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Shenzhen Kinwong Electronic Co., Ltd.

深圳市景旺電子股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 3228)

ANNOUNCEMENT ON THE CHANGES IN ACCOUNTING ESTIMATES

The board (the "**Board**") of directors (the "**Directors**") of Shenzhen Kinwong Electronic Co., Ltd. (the "**Company**") announces that the Board held a meeting on November 27, 2026, at which the Resolution on the Changes in Accounting Estimates was considered and approved, and agreed to make changes to accounting estimates of the Company (the "**Changes in Accounting Estimates**"). The Changes in Accounting Estimates are subject to the consideration at the general meeting of the Company, and the details of the changes are as follows:

I. OVERVIEW OF THE CHANGES IN ACCOUNTING ESTIMATES

1. Reasons for and Date of the Changes in Accounting Estimates

(1) Reasons for the Changes in Accounting Estimates

In recent years, with the continuous development of the Company's business, the steady expansion of its customer base and the ongoing optimization of its customer structure, the overall scale, customer composition, aging distribution and collection characteristics of the Company's receivables have changed accordingly. The credit status of its major customers is sound and their ability to perform contracts is strong, and the credit loss risks of its receivables continue to decline. Based on a review of the customer credit status and historical collection data accumulated in its actual business operations, the management of the Company is of the view that the original credit risk portfolio classification and the expected loss rate were determined based on the business structure for the historical periods, and that the actual credit losses are significantly lower than the bad debt provisions made at the original ratio.

To adapt to the current operations of the Company, and to reflect the financial position and results of operations of the Company in a more objective and fair manner and to facilitate investors in conducting a valuation, the management of the Company has comprehensively reassessed the quality and structure of receivables, as well as the historical bad debt write-offs of the Company and its subsidiaries pursuant to the relevant provisions of, among others, the Accounting Standards for Business Enterprises No. 28 – Changes in Accounting Policies, Accounting Estimates and Corrections of Errors (《企業會計準則第28號－會計政策、會計估計變更和差錯更正》) and the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments (《企業會計準則第22號－金融工具確認和計量》). Also, with reference to the bad debt provision ratios for receivables adopted by listed companies in the same industry, the management of the Company proposes to make corresponding adjustments to the credit risk portfolio classification and expected loss rate of its accounts receivable and other receivables.

(2) Date of the Changes in Accounting Estimates

The Changes in Accounting Estimates shall be effective from January 1, 2027.

2. Accounting Estimates Adopted before the Changes

(1) Accounts receivable and other receivables:

Category	Basis of determination	Method for measurement of expected credit losses
Provisions made on an individual basis	Where there was objective evidence indicating that receivables were impaired, and bad debt provision made on a collective basis cannot reflect the actual situation, the Company would make the impairment test individually	The impairment was tested on an individual basis, and the bad debt provision was made based on the shortfall of the present value of the future cash flows of receivables below their carrying amounts.
Aging of receivables	Bad debt provision was made based on the aging analysis approach	Aging analysis approach

The comparison table of aging and expected credit loss rates for aging portfolios is as follows:

Aging of receivables	Expected loss rate (%)
Within 1 year (including 1 year)	5.00
1-2 years (including 2 years)	20.00
2-3 years (including 3 years)	40.00
3-4 years (including 4 years)	60.00
4-5 years (including 5 years)	80.00
Over 5 years	100.00

3. Accounting Estimates Adopted after the Changes

(1) Accounts receivable

Category	Basis of determination of portfolio	Method for measurement of expected credit losses
Provisions made on an individual basis	Where there is objective evidence indicating that accounts receivable are impaired, and bad debt provision made on a collective basis cannot reflect the actual situation, the Company shall make the impairment test individually	The impairment shall be tested on an individual basis, and the bad debt provision shall be made based on the shortfall of the present value of the future cash flows of accounts receivable below their carrying amounts.

Category	Basis of determination of portfolio	Method for measurement of expected credit losses
Portfolio 1: Related party portfolio within the scope of consolidated financial statements	Accounts receivable generated from related parties within the scope of consolidated financial statements	As the accounts receivable generated from related parties within the scope of consolidated financial statements have low credit risk, where there is no objective evidence indicating that they are impaired, the provision for losses shall be measured at an amount equal to the lifetime expected credit losses; where there is objective evidence indicating that they may be impaired, the impairment shall be tested on an individual basis, and the bad debt provision shall be made based on the shortfall of the present value of the expected future cash flows below their carrying amounts.
Portfolio 2: Credit risk portfolio	Accounts receivable other than the above	A migration rate model and forward-looking estimate adjustments shall be adopted to develop an impairment matrix, and the bad debt provision shall be made for the aging portfolio accordingly.

