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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Jiangsu Lopal Tech. Co., Ltd., you should at once hand this circular to the purchaser or transferee or to the bank, stock broker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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# Jiangsu Lopal Tech. Co., Ltd.

## 江蘇龍蟠科技股份有限公司

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

**(Stock Code: 2465)**

- (1) WORK REPORT OF THE BOARD OF DIRECTORS OF THE COMPANY FOR THE YEAR 2024;**
- (2) WORK REPORT OF THE BOARD OF SUPERVISORS OF THE COMPANY FOR THE YEAR 2024;**
- (3) THE COMPANY'S 2024 ANNUAL REPORT AND SUMMARY;**
- (4) THE COMPANY'S FINAL FINANCIAL REPORT FOR THE YEAR 2024;**
- (5) THE COMPANY'S PROPOSED FINANCIAL BUDGET REPORT FOR THE YEAR 2025;**
- (6) THE 2024 PROFIT DISTRIBUTION PLAN;**
- (7) REPORT ON CONTINUING RELATED PARTY TRANSACTIONS OF THE COMPANY IN 2024 AND THE ESTIMATE OF CONTINUING RELATED PARTY TRANSACTIONS FOR THE YEAR 2025;**
- (8) PROPOSED REMUNERATION SCHEME FOR DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY FOR THE YEAR 2025;**
- (9) PROPOSED REMUNERATION SCHEME FOR SUPERVISORS OF THE COMPANY FOR THE YEAR 2025;**
- (10) WORK REPORT OF INDEPENDENT DIRECTORS OF THE COMPANY FOR THE YEAR 2024;**
- (11) GENERAL MANDATE TO ISSUE A SHARES UNDER SIMPLIFIED PROCEDURE;**
- (12) SHAREHOLDER RETURN PLAN FOR 2025 TO 2027;**
- (13) THE COMPANY'S UNRECOVERED LOSSES;**
- (14) REVISED MANAGEMENT MANUAL FOR THE COMPANY'S CASH PROCEEDS;**
- (15) GENERAL MANDATE TO ISSUE H SHARES;**
- (16) PROPOSED APPOINTMENT OF DOMESTIC AND INTERNATIONAL AUDITORS;**
- AND**
- (17) NOTICE OF THE AGM**

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All capitalized terms used in this circular have the meanings set out in the section headed "Definitions" in this circular. A letter from the Board is set out on pages 4 to 17 of this circular.

A notice convening the AGM to be held at 2nd Floor, Large Conference Room, No. 6 Hengtong Avenue, Nanjing Economic and Technological Development Zone, Nanjing, Jiangsu Province, PRC on Wednesday, May 28, 2025 at 2:00 p.m. is set out on pages AGM-1 to AGM-4 of this circular.

A form of proxy for use at the AGM will be published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.lopal.cn](http://www.lopal.cn)) on May 6, 2025. If you intend to appoint a proxy to attend the AGM, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible and, in any event, not less than 24 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

May 6, 2025

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“A Share(s)”	ordinary share(s) issued by the Company, with a nominal value of RMB1.00 each, which is/are listed on the Shanghai Stock Exchange and domestic share(s) traded in RMB
“AGM”	the 2024 annual general meeting of the Company to be held at 2nd Floor, Large Conference Room, No. 6 Hengtong Avenue, Nanjing Economic and Technological Development Zone, Nanjing, Jiangsu Province, PRC, at 2:00 p.m. on Wednesday, May 28, 2025 or any adjournment thereof
“Articles of Association”	the articles of association of the Company (as amended from time to time)
“Audit Committee”	the audit committee of the Board
“Board”	the board of directors of the Company
“CATL”	Contemporary Amperex Technology Co., Limited* (寧德時代新能源科技股份有限公司), a joint stock company established in the PRC on December 16, 2011, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 300750), which was an indirect shareholder controlling (i) 30% equity interest in Lopal Times, through Yichun Times, and (ii) 5.91% equity interest in Changzhou Liyuan through its wholly-owned subsidiary Ningbo Meishan Baoshuigang District Wending Investment Co., Ltd.* (寧波梅山保稅港區問鼎投資有限公司) as of the Latest Practicable Date
“CATL CP Group”	CATL, its subsidiary(ies) and 30%-controlled company(ies) (excluding Lopal Times)
“Changzhou Liyuan”	Changzhou Liyuan New Energy Technology Co., Ltd. (常州鋰源新能源科技有限公司), a limited liability company established in the PRC on May 12, 2021 and a direct non-wholly owned subsidiary of our Company which is owned as to approximately 64.03% by our Company as of the Latest Practicable Date
“Company”	Jiangsu Lopal Tech. Co., Ltd. (江蘇龍蟠科技股份有限公司), a joint stock company incorporated in the PRC with limited liability whose A Shares are listed on the Shanghai Stock Exchange (stock code: 603906) and H Shares are listed on the Hong Kong Stock Exchange (stock code: 2465)

