be automatically disqualified as a member of the Committee. The Board of Directors shall, in accordance with these Rules of Procedure, fill up the number of members of the Committee.

### Article 7

An investment review panel shall be set up under the Strategy Committee. The panel shall have one chief who shall be the general manager of the Company, one deputy chief and several members.

## **Chapter III Terms of Reference**

### **Article 8**

The Strategy Committee is mainly responsible for:

- (1) studying the long-term strategic development plan of the Company and making recommendations in respect thereof;
- (2) studying the significant investment and financing plans of the Company and making recommendations in respect thereof;
- (3) studying material capital and assets operation issues and making recommendations in respect thereof;
- (4) studying other significant matters that have certain impact on the development of the Company and making recommendations in respect thereof;
- (5) reviewing the implementation of the above matters;
- (6) dealing with other matters as delegated by the Board of Directors.

### **Article 9**

The Strategy Committee shall be accountable to the Board of Directors. The resolutions made by the Strategy Committee shall be submitted to the Board of Directors for consideration and approval before implementation.

## Chapter IV Decision-Making Procedure

### Article 10

The investment review panel is responsible for making preparation work to facilitate the decision-making of the Strategy Committee and providing relevant information:

- (1) to provide information on the intended significant investments, financing and capital and assets operation, preliminary feasibility reports and the basic information of the partners, which are reported by the persons in charge of the relevant departments of the Company or controlling (invested) Companies;
- (2) to preliminarily review the information stated above, put forward suggestions on project proposals and then report to the Strategy Committee for record purposes;
- (3) to receive reports from the relevant departments of the Company or the controlling (invested) companies on negotiations with external organizations in respect of agreements, contracts, articles of association and feasibility reports;
- (4) to review above reports, put forward written suggestions, and then submit formal proposals to the Strategy Committee.

### Article 11

The Strategy Committee shall hold meetings to consider and discuss the proposals put forward by the investment review panel, and the resolutions passed thereat shall be submitted to the Board of Directors whose opinions or resolutions shall be passed on to the investment review panel.

## **Chapter V Rules of Procedure**

### **Article 12**

The Strategy Committee shall meet at least once a year and notify all the members three (3) days before convening the meeting. Such meetings shall be presided over by the chairman. Where the chairman is unable to attend, he may authorize other members to preside.

### **Article 13**

The Strategy Committee's meetings can only be convened with the attendance of two-thirds or more of the members. Each member of the Committee shall be entitled to one vote and the resolutions adopted at meetings shall be approved by the majority of all the members.

### **Article 14**

In the Strategy Committee's meeting, members may vote by show of hands or by poll and, the Strategy Committee may accept written resolutions in lieu of holding a meeting. The written resolutions may become effective only with the approval of the majority of all the members of the Committee.

### **Article 15**

The chief and deputy chief of the investment review panel may attend the meetings of the Strategy Committee. If the Strategy Committee deems necessary, it may invite directors, supervisors and senior management of the Company to attend its meetings.

### **Article 16**

The Strategy Committee may seek professional opinions from external independent experts and, if necessary, invite the outside persons with relevant experience and professional knowledge to attend its meetings. All the expenses incurred thereby shall be borne by the Company.

### **Article 17**

The convening procedure, the method of voting and the resolutions passed at the meetings of the Strategy Committee, shall comply with the requirements of the laws, regulations, the Articles of Association of the Company and these Rules of Procedure.

**Article 18**

There shall be minutes of the meetings of the Strategy Committee and the members attending the meeting shall sign on the minutes. The meeting minutes shall be kept by the secretary to the Board of Directors of the Company.

**Article 19**

The resolutions adopted at the Strategy Committee's meetings shall be reported in writing to the Board of Directors of the Company.

**Article 20**

All the members present at the meetings of the Strategy Committee are obliged to keep all the items discussed at the meetings confidential and shall not disclose any relevant information without permission.

**Chapter VI Supplementary Provisions**

**Article 21**

The power of interpretation of these Rules of Procedure shall be vested in the Board of Directors of the Company.

**Article 22**

Any matters not mentioned in these Rules of Procedure shall be carried out in accordance with the relevant state laws, administrative regulations, departmental regulations, the Articles of Association of the Company and the Listing Rules of Shanghai Stock Exchange and of Hong Kong Stock Exchange.

In the event of any conflict between these Rules of Procedure and any laws, regulations or departmental regulations subsequently promulgated by the state or the amended Articles of Association of the Company or the Listing Rules as amended from time to time, the latter shall prevail.

**Article 23**

These Rules of Procedure shall become effective from the date of approval by the Board of Directors.

**Board of Directors of Nanjing Panda Electronics Company Limited**  
17 October 2002

*Note:* This Terms of Reference and Rules of Procedures was originally drafted in Chinese, the English translation is for your reference only. In case there is any discrepancy between the Chinese and English version, the Chinese version shall always prevail.