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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 ON PROGRESS IN SIGNIFICANT EVENT

The Board of Directors and all directors of Nanjing Panda Electronics Company Limited (hereinafter referred to as “the **Company**”) 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.

The Company provided detailed explanations regarding the special tax adjustment and relevant matters (hereinafter referred to as “**Special Tax Adjustment**”) of the Company’s shareholding company, Nanjing Ericsson Panda Communication Co., Ltd. (hereinafter referred to as “**ENC**”) in the announcements (Lin 2024-003, 2024-004, 2024-024) published on the website of the Shanghai Stock Exchange on 31 January, 1 March, 29 March, 27 April, 4 June, 28 August, and 30 October 2024 and in the Company’s annual report for 2023, first quarterly report for 2024, interim report for 2024, and third quarterly report for 2024, and also disclosed the periodic progress of the matter in each regular report.

The Chinese shareholders of ENC have been engaging in ongoing communications and negotiations with their fellow ENC shareholder Ericsson, to agree on a path forward for ENC and in light of the Special Tax Adjustment. In this context, the Chinese shareholders of ENC, including the Company, recently received a written communication from Ericsson (referred to as the “**Ericsson Communication**”) confirming, among other things:

Ericsson proposes to purchase the 49% equity stake in ENC held by the Company and other Chinese shareholders of ENC for a specific cash purchase consideration, subject to necessary approvals and the outcome of discussions between the parties on the detailed terms of a transaction.

Based on the Ericsson Communication, the Company anticipates that it will recover an amount no less than approximately RMB250 million. The actual amount will be determined based on the special audit assessment of state-owned property rights and the listing transaction. In the Company's financial statements for the year 2023, a full impairment provision of RMB230 million was made for the long-term equity investment in ENC. If the ENC equity disposal is completed, it is expected to have a positive impact on the Company's financial results for the year when the transaction is closed.

The achievement of the aforementioned objective is subject to the parties being able to agree on detailed terms and completing the transaction by September 2025. The Company and the other Chinese shareholders of ENC intend to dispose of the equity interest in ENC at a price that complies with state-owned asset management regulations, through the process of state-owned asset listing or any other legal and feasible method. The subsequent implementation of the equity disposal requires further discussions between the Chinese shareholders of ENC and Ericsson, as well as all parties' adherence to their respective decision-making processes and other conditions under negotiation. As stated above, the Company still needs to comply with state-owned asset management procedures, as well as other necessary processes and procedures. These factors may have an impact on the realization and execution of the equity disposal, resulting in a certain level of uncertainty.

The Company will actively advance the implementation and execution of the equity disposal, strive to protect the legal rights and interests of its own, the other shareholders, and ENC. Throughout the subsequent implementation process, the Company will continue to disclose material progress on this matter and any significant impacts it may have on the Company, and provide periodic information disclosure. Investors are advised to pay attention to the Company's subsequent announcements and be aware of investment risks.

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 Kebin, Ms. Xiong Yanren and Mr. Chu Wai Tsun, Baggio.*