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## DEFINITIONS

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“Controlling Shareholders”	has the meaning ascribed thereto in the Hong Kong Listing Rules, and unless the context otherwise requires, refers to Mr. Shi Junfeng, Ms. Zhu Xianglan, Lopal International and Nanjing Bailey
“Director(s)”	director(s) of the Company
“Group” or “the Group”	the Company and Company’s subsidiaries or, where the context so requires, in respect of the period before the Company became the holding company of its present subsidiaries at the relevant time, the business acquired or operated by such subsidiaries or their predecessors (as the case may be)
“H Share(s)”	ordinary share(s) issued by the Company with a nominal value of RMB1.00 each, which is/are listed on the Hong Kong Stock Exchange and overseas listed foreign share(s) traded in Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange” or “HKEX”	The Stock Exchange of Hong Kong Limited
“Latest Practicable Date”	April 29, 2025, being the latest practicable date prior to the publication of this circular for ascertaining certain information in this circular
“Listing Date”	the date, being October 30, 2024, on which the H Shares were listed on the Stock Exchange and from which dealings in the H Shares are permitted to commence on the Hong Kong Stock Exchange
“Lopal Times”	Yichun Lopal Times Lithium Industry Technology Co., Ltd. (宜春龍蟠時代鋰業科技有限公司) (formerly known as Yifeng Times New Energy Materials Co., Ltd. (宜豐時代新能源材料有限公司) and Yifeng Times Yongxing New Energy Materials Co., Ltd. (宜豐時代永興新能源材料有限公司)), a limited liability company established in the PRC on March 2, 2022 and a direct non-wholly owned subsidiary of our Company which is owned as to 70% by our Company and 30% by Yichun Times as of the Latest Practicable Date

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## DEFINITIONS

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“Main Board”	the stock market (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with GEM of the Hong Kong Stock Exchange
“PRC”	the People’s Republic of China excluding, for the purpose of this circular, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PRC Company Law”	the Company Law of the People’s Republic of China (《中華人民共和國公司法》), as amended, supplemented or otherwise modified from time to time
“PRC Securities Law”	the Securities Law of the PRC (《中華人民共和國證券法》), as amended, supplemented or otherwise modified from time to time
“Prospectus”	the prospectus of the Company dated October 22, 2024
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Listing Rules”	the Rules Governing the Listing of Securities on Shanghai Stock Exchange
“Shanghai Stock Exchange”	the Shanghai Stock Exchange (上海證券交易所)
“Share(s)”	comprising A Share(s) and H Share(s)
“Shareholder(s)”	Shareholder(s) of the Company, including holder(s) of A Share(s) and holder(s) of H Share(s)
“Yichun Times”	Yichun Times New Energy Resources Co., Ltd.* (宜春時代新能源資源有限公司), a limited liability company established in the PRC on November 23, 2021 and a direct wholly owned subsidiary of CATL as of the Latest Practicable Date
“%”	per cent

\* *The Chinese name(s) of the PRC entities have been translated into English in this circular for reference only. In the event of any discrepancies between the Chinese names of the PRC entities and their respective English translations, the Chinese version shall prevail.*

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LETTER FROM THE BOARD

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**Jiangsu Lopal Tech. Co., Ltd.**  
**江蘇龍蟠科技股份有限公司**

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

**(Stock Code: 2465)**

*Executive Directors:*

Shi Junfeng  
Lu Zhenya  
Qin Jian  
Shen Zhiyong  
Zhang Yi

*Registered Office:*

No. 6 Hengtong Avenue  
Nanjing Economic and Technological  
Development Zone  
PRC

