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**SICC CO., LTD.**

**山東天岳先進科技股份有限公司**

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

**(Stock Code: 2631)**

**ANNOUNCEMENT ON ACCRUAL  
FOR ASSET IMPAIRMENT IN THE FOURTH QUARTER OF 2025**

The Board of Directors and all directors of the Company guarantee that there are no false records, misleading statements or major omissions contained in the contents of this Announcement, and would like to assume legal liabilities for the authenticity, accuracy and completeness of such contents.

In accordance with the Accounting Standards for Business Enterprises and the Company's financial regulations, and to objectively and fairly reflect the Company's financial position and operating results as at 31 December 2025, the Company, based on the principle of prudence, conducted impairment tests on assets within the consolidation scope for the fourth quarter of 2025, taking into account the annual financial data for 2025. After thorough communication with the auditors, the Company accrued impairment losses on relevant assets that might experience such losses. The total provision for impairment losses for the fourth quarter of 2025 is expected to be RMB24.8075 million. The relevant matters are hereby announced as follows:

## I. Overview of Accrual for Asset Impairment

In the fourth quarter of 2025, the Company accrued a total of RMB24.8075 million for various credit impairment losses and asset impairment losses, with their details as follows:

*Unit: RMB0'000*

No.	Item	Amount Accrued for the Current Period	Reason	
1	Losses on credit impairment	Losses on bad debts of accounts receivable	-270.15	Conduct expected credit loss calculations in accordance with accounting standards and specific accounting policies formulated by the Company
		Losses on bad debts of notes receivable	-78.93	
		Losses on bad debts of other receivables	-65.65	
		Subtotal	-414.73	
2	Losses on asset impairment	Inventory depreciation losses and contract performance cost impairment losses	2,470.80	The estimated net realizable value is lower than the carrying cost
		Losses on impairment of fixed assets	424.68	
		Subtotal	2,895.48	
		<b>Total</b>	<b>2,480.75</b>	

## II. Specific Description of Accrual for Asset Impairment

### 1. Losses on credit impairment

In the fourth quarter of 2025, the Company accrued the credit impairment losses of RMB-4.1473 million for accounts receivable, notes receivable, and other receivables.

According to the Accounting Standards for Business Enterprises No.22 — Recognition and Measurement of Financial Instruments: The Company conducts impairment accounting treatment and recognizes loss reserves for relevant items based on expected credit losses.

## **2. Losses on asset impairment**

In the fourth quarter of 2025, the Company accrued asset impairment losses of RMB28.9548 million.

According to the Accounting Standards for Business Enterprises No.1 — Inventories, inventories should be measured at the lower of cost and net realizable value on the balance sheet date. If the cost of inventories is higher than their net realizable value, a provision for impairment of inventories should be made and included in the current profits and losses.

According to the Accounting Standards for Business Enterprises No.8 — Asset Impairment: Where any evidence shows that there is possible impairment of assets, the recoverable amount of the assets shall be estimated. The recoverable amount shall be determined in light of the higher one of the net amount of the fair value of the assets minus the disposal expenses and the current value of the expected future cash flow of the assets. If the measurement result of recoverable amount shows that the recoverable amount of an asset is lower than its carrying value, the carrying value of the asset shall be written down to the recoverable amount, and the written-down amount shall be recognized as the loss on asset impairment, which shall be included in the current profits or losses, and the corresponding asset impairment reserves shall be accrued at the same time.

## **III. Impact of Accrual of Asset Impairment on the Company**

In the fourth quarter of 2025, the Company accrued various credit impairment losses and asset impairment losses totaling RMB24.8075 million, which collectively impacted the Company's consolidated profit before tax for 2025 by RMB24.8075 million. The above amounts have been confirmed by BDO China Shu Lun Pan Certified Public Accountants LLP upon audit.

This accrual for credit impairment losses and asset impairment losses complies with the Accounting Standards for Business Enterprises and the provisions of the Company's relevant accounting policies. It has been audited by the audit institution and adheres to the principles of prudence and rationality, reflecting the actual situation of the Company. It can more authentically and accurately reflect the Company's financial position, asset value, and operating results, without engaging in profit manipulation or harming the interests of the Company and its shareholders.

## **IV. Decision-making Procedures for This Impairment Accrual**

### **1. Opinions of the Audit Committee**

This matter has been deliberated and adopted at the 14th meeting of the 2nd session of the Audit Committee held by the Company on 27 March 2026. The Audit Committee discussed and deliberated the Company's Proposal on Accrual for Asset Impairment in the Fourth Quarter of 2025, concluding that the accrual for asset impairment made by the Company this time was based on the principle of prudence and complied with relevant regulations such as the Accounting Standards for Business Enterprises and the Company's accounting policies, as well as accurately and fairly reflected the Company's asset position, and facilitated the provision of more truthful and reliable accounting information. Therefore, the Audit Committee agreed with the Company's accrual for asset impairment in the fourth quarter of 2025.

### **2. Opinion of the Board of Directors**

This matter has been deliberated and adopted at the 19th meeting of the 2nd session of the Board of Directors held by the Company on 27 March 2026. The Board of Directors opined that the accrual for asset impairment made by the Company this time was based on the principle of prudence and complied with relevant regulations such as the Accounting Standards for Business Enterprises and the Company's accounting policies, as well as accurately and fairly reflected the Company's asset position, and facilitated the provision of more truthful and reliable accounting information. Therefore, the Board of Directors agreed with the Company's accrual for asset impairment in the fourth quarter of 2025.

By order of the Board  
**SICC CO., LTD.**  
**Mr. Zong Yanmin**  
*Chairman of the Board,*  
*Executive Director and General Manager*

Hong Kong, 27 March 2026

*As at the date of this announcement, the Board comprises: (i) Mr. Zong Yanmin, Mr. Gao Chao and Mr. Wang Junguo as executive Directors; (ii) Mr. Qiu Yufeng, Ms. Li Wanyue and Mr. Fang Wei as non-executive Directors; and (iii) Mr. Li Honghui, Ms. Liu Hua and Mr. Lai Kwok Hung Alex as independent non-executive Directors.*