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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 IN RELATION TO PROVISION FOR ASSET IMPAIRMENT

This announcement is made by Nanjing Panda Electronics Company Limited (the “Company”) pursuant to Rule 13.09(2) and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong). The board of directors (the “Board”) and all members of the Board warrant that there is no misrepresentation, misleading statement contained in, or material omission from this announcement and accept legal responsibility for the truthfulness, accuracy and completeness of the contents herein contained.

At the fourth meeting of the eleventh session of the Board and the fourth meeting of the eleventh session of the supervisory committee of the Company held on 27 March 2025, the “Resolution in relation to Provision for Asset Impairment” was considered and passed, respectively. To give an objective view of the condition of the assets and the operation results of the Company and ensure the truthfulness and reliability of the accounting information, the Company has conducted an impairment test for each of its assets as of 31 December 2024, and has made a corresponding provision for impairment in accordance with the requirements of the “Accounting Standards for Business Enterprises” and the relevant policies of the Company. The details are set out as follows:

I. OVERVIEW ON THE PROVISION FOR ASSET IMPAIRMENT

(I) Provision for bad debts on accounts receivable and other receivables

The Company conducted impairment tests on accounts receivable, other receivables, etc., based on expected credit losses and recognised impairment losses. The aggregate amount of the provision for bad debts on accounts receivable and other receivables of the Company in 2024 amounted to 28,652,547.61 yuan, and reversed provision for bad debts amounted to 1,342,131.39 yuan. Among them, a provision for bad debts of 28,652,547.61 yuan was made for accounts receivable, and a reversal of provision for bad debts of 240,809.22 yuan was made; a reversal of provision for bad debts of 1,101,322.17 yuan was made for other receivables.

(II) Provision for impairment on inventories, contract assets, fixed assets and intangible assets

The Company estimated the recoverable amount of its inventories, fixed assets and intangible assets and conducted impairment tests if there is an indication of impairment at the balance sheet date. The aggregate amount of the provision for impairment on inventories, contract assets, fixed assets and intangible assets of the Company in 2024 amounted to 46,733,706.08 yuan, and reversed a provision for impairment of 40,431.44 yuan, and wrote off a provision for impairment of 5,520,486.43 yuan. Among these, a provision for inventory impairment of 33,881,258.52 yuan was made, a reversal of impairment provision of 40,431.44 yuan was made, and a write-off of impairment provision of 5,473,056.08 yuan was made; impairment provisions of 12,501,546.70 yuan were made for contract assets; fixed assets were written off by 47,430.35 yuan; and impairment provisions of 350,900.86 yuan were made for intangible assets.

II. IMPACT OF THE PROVISION FOR ASSET IMPAIRMENT ON THE COMPANY

The aggregate amount of the provision for impairment of the Company in 2024 amounted to 75,386,253.69 yuan and reversed provision for impairment amounted to 1,382,562.83 yuan, and written off a provision for impairment of 5,520,486.43 yuan, which affected the total consolidated profit of the Company by decreasing 68,483,204.43 yuan.

III. REVIEW PROCEDURES OF THE BOARD

At the fourth meeting of the eleventh session of the Board of the Company held on 27 March 2025, the “Resolution in relation to Provision for Asset Impairment” was considered and passed. The Company’s current provision for asset impairment is in compliance with the provisions of the Accounting Standards for Business Enterprises and the Company’s relevant accounting policies. It is fully justified, in line with the current status of the Company’s assets, and more fairly and reasonably reflects the Company’s asset value, financial position and operating results, and reasonable. Approval is given to the Company’s current provision for asset impairment.

IV. AUDIT OPINIONS OF THE AUDIT COMMITTEE UNDER THE BOARD

The audit committee reviewed and agreed to the “Resolution in relation to Provision for Asset Impairment” and submitted it to the Board for consideration. The Company’s current provision for asset impairment is in compliance with the requirements of the Accounting Standards for Business Enterprises and the Company’s relevant accounting policies. The provision for asset impairment is justified and in line with the current status of the Company’s assets. The provision for asset impairment is made on a prudent basis, which is conducive to a better reflection of the Company’s asset value, financial position and operating results, and renders the Company’s accounting information more reasonable. It is agreed that the provision for asset impairment be submitted to the Board for consideration.

V. OPINIONS OF THE SUPERVISORY COMMITTEE

According to the relevant provisions of the “Accounting Standards for Business Enterprises”, the provision for asset impairment of the Company was made in line with the actual situation of the Company, and the value of the assets, financial condition and the operation results of the Company as at 31 December 2024 were fairly reflected. The relevant decision-making procedures comply with relevant laws and regulations. The provision for asset impairment of the Company is hereby approved.

VI. OTHER EXPLANATIONS

Reference is made to the announcement of Nanjing Panda on Provision for Asset Impairment (Lin 2025-002) published by the Company on China Securities Journal, Shanghai Securities News and the website of the Shanghai Stock Exchange on 18 January 2025. The relevant data is a preliminary estimate by the finance department of the Company based on the assets condition of the Company at that time and has not been audited by an accounting firm. The data contained in this announcement is the result of calculations based on the Company’s available information and has been audited by WUYIGE Certified Public Accountants LLP. The Company conducted an impairment test on various assets as of 31 December 2024, and the amount of impairment provisions made is subject to this announcement. Investors are advised to exercise caution.

By Order of the Board
Nanjing Panda Electronics Company Limited
Xia Dechuan
Chairman

Nanjing, the People’s Republic of China
27 March 2025

As at the date of this announcement, the Board comprises Executive Directors: Mr. Xia Dechuan and Mr. Hu Huichun; Non-executive Directors: Mr. Liu Jianfeng, Mr. Hu Jin, Mr. Yi Guofu and Mr. Lv Song; and Independent Non-executive Directors: Mr. Dai Keqin, Ms. Xiong Yanren and Mr. Chu Wai Tsun, Baggio.