*Non-executive Director:*

Zhu Xianglan

*Principal Place of Business in Hong Kong:*

46/F, Hopewell Centre  
183 Queen's Road East  
Wan Chai  
Hong Kong

*Independent Non-executive Directors:*

Li Qingwen  
Ye Xin  
Geng Chengxuan  
Hong Kam Le

May 6, 2025

*To the Shareholders*

Dear Sir/Madam,

- (1) WORK REPORT OF THE BOARD OF DIRECTORS OF THE COMPANY FOR THE YEAR 2024;**
- (2) WORK REPORT OF THE BOARD OF SUPERVISORS OF THE COMPANY FOR THE YEAR 2024;**
- (3) THE COMPANY'S 2024 ANNUAL REPORT AND SUMMARY;**
- (4) THE COMPANY'S FINAL FINANCIAL REPORT FOR THE YEAR 2024;**
- (5) THE COMPANY'S PROPOSED FINANCIAL BUDGET REPORT FOR THE YEAR 2025;**
- (6) THE 2024 PROFIT DISTRIBUTION PLAN;**
- (7) REPORT ON CONTINUING RELATED PARTY TRANSACTIONS OF THE COMPANY IN 2024 AND THE ESTIMATE OF CONTINUING RELATED PARTY TRANSACTIONS FOR THE YEAR 2025;**
- (8) PROPOSED REMUNERATION SCHEME FOR DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY FOR THE YEAR 2025;**
- (9) PROPOSED REMUNERATION SCHEME FOR SUPERVISORS OF THE COMPANY FOR THE YEAR 2025;**
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- (16) PROPOSED APPOINTMENT OF DOMESTIC AND INTERNATIONAL AUDITORS;**
- AND**
- (17) NOTICE OF THE AGM**

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## LETTER FROM THE BOARD

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### **(1) INTRODUCTION**

The purpose of this circular is to provide you with, among other things, the notice of the AGM, and to provide relevant details for you to make informed decisions on certain ordinary and/or special resolutions proposed for voting at the AGM.

### **(2) WORK REPORT OF THE BOARD OF DIRECTORS OF THE COMPANY FOR THE YEAR 2024**

An ordinary resolution will be proposed at the AGM to approve the Work Report of the Board of Directors of the Company for the year 2024. Such report has been approved at the 34th meeting of the 4th session of the Board, full text of which is set out in Appendix I to this circular.

### **(3) WORK REPORT OF THE BOARD OF SUPERVISORS OF THE COMPANY FOR THE YEAR 2024**

An ordinary resolution will be proposed at the AGM to consider and approve the Work Report of the Board of Supervisors of the Company for the year 2024. Such report has been approved at the 26th meeting of the 4th session of the board of supervisors of the Company, full text of which is set out in Appendix II to this circular.

### **(4) THE COMPANY'S 2024 ANNUAL REPORT AND SUMMARY**

An ordinary resolution will be proposed at the AGM to consider and approve the Company's A Shares and H Shares annual reports and summary. Such reports have been approved at the 34th meeting of the 4th session of the Board, and the A Shares annual report and summary are published on March 29, 2025 on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) and the website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the H Shares annual report is published on April 22, 2025 on the website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.lopal.cn](http://www.lopal.cn)).

### **(5) THE COMPANY'S FINAL FINANCIAL REPORT FOR THE YEAR 2024**

An ordinary resolution will be proposed at the AGM to consider and approve the Company's Final Financial Report for the year 2024. The full text of the report is set out in Appendix III of this circular.

### **(6) THE COMPANY'S PROPOSED FINANCIAL BUDGET REPORT FOR THE YEAR 2025**

An ordinary resolution will be proposed at the AGM to consider and approve the Company's Proposed Financial Budget Report for the year 2025. Such report has been approved at the 34th meeting of the 4th session of the Board, full text of which is set out in Appendix IV to this circular.

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## LETTER FROM THE BOARD

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### (7) THE 2024 PROFIT DISTRIBUTION PLAN

An ordinary resolution will be proposed at the AGM to approve the proposed profit distribution plan for the year ended December 31, 2024.

In accordance with the PRC Accounting Standards for Business Enterprises and upon the audit by Gongzheng Tianye Certified Public Accountants (Special General Partnership) (“**Gongzheng Tianye**”), as at December 31, 2024, the consolidated statement of the Company for 2024 recorded a net profit attributable to shareholders of listed companies of –RMB635,668,136.55 and the parent company’s statement recorded an undistributable profit as at the end of the period of RMB392,087,014.72. The Company’s net profit attributable to shareholders of listed companies for 2024 is negative, which fails to satisfy the conditions for cash dividends stipulated in the Articles of Association. Besides, after an extensive consideration of the Company’s operational status, industry conditions, development strategies, and other factors, and to ensure sustainable and stable operations, steadily advance future development, and better safeguard the long-term interests of all Shareholders, the Company did not propose to distribute profit for 2024, nor did it propose to convert capital reserve to share capital. The undistributable profit will continue to be invested in the production and operation of the Company.

