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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 eighth meeting of the eleventh session of the Board held on 27 March 2026, the “Resolution in relation to Provision for Asset Impairment” was considered and passed. 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 2025, 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 2025 amounted to RMB 37,666,053.25, reversed provision for bad debts amounted to RMB 1,148,683.29 and written-off provision for bad debts amounted to RMB 71,952.39. Among them, a provision for bad debts of RMB 37,651,763.89 was made for accounts receivable, a reversal of provision for bad debts of

RMB 887,602.81 was made and a write-off of provision for bad debts of RMB 71,864.39 was made; a provision for bad debts of RMB 14,289.36 was made for other receivables, a reversal of provision for bad debts of RMB 261,080.48 was made and a write-off of provision for bad debts of RMB 88.00 was made.

**(II) Provision for impairment on inventories, fixed assets and intangible assets etc.**

The Company estimates the recoverable amount and performs impairment tests on assets as at the balance sheet date, including inventories, contract assets, fixed assets, intangible assets and long-term equity investments where there is any indication that impairment has occurred. For the year 2025, the Company made aggregate provision for impairment on inventories, contract assets, fixed assets, intangible assets and long-term equity investments of RMB 81,587,225.54, reversed provision for impairment of RMB 1,054,623.92 and written-off provision for impairment of RMB 252,513,529.58, of which provision for impairment on inventories of RMB 68,552,120.57 was made and written-off provision for impairment on inventories of RMB 9,102,714.05 was made, reversal of provision for impairment on contract assets of RMB 1,054,623.92 was made, provision for impairment on fixed assets of RMB 11,567,054.20 was made and written-off provision for impairment on fixed assets of RMB 83,616.17 was made, provision for impairment on intangible assets of RMB 1,468,050.77 was made, and written-off provision for impairment on long-term equity investments of RMB 243,327,199.36 was made.

Based on management's assessment, impairment indicators existed in certain assets of Nanjing Panda Electronics Equipment Co., Ltd., a subsidiary of the Company. The Company engaged Zhongrui Shilian Assets Appraisal Group Co., Ltd. ("**Zhongrui Shilian**") to conduct impairment tests on the relevant assets. The asset groups under entrustment mainly included air compressors, CNC lathes, cutting machines and other assets. Zhongrui Shilian evaluated the net amount of fair value less costs of disposal and the present value of estimated future cash flows of the asset groups respectively, and adopted the higher present value of estimated future cash flows as the recoverable amount of the asset groups, and issued the appraisal report No. ZRBZ [2026] No. 600103. Based on the appraisal results and government grants related to the assets, the Company recognised provision for impairment of fixed assets of RMB11,567,054.20 and provision for impairment of intangible assets of RMB1,468,050.77 for the current period.

In addition, the Company completed the public transfer of its 27% equity interest in Nanjing Ericsson Panda Communication Co., Ltd. in 2025, resulting in the write-off of impairment provisions for long-term equity investments of RMB230,134,881.37.

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

The aggregate amount of the provision for impairment of the Company in 2025 amounted to RMB 119,253,278.79, reversed provision for impairment amounted to RMB 2,203,307.21 and written off a provision for impairment of RMB 252,585,481.97, which affected the profit or loss of the consolidated financial statements by increasing the total consolidated profit of the Company by RMB 135,535,510.39, of which the provision for impairment affected the profit or loss of the consolidated financial statements by decreasing the total consolidated profit of the Company by RMB 119,253,278.79.

## **III. REVIEW PROCEDURES OF THE BOARD**

At the eighth meeting of the eleventh session of the Board of the Company held on 27 March 2026, 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. An asset appraisal institution has been engaged to conduct impairment tests on the relevant assets, which is fully justified, in line with the current status of the Company’s assets, and more fairly and reasonably reflects the Company’s financial position, asset value and operating results, and is reasonable. Approval is given to the Company’s current provision for asset impairment.

## **IV. AUDIT OPINIONS OF THE AUDIT AND RISK MANAGEMENT COMMITTEE UNDER THE BOARD**

The audit and risk management 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 made on a prudent basis, in compliance with the requirements of the Accounting Standards for Business Enterprises and the Company’s relevant accounting policies. An asset appraisal institution has been engaged to conduct impairment tests on the relevant assets and issued an appraisal report. The provision for asset impairment is fully justified and in line with the current status of the Company’s assets, which is conducive to a fairer reflection of the Company’s financial position, asset value and operating results, and renders the Company’s accounting information more reasonable.

## V. OTHER EXPLANATIONS

The provision for asset impairment has been audited by WUYIGE Certified Public Accountants LLP., and the relevant amounts are consistent with those in the Company's 2025 annual report. The provision for impairment complies with the provisions of relevant laws and regulations and the actual situation of the Company and will not affect the normal operation of the Company. 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 2026

*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 and Mr. Lv Song; Independent Non-executive Directors: Ms. Xiong Yanren, Mr. Dai Keqin and Mr. Chu Wai Tsun, Baggio; and Employee Director: Mr. Yi Guofu.*