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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.

Pursuant to the relevant provisions of the Company’s Articles of Association, the Board convened the thirteenth meeting of the eleventh session of the Board on 26 August 2026 at the Company’s meeting room by way of a combination of physical attendance and communication voting, and considered and passed the “Resolution in relation to Provision for Asset Impairment”.

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 30 June 2026, 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 January to June 2026 amounted to RMB2,515,551.81, and reversed provision for bad debts amounted to RMB1,692,064.03. Among them, a provision for bad debts of RMB2,408,198.54 was made for accounts receivable, and a reversal of provision for bad debts of RMB1,505,317.03 was made; a provision for bad debts of RMB107,353.27 was made for other receivables, and a reversal of provision for bad debts of RMB186,747.00 was made.

(II) Provision for impairment on inventories and contract assets

The Company estimates the recoverable amount and performs impairment tests on assets as at the balance sheet date, including inventories and contract assets where there is any indication that impairment has occurred. For January to June 2026, the Company made aggregate provision for impairment on inventories and contract assets of RMB3,355,256.21, reversed provision for impairment of RMB5,348,696.26 and written-off provision for impairment of RMB5,520,410.00, of which provision for impairment on inventories of RMB3,354,264.14 was made and written-off provision for impairment on inventories of RMB5,520,410.00 was made, provision for impairment on contract assets of RMB992.07 was made, and a reversal of provision for impairment on contract assets of RMB5,348,696.26 was made.

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

The aggregate amount of the provision for impairment of the Company in January to June 2026 amounted to RMB5,870,808.02, reversed provision for impairment amounted to RMB7,040,760.29 and written off a provision for impairment of RMB5,520,410.00, which affected the profit or loss of the consolidated financial statements by increasing the total consolidated profit of the Company by RMB6,690,362.27, 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 RMB5,870,808.02.

III. REVIEW PROCEDURES OF THE BOARD

At the thirteenth meeting of the eleventh session of the Board of the Company held on 26 August 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, 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. 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 various asset impairment made by the Company is based on preliminary estimates and has not been audited by an accounting firm. 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
26 August 2026

As at the date of this announcement, the Board comprises Executive Directors: Mr. Xia Dechuan and Mr. Hu Huichun; Non-executive Directors: Mr. Xu Jianyu, 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.