### (8) REPORT ON CONTINUING RELATED PARTY TRANSACTIONS OF THE COMPANY IN 2024 AND THE ESTIMATE OF CONTINUING RELATED PARTY TRANSACTIONS FOR THE YEAR 2025

An ordinary resolution regarding the continuing related party transactions in 2024 and its estimates in 2025 will be proposed at the AGM.

The Group has entered into transactions with (i) Taizhou Changnengrui Commerce Co., Ltd.\* (泰州市暢能瑞商貿有限公司) (“**Taizhou Changnengrui**”), (ii) Taizhou Hengan Commerce Co., Ltd.\* (泰州市恆安商貿有限公司) (“**Taizhou Hengan**”), (iii) Nanjing Weilejia Lubricants Co., Ltd.\* (南京威樂佳潤滑油有限公司) (“**Nanjing Weilejia**”), (iv) Nantong Jutu Trading Co., Ltd.\* (南通聚途商貿有限公司) (“**Nantong Jutu**”), (v) Anhui Mingtian Qingneng Technology Co., Ltd.\* (安徽明天氫能科技有限公司) (“**Anhui Mingtian Qingneng**”), (vi) Anhui Mingtian New Energy Technology Co., Ltd.\* (安徽明天新能源科

## LETTER FROM THE BOARD

技有限公司) (“**Anhui Mingtian New Energy**”) and (vii) Hubei Fengli New Energy Technology Co., Ltd.\* (湖北豐鋰新能源科技有限公司) (“**Hubei Fengli**”) in 2024. Set forth below details of these transactions:

Type of continuing related party transaction	Name of related party	Relationship	Estimated transaction amount for the year 2024 (RMB ten thousand)	Actual transaction amount for the year 2024 (RMB ten thousand)	Reason for the material difference
Sales of products and/or provision of services	Taizhou Changnengrui	The entity is controlled or jointly controlled by Mr. Shi Junfeng, actual controller, or his family members who are closely related.	1,500	857.93	Sales level below expectation
Sales of products and/or provision of services	Taizhou Hengan	The entity is controlled or jointly controlled by Mr. Shi Junfeng, actual controller, or his family members who are closely related.	600	353.41	Sales level below expectation
Sales of products and/or provision of services	Nanjing Weilejia	The entity is controlled or jointly controlled by Mr. Qin Jian, Director, or his family members who are closely related.	885	718.38	Sales level below expectation
Sales of products and/or provision of services	Nantong Jutu	The entity is controlled or jointly controlled by Mr. Qin Jian, Director, or his family members who are closely related.	220	133.31	Sales level below expectation
Sale of products and/or provision of services	Anhui Mingtian Qingneng	Mr. Shi Junfeng, actual controller of the Company, was a director of Anhui Mingtian Qingneng in the past 12 months.	200	6.91	Sales level below expectation
Sale of products and/or provision of services	Anhui Mingtian New Energy	Mr. Shi Junfeng, actual controller of the Company, was a director of Anhui Mingtian Qingneng in the past 12 months.	—	0.90	Not applicable
Purchase of products and/or receiving services	Anhui Mingtian Qingneng	The entity is controlled or jointly controlled by the Company’s main investors, key managers, or family members who are closely related.	100	30.55	Purchase level below expectation
Purchase of products and/or receiving services	Hubei Fengli	Changzhou Liyuan holds 40% equity interests in Hubei Fengli and Mr. Shen Zhiyong and Mr. Zhang Yi (each a Director) is a director of Hubei Fengli. Hubei Fengli is an associate of the Company.	30,000	19,144.63	Purchase level below expectation

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## LETTER FROM THE BOARD

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The Group expects to continue to transact with Taizhou Changnengrui, Taizhou Hengan, Nanjing Weilejia, Nantong Jutu, Anhui Mingtian Qingneng, Anhui Mingtian New Energy and Hubei Fengli in the year 2025. Set forth below details of these expected transactions:

Type of continuing related party transaction	Name of related party	Estimated transaction amount for the year 2025 <i>(RMB ten thousand)</i>	Actual transaction amount from January 1, 2025 up to March 29, 2025 <i>(RMB ten thousand)</i>	Actual transaction amount for the year 2024 <i>(RMB ten thousand)</i>	Reason for the increase/decrease in estimated transaction amount in 2025 as compared to 2024
Sale of products and/or provision of services	Taizhou Changnengrui	1,500	261.65	857.93	Uncertainty on expected sales level
Sale of products and/or provision of services	Taizhou Hengan	600	68.09	353.41	Uncertainty on expected sales level
Sale of products and/or provision of services	Nanjing Weilejia	885	130.75	718.38	Uncertainty on expected sales level
Sale of products and/or provision of services	Nantong Jutu	220	46.99	133.31	Uncertainty on expected sales level
Sale of products and/or provision of services	Anhui Mingtian Qingneng	200	—	6.91	Uncertainty on expected sales level
Sale of products and/or provision of services	Anhui Mingtian New Energy	100	—	0.90	Uncertainty on expected purchase level
Purchase of products	Hubei Fengli	30,000	2,644.82	19,144.63	Uncertainty on expected purchase level
Purchase of products	Anhui Mingtian Qingneng	100	4.25	30.55	Uncertainty on expected sales level

*Note:* For relationship of the related parties with the Group, please refer to the information in the table relating to transaction amounts in 2024 disclosed above.

### Implications under the Hong Kong Listing Rules

As Nantong Jutu, Anhui Mingtian Qingneng, Anhui Mingtian New Energy and Hubei Fengli (the “**Non-CP Related Parties**”) are not connected persons of the Company under the Hong Kong Listing Rules, the transactions between the Group and Non-CP Related Parties are not connected transactions of the Company under the Hong Kong Listing Rules.

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## LETTER FROM THE BOARD

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As Nanjing Weilejia, Taizhou Hengan, Taizhou Changnengrui are also connected persons of the Company (the “**CP Related Parties**”), the transactions between the CP Related Parties and the Group constitute continuing connected transactions of the Company. The Company had entered into the following framework agreements (collectively, the “**CP Related Parties Framework Agreements**”) with the CP Related Parties prior to Listing:

Parties	Name of the framework agreement	Principal subject matter of the framework agreement	Term of the framework agreement	Annual cap for the year ending December 31, 2025 under the framework agreement
(i) The Company; and (ii) Nanjing Weilejia	Weilejia Framework Agreement	The Company (i) appoints Nanjing Weilejia as a distributor of the Group’s Kelas (可蘭素) brand products (the “ <b>Kelas Brand Products</b> ”) in the PRC and (ii) may supply the Group’s Lopal (龍蟠) brand products (the “ <b>Lopal Brand Products</b> ”) in the PRC to Nanjing Weilejia	From the Listing Date to December 31, 2026 (both dates inclusive)	RMB8.85 million
(i) The Company; and (ii) Taizhou Hengan	Hengan Framework Agreement	The Company appoints Taizhou Hengan as a distributor of the Kelas Brand Products and Lopal Brand Products	From the Listing Date to December 31, 2026 (both dates inclusive)	RMB6.0 million
(i) The Company; and (ii) Taizhou Changnengrui	Changnengrui Framework Agreement	The Company appoints Taizhou Changnengrui as a distributor of the Kelas Brand Products and Lopal Brand Products	From the Listing Date to December 31, 2026 (both dates inclusive)	RMB15.0 million

As disclosed in the Prospectus, the highest applicable ratios calculated in accordance with Rule 14.07 of the Hong Kong Listing Rules in respect of the transactions contemplated under the Weilejia Framework Agreement will exceed 0.1% but be less than 5%. By virtue of Rule 14A.76(2) of the Hong Kong Listing Rules, such transactions will be subject to the reporting, annual review and announcement requirements, but be exempt from the circular (including independent financial advice) and independent Shareholders’ approval requirements under Chapter 14A of the Hong Kong Listing Rules.