(2) Other receivables

Category	Basis of determination of portfolio	Method for measurement of expected credit losses
Provisions made on an individual basis	Where there is objective evidence indicating that other receivables are impaired, and bad debt provision made on a collective basis cannot reflect the actual situation, the Company shall make the impairment test individually	The impairment shall be tested on an individual basis, and the bad debt provision shall be made based on the shortfall of the present value of the future cash flows of other receivables below their carrying amounts.
Portfolio 1: Margin, deposit and export tax rebate portfolio	Margin, deposit and export tax rebate	The Company still conducts daily transactions with these suppliers or customers. Such portfolio has low credit risks, and therefore the loss provision shall be measured at an amount equal to the next 12-month expected credit losses.

Category	Basis of determination of portfolio	Method for measurement of expected credit losses
Portfolio 2: Related party portfolio within the scope of consolidated financial statements	Other receivables generated from related parties within the scope of consolidated financial statements	As other receivables generated from related parties within the scope of consolidated financial statements have low credit risk, where there is no objective evidence indicating that they are impaired, the provision for losses shall be measured at an amount equal to the next 12-month expected credit losses; where there is objective evidence indicating that they may be impaired, the impairment shall be tested on an individual basis, and the bad debt provision shall be made based on the shortfall of the present value of the expected future cash flows below their carrying amounts.
Portfolio 3: Others	Other receivables other than the above	Forward-looking estimates shall be made for potential credit losses based on the historical loss experience, current credit profile and future economic forecasts, and bad debt provision shall be made accordingly.

4. Comparison with Comparable Companies Following the Changes in Accounting Estimates

From January to September 2026, the bad debt provision ratio for accounts receivable of the Company was 5.07%. According to the 2026 interim reports publicly disclosed by the comparable A-share listed companies (the "**Comparable Companies**") in the same industry, the average overall provision ratio for bad debts on accounts receivable was 2.11%, indicating that the Company's bad debt provision ratio before the changes was significantly higher than the average of the Comparable Companies. Following the Changes in Accounting Estimates, the comparison of the Company's provision ratio for bad debts on accounts receivable with that of the Comparable Companies is as follows:

Unit: RMB0'000

Comparable Companies	Provision for Bad Debts: Provision made on a collective basis – Balance of accounts receivable	Bad debt provision	Provision ratio	Provision made on an individual basis – Balance of accounts receivable	Bad debt provision	Provision ratio	Total – Balance of accounts receivable	Bad debt provision	Provision ratio
Shennan Circuits Co., Ltd. ("Shennan Circuits")	773,022.29	43,786.35	5.66%	–	–	–	773,022.29	43,786.35	5.66%
Suzhou Dongshan Precision Manufacturing Co., Ltd. ("Dongshan Precision")	1,068,894.79	9,159.23	0.86%	16,052.33	15,955.09	99.39%	1,084,947.12	25,114.32	2.31%
WUS Printed Circuit (Kunshan) Co., Ltd. ("WUS Printed Circuit")	768,913.57	6,617.10	0.86%	38,254.86	3,825.49	10.00%	807,168.43	10,442.59	1.29%
Victory Giant Technology (Huizhou) Co., Ltd. ("Victory Giant Technology")	705,591.52	7,291.71	1.03%	24.02	24.02	100.00%	705,615.54	7,315.73	1.04%
Shengyi Electronics Co., Ltd. ("Shengyi Electronics")	373,569.65	1,049.45	0.28%	144.49	144.49	100.00%	373,714.14	1,193.94	0.32%
Avary Holding (Shenzhen) Co., Ltd. ("Avary Holding")	491,978.94	1,456.74	0.30%	–	–	–	491,978.94	1,456.74	0.30%
Average	4,181,970.76	69,360.58	1.66%	54,475.70	19,949.09	36.62%	4,236,446.46	89,309.67	2.11%
The Company	**768,003.24**	**14,809.92**	**1.93%**	**561.37**	**561.37**	**100.00%**	**768,564.61**	**15,371.29**	**2.00%**

Note 1: Shennan Circuits conducted credit rating for its customers when providing for bad debts on a collective basis, with ratings classified as A, B, C, D, E and F, and made bad debt provisions for accounts receivable at 1%, 3%, 5%, 20%, 70% and 100%, respectively. Both Dongshan Precision and WUS Printed Circuit have large amounts of bad debt provisions made on an individual basis, and therefore the balance of bad debt provision for accounts receivable accounts for a correspondingly higher proportion of the accounts receivable.

Note 2: Data on accounts receivable and bad debt provisions of the Comparable Companies are derived from their publicly disclosed interim reports. The 2.00% provision rate adopted by the Company as set out in the table above represents the changed overall provision ratio preliminarily estimated based on the carrying amount balance of accounts receivable as at September 30, 2026 and the expected credit loss rates after the changes.

Following the Changes in Accounting Estimates, the bad debt provision ratios made by the Company on a collective basis and on an individual basis are both higher than the average of the Comparable Companies. The Company's aggregate bad debt provision ratio is slightly lower than the average of the Comparable Companies, primarily attributable to the relatively large amount of the bad debt provision made on an individual basis by Dongshan Precision. The Company's provision ratio falls within the provision range of the Comparable Companies. In general, there is no material difference between the expected credit loss rate for accounts receivable after the changes and that of the Comparable Companies.

