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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 WRITE-OFF OF CERTAIN CREDITOR'S RIGHTS AND DEBTS

The board of directors of the Company and all its directors warrant that there are no false representations, misleading statements contained in, or material omissions from this announcement, and jointly and severally accept legal responsibility for the truthfulness, accuracy and completeness of the contents of this announcement.

According to the relevant requirements of the “Articles of Association”, the 24th meeting of the tenth session of the board of directors and the 14th meeting of the tenth session of the supervisory committee of Nanjing Panda Electronics Company Limited (the “**Company**”) were held on 28 March 2024, at which the resolution in relation to the “Write-Off of Certain Creditor’s Rights and Debts” was considered and approved respectively. The details are set out as below:

I. SUMMARY OF THE WRITE-OFF OF CERTAIN CREDITOR’S RIGHTS AND DEBTS

Upon a comprehensive review carried out by the Company and its subordinate units on the long aging current accounts, the Company intended to write off certain long-outstanding accounts receivable.

1. The Company wrote off accounts receivable of RMB28,656.91 that were recognized as irrecoverable, including advance to suppliers of RMB26,147.09 in total and other receivables of RMB2,509.82 in total, with the provision for impairment amounting to RMB2,509.82. The write-off of creditor’s rights will lead to a decrease of RMB26,147.09 in the total profit of the Company for 2023.

2. The Company wrote off accounts payable of RMB4,864,745.92 that were recognized as unpayable. The write-off of accounts payable was all in line with the counterparty's deregistration, the counterparty's letter confirming that it had no accounts payable due from the Company, the current accounts had been outstanding for more than ten years, or the current accounts had been outstanding for more than five years without any business transactions for a long term, and the business personnel confirming that they had not issued any similar written documents with the creditors involving the confirmation of the creditor's rights and debts relationship, the debt amount, or the reconciliation or repayment commitments in the past five years. The write-off of debts will lead to an increase of RMB4,864,745.92 in the total profit of the Company for 2023.

The above-mentioned write-off amount was audited by WUYIGE Certified Public Accountants LLP.

II. IMPACT OF THE WRITE-OFF OF CERTAIN CURRENT ACCOUNTS ON THE COMPANY

The impact of the above write-off on the total profit of the Company for 2023 amounted to RMB4,838,598.83.

III. APPROVAL PROCEDURES FOR THE WRITE-OFF OF CERTAIN CURRENT ACCOUNTS

(1) Consideration of the board of directors

The 24th meeting of the tenth session of the board of directors of the Company was held on 28 March 2024, at which the resolution in relation to the "Write-Off of Certain Creditor's Rights and Debts" was considered and approved. It was approved that the Company would write-off accounts receivable of RMB28,656.91 in total that were recognized as irrecoverable, for which the impact of the creditor's rights write-off on the total loss of the Company for 2023 amounted to RMB26,147.09; it was approved that the Company would write-off accounts payable of RMB4,864,745.92 that were recognized as unpayable, for which the impact of the debts write-off on the total profit of the Company for 2023 amounted to RMB4,864,745.92. The impact of the above write-off on the total profit of the Company for 2023 amounted to RMB4,838,598.83.

The above-mentioned write-off was in line with the requirements of the “Accounting Standards for Business Enterprises” and relevant tax laws and regulations, as well as the actual situation of the Company, complied with the requirements of relevant laws and regulations and the “Articles of Association”, and was conducted through lawful and standard procedures with sufficient justification. The write-off did not prejudice the interests of the Company and its shareholders and would enable the Company’s financial position to be presented in a more objective way. It was approved that the Company would write off certain creditor’s rights and debts.

(2) Opinions of the audit committee of the board of directors

The audit committee is of the view that the above-mentioned write-off amount was audited by WUYIGE Certified Public Accountants LLP, and the above-mentioned write-off was in line with the requirements of the “Accounting Standards for Business Enterprises” and relevant tax laws and regulations, as well as the actual situation of the Company, complied with the requirements of relevant laws and regulations and the “Articles of Association”, and was conducted through lawful and standard procedures with sufficient justification. The write-off did not prejudice the interests of the Company and its shareholders and would enable the Company’s financial position to be presented in a more objective way. It was approved that the Company would write off certain creditor’s rights and debts and submit it to the board of directors for consideration.

(3) Opinions of the supervisory committee

The write-off was in line with the requirements of the “Accounting Standards for Business Enterprises” and relevant tax laws and regulations, as well as the actual situation of the Company, complied with the requirements of relevant laws and regulations and the “Articles of Association”, and was conducted through lawful and standard procedures with sufficient justification. The write-off did not prejudice the interests of the Company and its shareholders and would enable the Company’s financial position to be presented in a more objective way. It was approved that the Company would write-off certain creditor’s rights and debts.

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

Nanjing, the People’s Republic of China
28 March 2024

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