As disclosed in the Prospectus, as Ms. Shi Shuhong (石書紅), the majority equity holder of Taizhou Changnengrui, and Ms. Shi Zhenhong (石珍紅), the 100% equity holder of Taizhou Hengan, are sisters, the transactions contemplated under the Changnengrui Framework Agreement and the Hengan Framework Agreement are aggregated for the purpose of classification of connected transactions in accordance with Rule 14A.81 of the Hong Kong Listing Rules. Based on the aggregated annual caps, on an annual basis, the highest applicable percentage ratio calculated in accordance with Rule 14.07 of the Hong Kong Listing Rules in respect of the transactions contemplated under the Changnengrui Framework Agreement and the Hengan Framework Agreement will exceed 0.1% but be less

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## LETTER FROM THE BOARD

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than 5%. By virtue of Rule 14A.76(2) of the Hong Kong Listing Rules, such transactions will be subject to the reporting, annual review and announcement requirements, but be exempt from the circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

The Company has applied for and the Hong Kong Stock Exchange has granted a waiver from strict compliance with the announcement requirement under the Hong Kong Listing Rules relating to each of the aforementioned continuing connected transactions subject to the conditions that (a) the aggregate amounts of the transactions as contemplated under each of the aforementioned continuing connected transactions for each relevant financial year shall not exceed the relevant amounts set forth in the respective proposed annual caps as disclosed in the Prospectus; and (b) the Company will comply with the other relevant requirements under Chapter 14A of the Hong Kong Listing Rules applicable to the aforementioned continuing connected transactions.

As disclosed in the announcement of the Company dated January 17, 2025, as CATL directly wholly owns Yichun Times and Yichun Times is the substantial shareholder of Lopal Times (a non-wholly owned subsidiary of the Company), CATL CP Group (comprising CATL, its subsidiaries and 30%-controlled companies (excluding Lopal Times)) are connected persons of the Company at the subsidiary level. By virtue of Rule 14A.101 of the Hong Kong Listing Rules, New CATL Sales Framework Agreement and the New CATL Purchase Framework Agreement and the transactions contemplated thereunder are subject to the reporting, annual review and announcement requirements but are exempt from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

### **(9) PROPOSED REMUNERATION SCHEME FOR DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY FOR THE YEAR 2025**

An ordinary resolution will be proposed at the AGM to consider and approve the remuneration of the Directors and senior management of the Company for the year 2025.

The remuneration of the Directors and senior management of the Company for 2024 is determined by the remuneration and evaluation committee of the Board through comprehensive assessment, based on the Company's operation and development situation. The policy emphasizes on performance orientation, market orientation, implements a function-based and merit-based distribution system and is conducive to the co-development of Directors, senior management and the Company.

In 2025, Directors who do not hold positions in the Company are not entitled to remuneration. The remuneration of Directors and senior management who hold positions in the Company is paid in a mechanism of monthly salary and year-end assessment bonus in accordance with relevant laws and regulations, the remuneration assessment policy of the Company and the Company's performance and taking account into performance in their positions within the Company. In accordance with the Company's terms of reference for independent directors (獨立董事議事規則), the annual remuneration for independent non-executive Directors for 2025 is RMB100,000 (tax inclusive).

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## LETTER FROM THE BOARD

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### **(10) PROPOSED REMUNERATION SCHEME FOR SUPERVISORS OF THE COMPANY FOR THE YEAR 2025**

An ordinary resolution will be proposed at the AGM to consider and approve the remuneration of the Company's supervisors for 2025.

In accordance with requirements of relevant laws and regulations and the Articles of Association and on the premise of safeguarding the Shareholders' interests and achieving the co-development of the Company and the management, the remuneration of the supervisors of the Company for 2024 is in line with the Company's overall profitability, scale of operation and other actual situations and with reference to the remuneration level of the industry.

In 2025, the remuneration package for supervisors is proposed as follows: supervisors who do not hold positions in the Company are not entitled to remuneration. The remuneration of supervisors who hold positions in the Company is determined in accordance with relevant laws and regulations, the remuneration assessment policy of the Company and the Company's performance, taking account into performance in their positions within the Company and upon the assessment by the remuneration and evaluation committee of the Board. The remuneration package has been approved by the supervisory committee of the Company.

### **(11) WORK REPORT OF INDEPENDENT DIRECTORS OF THE COMPANY FOR THE YEAR 2024**

An ordinary resolution will be proposed at the AGM to consider and approve the Work Report of the Independent Directors of the Company for the Year 2024. Such report has been approved at the 34th meeting of the 4th of the Board, full text of which is published on the website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.lopal.cn](http://www.lopal.cn)).

