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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 CHANGES IN ACCOUNTING POLICIES

The Board of Directors of the Company and all directors warrant that this announcement does not contain any false information, misleading statement or material omission, and accept joint and several responsibilities for the truthfulness, accuracy and completeness of the contents herein contained.

### IMPORTANT NOTICE:

- In accordance with the “Interpretation of Accounting Standards for Business Enterprises No. 14” (Cai Kuai [2021] No. 1), the “Notice on Adjusting the Scope of Application of the Provisions on Accounting Treatment of COVID-19 Related Rent Concessions” (Cai Kuai [2021] No. 9), the “Interpretation of Accounting Standards for Business Enterprises No. 15” (Cai Kuai [2021] No. 35), and the “Questions and Answers on the Implementation of Accounting Standards for Business Enterprises” published by the Ministry of Finance, the Company made corresponding changes in the relevant accounting policies and implemented the corresponding accounting treatments from the commencement date stipulated in the above documents.
- The above changes in accounting policies had no impact on the financial position and operating results of the Company during the reporting period.

### I. Summary

In accordance with the “Interpretation of Accounting Standards for Business Enterprises No. 14” (Cai Kuai [2021] No. 1), the “Notice on Adjusting the Scope of Application of the Provisions on Accounting Treatment of COVID-19 Related Rent Concessions” (Cai Kuai [2021] No. 9), the “Interpretation of Accounting Standards for Business Enterprises No.15” (Cai Kuai [2021] No. 35), and the “Questions and Answers on the Implementation of Accounting Standards for Business Enterprises” published by the Ministry of Finance, the Company made

corresponding changes in the relevant accounting policies and implemented the corresponding accounting treatments from the commencement date stipulated in the above documents. The above changes in accounting policies had no impact on the financial position and operating results of the Company during the reporting period.

On 30 March 2022, the Company held the sixth meeting of the tenth session of the Board of Directors, at which the “Proposal on Changes in Accounting Policies” was considered and approved with the votes cast for, against, and abstained being 9, 0, and 0, respectively. The Proposal is not required to be submitted to the general meeting for consideration.

## **II. Particulars and Impact on the Company of the Changes of Accounting Policies**

### **(I) Implementing the “Interpretation of Accounting Standards for Business Enterprises No. 14”**

On 2 February 2021, the Ministry of Finance issued the “Interpretation of Accounting Standards for Business Enterprises No. 14” (Cai Kuai [2021] No. 1, hereinafter referred to as “Interpretation No. 14”) for implementation with effect from the date of announcement. From 1 January 2021 to the implementation date, the newly added contracts of Public and Private Partnership (PPP) projects and reform businesses of benchmark interest rate shall be adjusted according to Interpretation No. 14. Implementing of Interpretation No. 14 by the Company has no impact on the financial position and operating results during the reporting period.

### **(II) Implementing the “Notice on Adjusting the Scope of Application of the Provisions on Accounting Treatment of COVID-19 Related Rent Concessions”**

On 19 June 2020, the Ministry of Finance issued the “Provisions on Accounting Treatment of COVID-19 Related Rent Concessions” (Cai Kuai [2020] No. 10), which enterprises can choose to adopt a simplified method for accounting treatment of rent concessions, such as rent remission and deferred payment, which are directly caused by COVID-19 Pandemic. On 26 May 2021, the Ministry of Finance issued the “Notice on Adjusting the Scope of Provisions on Accounting Treatment of COVID-19 Related Rent Concessions” (Cai Kuai [2021] No. 9) with effect from 26 May 2021, which adjusted the scope of relevant rental concessions related to the COVID-19 pandemic that the “Provisions on Accounting Treatment of COVID-19 Related Rent Concessions” allowed using a simplified method from “the concessions are only for lease payments payable before 30 June 2021” to “the concessions are only for lease payments payable before 30 June 2022” with other applicable conditions remain unchanged. Implementing of the above regulations by the Company has no impact on the financial position and operating results during the reporting period.

### **(III) Implementing the “Interpretation of Accounting Standards for Business Enterprises No. 15” on the Related Presentation of Centralized Fund Management**

On 30 December 2021, the Ministry of Finance issued the “Interpretation of Accounting Standards for Business Enterprises No. 15” (Cai Kuai [2021] No. 35, hereinafter referred to as “Interpretation No. 15”), the “Related Presentation of Centralized Fund Management” shall be implemented from the date of announcement, and the data from financial statement during the comparable period shall be adjusted accordingly. Interpretation No. 15 clearly stipulates how the balance involved in the centralized and unified management of enterprise funds should be presented and disclosed in the balance sheet. Implementing of the above regulations by the Company only affects the disclosure format in the current period, and has no impact on the financial position and operating results during the reporting period.

