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)

SICC CO., LTD.
Announcement on the Provision for Asset Impairment of the Company for the First Half of 2026

The Board of Directors and all Directors of the Company warrant that there are no false representations, misleading statements or material omissions in this announcement, and jointly and severally accept legal responsibility for the truthfulness, accuracy and completeness of its contents.

IMPORTANT NOTE:

1. SICC CO., LTD. (the "**Company**") expects to make a total provision for impairment of RMB30.1320 million for the current period.

I. Overview of the Provision for Asset Impairment

In accordance with the Accounting Standards for Business Enterprises and the Company's financial policies, and in order to objectively and fairly reflect the financial position and operating results of the Company as of 30 June 2026, based on the principle of prudence, the Company performed impairment testing on assets within the scope of consolidation for the first half of 2026 based on the financial data of the first half of 2026, and after full communication with the auditors, made provisions for impairment in respect of relevant assets that may have suffered impairment losses, with the total amount of impairment provisions for the first half of 2026 estimated at RMB30.1320 million. The impact of the above impairment provisions on the total profit of the consolidated financial statements for the first half of 2026 is as follows:

Unit: RMB0'000

No.		Item	Amount for the Current Period	Reason
1	Credit impairment losses (losses are presented with a "-" sign)	Loss from bad debts on trade receivables	-1,213.33	In accordance with Accounting Standards for Business Enterprises No. 22, credit impairment provisions are made based on the expected credit loss model (including reversals)
		Loss from bad debts on notes receivable	9.71	
		Loss from bad debts on other receivables	0.54	
		Subtotal	-1,203.07	
2	Asset impairment losses (losses are presented with a "-" sign)	Loss from decline in value of inventories and loss from impairment of contract performance costs	-1,810.13	In accordance with Accounting Standards for Business Enterprises No. 1 and No. 8, asset impairment provisions are made based on the lower of cost and net realisable value/recoverable amount
		Loss from impairment of fixed assets	0.00	
		Subtotal	-1,810.13	
		Total	**-3,013.20**	**—**

Note: The loss from decline in value of inventories includes reversals for the current period; differences in totals are due to rounding.

II. Specific Explanations for the Provision for Asset Impairment

1. Credit impairment provisions

In the first half of 2026, the Company made credit impairment provisions of RMB12.0307 million in respect of trade receivables, notes receivable and other receivables.

Pursuant to Accounting Standards for Business Enterprises No. 22 — Recognition and Measurement of Financial Instruments, the Company conducts impairment accounting and recognises loss allowances for relevant items on the basis of expected credit losses.

2. Asset impairment provisions

In the first half of 2026, the Company made asset impairment provisions of RMB18.1013 million.

Pursuant to Accounting Standards for Business Enterprises No. 1 — Inventories, at the balance sheet date, inventories shall be measured at the lower of cost and net realisable value. Where the cost of inventories exceeds their net realisable value, a provision for decline in value of inventories shall be made and recognised in profit or loss for the current period.

Pursuant to Accounting Standards for Business Enterprises No. 8 — Asset Impairment, where there is an indication that an asset may be impaired, the recoverable amount of the asset shall be estimated. The recoverable amount shall be determined as the higher of the asset's fair value less costs of disposal and the present value of the estimated future cash flows expected to be derived from the asset. Where the measurement of the recoverable amount indicates that the recoverable amount of an asset is lower than its carrying amount, the carrying amount of the asset shall be written down to its recoverable amount, and the amount written down shall be recognised as an asset impairment loss and charged to profit or loss for the current period, with a corresponding provision for asset impairment recognised.

III. Impact on the Company

The Company made aggregate credit impairment provisions and asset impairment provisions of RMB30.1320 million in the first half of 2026, which reduced the total profit of the Company's consolidated financial statements for 2026 by RMB30.1320 million in aggregate.

The recognition of the aforesaid credit impairment provisions and asset impairment provisions is in compliance with the Accounting Standards for Business Enterprises and the Company's relevant accounting policies, follows the principles of prudence and reasonableness, is consistent with the Company's actual circumstances, and enables a truer and more accurate reflection of the Company's financial position, asset values and operating results, and does not constitute any act of manipulating profits or harming the interests of the Company and its Shareholders.

Announcement is hereby made.

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

Hong Kong, 19 August 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. Feng Xianying as non-executive Directors; and (iii) Mr. Li Honghui, Ms. Liu Hua and Mr. Lai Kwok Hung Alex as independent non-executive Directors.