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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 board members warrant that this announcement does not contain any false representations, misleading statements or material omissions, and jointly and severally accept responsibility for the truthfulness, accuracy and completeness of the contents of this announcement.

According to the relevant requirements of the Articles of Association, the 18th meeting of the ninth session of the board of directors and the 15th meeting of the ninth session of the supervisory committee of Nanjing Panda Electronics Company Limited (the “**Company**”) were held on 26 March 2021, during 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 CURRENT ACCOUNTS

Upon a comprehensive review carried out by the Company and its subordinate units on the long aging current accounts, the Company confirmed to write off accounts receivable of RMB3,277,998.18 that were recognized as irrecoverable, for which the provision of impairment was made in full and had no impact on the consolidated profit and loss; and the Company confirmed to write off accounts payable of RMB4,722,683.88 that were recognized as unpayable, which 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 eight 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 impact of the debt write-off on the consolidated profit and loss amounted to RMB4,722,683.88.

The impact of the above write-off on the consolidated profit and loss of the Company for the current period amounted to RMB4,722,683.88.

BDO China Shu Lun Pan Certified Public Accountants LLP (立信會計師事務所特殊普通合夥)) issued the Specific Report on the Write-off of Creditor's Rights and Debts by Nanjing Panda (Xin Kuai Shi Bao Zi [2021] No. ZG10386 and No. ZG10387) in respect of the above write-off.

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

The impact of the write-off of certain creditor's rights and debts on the consolidated profit and loss of the Company for the current period amounted to RMB4,722,683.88 in total.

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

(1) Consideration of the board of directors

The 18th meeting of the ninth session of the board of directors of the Company was held on 26 March 2021, during 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 RMB3,277,998.18 that were recognized as irrecoverable, for which the provision of impairment was made in full and had no impact on the consolidated profit and loss; and it was approved that the Company would write off accounts payable of RMB4,722,683.88 that were recognized as unpayable, which 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 eight 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 impact of the debt write-off on the consolidated profit and loss amounted to RMB4,722,683.88. The impact of the above write-off on the consolidated profit and loss of the Company for the current period amounted to RMB4,722,683.88.

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 current accounts of creditor's rights and debts.

(2) Opinions of the independent directors

The Company provided the board of directors with the resolution in relation to the Write-Off of Certain Creditor's Rights and Debts and the related information, and obtained prior approval through necessary communications before submission for consideration and written approval.

It was approved that the Company would write off accounts receivable of RMB3,277,998.18 that were recognized as irrecoverable, and accounts payable of RMB4,722,683.88 that were recognized as unpayable. The impact of the aforesaid write-off on the consolidated profit and loss of the Company for the current period amounted to RMB4,722,683.88. The aforesaid 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.

(3) Opinions of the supervisory committee

The current accounts written off by the Company were long-outstanding accounts receivable and accounts payable. The accounts receivable were recognized as irrecoverable, for which the provision of impairment was made in full, and the accounts payable were recognized as unpayable. BDO China Shu Lun Pan Certified Public Accountants LLP (立信會計師事務所特殊普通合夥) issued the Specific Report on the Write-off of Creditor's Rights and Debts by Nanjing Panda (Xin Kuai Shi Bao Zi [2021] No. ZG10386 and No. ZG10387), concluding that the write-off of certain current accounts of creditor's rights and debts by the Company in 2020 was in compliance with relevant requirements of the Accounting Standards for Business Enterprises. It was approved that the Company would write off certain current accounts of creditor's rights and debts.

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 current accounts of creditor's rights and debts.

By Order of the Board
Nanjing Panda Electronics Company Limited
Zhou Guixiang
Chairman

Nanjing, the People's Republic of China
26 March 2021

As at the date of this announcement, the Board comprises Executive Directors: Mr. Zhou Guixiang, Mr. Lu Qing and Mr. Xia Dechuan; Non-executive Directors: Mr. Shen Jianlong, Mr. Deng Weiming and Mr. Li Changjiang; and Independent Non-executive Directors: Ms. Du Jie, Mr. Zhang Chun and Mr. Gao Yajun.