### **(IV) Implementing the “Questions and Answers on the Implementation of Accounting Standards for Business Enterprises” on the Related Presentation of Transportation Expenses**

According to the “Questions and Answers on the Implementation of Accounting Standards for Business Enterprises” issued by the Ministry of Finance on 2 November 2021, for the transportation costs incurred before the transfer of control of goods to customer and for the performance of the sales contract, all self-sale expenses are reclassified to operating costs. The Company implemented the changed accounting policies from 1 January 2021, and retrospectively adjusted the amount for the corresponding period of the previous year for the accounting treatments of transportation costs incurred before the transfer of control of goods to customer and for the performance of sales contract. Implementing the regulation by the Company has no impact on the financial position and operating results during the reporting period. The impact on the presented amounts of relevant items in 2020 is as follows:

*Unit: Yuan Currency: RMB*

<b>The contents and reasons of changes in accounting policies</b>	<b>Presented items affected</b>	<b>Amount affected in 2020</b>	
		<b>Consolidated</b>	<b>Parent company</b>
For the transportation costs incurred before the transfer of control of goods to customer and for the performance of sales contract, all self-sale expenses are reclassified to operating costs	Operating cost	13,584,529.19	302,579.99
	Sales expense	-13,584,529.19	-302,579.99

### **III. Decision-making Procedure for the Changes in Accounting Policies**

#### **(I) Opinions of the Board of Directors**

The changes in accounting policies are reasonable adjustments made in accordance with the relevant regulations issued by the Ministry of Finance, comply with the “Accounting Standards for Business Enterprises” and related regulations. The decision-making procedure complies with relevant laws and regulations, the “Articles of Association” and other provisions. The changes in accounting policies partially affect the disclosure format in the current period and the presentation of relevant statement items in the related period, but have no impact on the financial position and operating results of the Company during the reporting period. Therefore, the Board of Directors agreed to the changes in accounting policies.

#### **(II) Opinions of Independent Directors**

The changes in accounting policies are reasonable adjustments made in accordance with “Interpretation of Accounting Standards for Business Enterprises No. 14” (Cai Kuai [2021] No. 1), the “Notice on Adjusting the Scope of Application of the Provisions on Accounting Treatment of COVID-19 Related Rent Concessions” (Cai Kuai [2021] No. 9), the “Interpretation of Accounting Standards for Business Enterprises No. 15” (Cai Kuai [2021] No. 35), and the “Questions and Answers on the Implementation of Accounting Standards for Business Enterprises” published by the Ministry of Finance, and comply with the related regulations. The decision-making procedure is in line with relevant laws and regulations, the “Articles of Association” and other provisions, and there is no harm to the interests of the Company and minority shareholders. Therefore, the independent directors agreed to the changes in accounting policies.

#### **(III) Opinions of the Supervisory Committee**

The changes in accounting policies are reasonable adjustments made by the Company in accordance with the relevant documents and requirements of the Ministry of Finance, comply with the “Accounting Standards for Business Enterprises” and related regulations, in line with the Company’s actual situation. The decision-making procedure is in compliance with relevant laws and regulations, the “Articles of Association” and other provisions. Therefore, the supervisory committee agreed to the changes in accounting policies.

#### **(IV) Opinions of the Audit Committee**

The changes in accounting policies are reasonable adjustments made in accordance with the relevant provisions published by the Ministry of Finance, comply with the “Accounting Standards for Business Enterprises” and related regulations. The decision-making procedure is in compliance with relevant laws and regulations, the “Articles of Association” and other provisions. The changes in accounting policies have no impact on the financial position and operating results of the Company during the current period. Therefore, the audit committee agreed to the changes in accounting policies and the submission of the same to the Board for consideration and approval.

Announcement is hereby given.

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

Nanjing, the People’s Republic of China  
30 March 2022

*As at the date of this announcement, the Board comprises Executive Directors: Mr. Zhou Guixiang, Mr. Li Renzhi and Mr. Xia Dechuan; Non-executive Directors: Mr. Shen Jianlong, Mr. Deng Weiming and Mr. Yi Guofu; and Independent Non-executive Directors: Mr. Dai Keqin, Ms. Xiong Yanren and Mr. Chu Wai Tsun, Baggio.*