Given the different nature and composition of other receivables among the Comparable Companies, the differences in overall provision ratios are mainly attributable to the composition of the receivables. The Company adopted the collective provision ratio as the primary comparison basis. After the changes, the provision ratios for each portfolio of other receivables of the Company are consistent with their risk characteristics, comply with the requirements of the Accounting Standards for Business Enterprises, and thus the accounting estimate is reasonable.

II. IMPACT OF THE CHANGES IN ACCOUNTING ESTIMATES ON THE COMPANY

In accordance with relevant provisions of the Accounting Standards for Business Enterprises No. 28 – Changes in Accounting Policies, Accounting Estimates and Corrections of Errors, the Changes in Accounting Estimates adopt a prospective application method for accounting treatment, and therefore have no impact on the financial position and results of operations for each of the previous periods.

According to the preliminary estimation made based on the relevant data of the Company's balance sheet as at September 30, 2026, the Changes in Accounting Estimates are expected to increase the Company's net profit attributable to shareholders of the listed company for 2027 by approximately RMB210 million. The ultimate impact amount shall be subject to the information contained in the audited financial report for 2027.

III. CONCLUSIVE OPINIONS OF THE ACCOUNTING FIRM

Baker Tilly China Certified Public Accountants (天職國際會計師事務所(特殊普通合夥)) issued the Review Report on the Special Statement of the Changes in Accounting Estimates of Shenzhen Kinwong Electronic Co., Ltd. (《關於深圳市景旺電子股份有限公司會計估計變更專項說明的審核報告》) and considers that the special statement prepared by the Company has complied, in all material aspects, with the Accounting Standards for Business Enterprises No. 28 – Changes in Accounting Policies, Accounting Estimates and Corrections of Errors, the Self-Regulation Guidelines for Listed Companies of the Shanghai Stock Exchange No. 1 – Announcement Format No. 33: Announcement on Corrections of Accounting Errors, Changes in Accounting Policies or Accounting Estimates (Revised in August 2025) (《上海證券交易所上市公司自律監管指南第1號－公告格式第三十三號會計差錯更正、會計政策或會計估計變更公告(2025年8月修訂)》), the Self-Regulation Guidelines for Listed Companies of the Shanghai Stock Exchange No. 2 – Business Handling (Revised in April 2026) (《上海證券交易所上市公司自律監管指南第2號－業務辦理(2026年4月修訂)》) and other requirements, and gives a true picture of the Changes in Accounting Estimates.

IV. REVIEW OPINIONS OF THE AUDIT COMMITTEE

After review, the audit committee of the Company (the "**Audit Committee**") is of the view that the changes made to the accounting estimates for provision of expected credit losses of accounts receivable and other receivables on a collective basis based on customer types, nature of payments and other factors can reflect the financial condition and results of operations of the Company in a more objective and truthful manner, and provide more reliable, comprehensive and accurate financial information and data. According to the Accounting Standards for Business Enterprises No. 28 – Changes in Accounting Policies, Accounting Estimates and Corrections of Errors, the Changes in Accounting Estimates do not require retrospective adjustments to the disclosed financial reports, nor will they have an impact on the financial position and results of operations of the Company for each of the previous years, and do not involve any circumstances that would prejudice the interests of the Company and all shareholders, especially its minority shareholders. Therefore, the Audit Committee has agreed to submit such resolution to the Board for consideration.

V. REVIEW OPINIONS OF THE BOARD

After review, the Board is of the view that the Changes in Accounting Estimates are made in accordance with relevant provisions of, among others, the Accounting Standards for Business Enterprises No. 28 – Changes in Accounting Policies, Accounting Estimates and Corrections of Errors and the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments, and are made on the basis of the principle of prudence with reference to the expected credit loss rates of other listed companies, taking into account the actual operating conditions of the Company. Implementation of the changed accounting estimates can reflect the financial condition and results of operations of the Company in a more objective and fair manner, and provide more reliable and accurate accounting information to investors. The Changes in Accounting Estimates do not require retrospective adjustments to the disclosed financial statements, nor will they have an impact on the financial position and results of operations of the Company for each of the previous years, and do not involve any circumstances that would prejudice the interests of the Company and all shareholders, especially its minority shareholders. Therefore, the Board has agreed with the Changes in Accounting Estimates.

By order of the Board
Shenzhen Kinwong Electronic Co., Ltd.
Mr. Liu Shaobai
Chairman of the Board and Non-executive Director

Hong Kong, November 27, 2026

As at the date of this announcement, the Board comprises: (i) Mr. Liu Yu and Mr. Deng Li as executive Directors; (ii) Mr. Liu Shaobai, Mr. Cheuk Yung, Ms. Huang Xiaofen and Ms. Cheuk Kwan as non-executive Directors; and (iii) Dr. Zhou Guoyun, Dr. Xin Guosheng and Dr. Cao Chunfang as independent non-executive Directors.