### **(12) GENERAL MANDATE TO ISSUE A SHARES UNDER SIMPLIFIED PROCEDURE**

A special resolution will be proposed at the AGM to consider and approve the granting of the general mandate under simplified procedure to the Board to handle relevant matters in relation to the issue of A Shares, the number of which shall not exceed 20% of the total number of A Shares in issue as of the date of passing of the proposed special resolution at the AGM and the total amount of proceeds from which shall not exceed RMB300 million and 20% of net assets at the end of the most recent financial year to specific targets in accordance with relevant laws and regulations. The general mandate under simplified procedure shall be valid from the date of passing of the proposed special resolution at the AGM until the date of which the next annual general meeting of the Company is held. The Board may issue shares to specific targets through simplified procedures only subject to compliance with the Shanghai Listing Rules, the Articles of Association and the relevant provisions of applicable laws and regulations of the PRC, as amended from time to time, and having fulfilled the relevant procedures. Further details of the general mandate under simplified procedure are set out in Appendix V to this circular.

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## LETTER FROM THE BOARD

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### **(13) SHAREHOLDER RETURN PLAN FOR 2025 TO 2027**

An ordinary resolution will be proposed at the AGM to consider and approve the shareholder return plan for 2025 to 2027. Such plan has been approved at the 34th meeting of the 4th session of the Board, full text of which is set out in Appendix VI to this circular.

### **(14) THE COMPANY'S UNRECOVERED LOSSES**

An ordinary resolution will be proposed at the AGM to consider and approve the unrecovered loss of the Company amounting to one-third of the total paid-up share capital. In 2024, due to changes in supply-demand dynamics within the new energy vehicle industry chain, the lithium battery materials sector continued to operate at cyclical lows. The price of lithium iron phosphate (LFP) products experienced significant adjustments compared to 2023, coupled with impacts from inventory losses, asset impairment, goodwill impairment, as well as relative substantial amounts from non-recurring losses arising from financial liabilities from minority interests, etc.. Despite efforts to mitigate losses through product differentiation strategies, overseas market expansion, and cost optimization initiatives, the adverse impact cannot be reversed within a short period of time, thus the Company continued to record loss in results for 2024. As of December 31, 2024, the unrecovered losses exceeded one-third of the total paid-up share capital of the Company. Details of which has been disclosed in the announcement of the Company dated March 28, 2025 in relation to the unrecovered losses amounting to one-third of the total paid-up share capital.

### **(15) REVISED MANAGEMENT MANUAL FOR THE COMPANY'S CASH PROCEEDS**

An ordinary resolution will be proposed at the AGM to consider and approve the revised management manual for the Company's cash proceeds. Such plan will not apply to proceeds from offshore offerings (including the issue and listing of H Shares of the Company in October 2024) and has been approved at the 34th meeting of the 4th session of the Board, full text of which is set out in Appendix VII to this circular.

### **(16) GENERAL MANDATE TO ISSUE H SHARES OF THE COMPANY**

To meet the Company's development needs and in accordance with the Hong Kong Listing Rules and other relevant laws, regulations, normative documents and the Articles of Association, the Board proposes that the Shareholders authorize the Board at the AGM to allot, issue and deal with the H Shares not exceeding 20% of the H Shares in issue, or securities which may be converted into such Shares, options, warrants or similar rights to subscribe for any H Shares of the Company. Details of the authorization are as follows:

- (a) To generally and unconditionally authorize the Board to allot, issue and deal with the H Shares or securities which may be converted into such Shares, options, warrants or similar rights to subscribe for any H Shares ("**Similar Rights**"), and to determine the terms and conditions for the allotment, issuance and disposal of new H Shares or Similar Rights including but not limited to the following terms:
  1. type and number of the new H Shares to be issued;

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## LETTER FROM THE BOARD

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2. pricing mechanism and/or issue price of the new H Shares (including price range);
  3. the starting and closing dates of such issue.
- (b) The number of the H Shares (excluding the Shares issued by way of the conversion of capital reserve into share capital) to be allotted, issued and dealt with (whether pursuant to a share option or otherwise) determined by the Board in accordance with the General Mandate shall not exceed 20% of the number of the H Shares in issue of the Company at the time when this resolution is passed at the AGM.
- (c) To authorize the Board to obtain approvals from all relevant government departments and/or regulatory authorities (if applicable) in accordance with the applicable laws (including but not limited to the PRC Company Law, the Shanghai Listing Rules, the Hong Kong Listing Rules) to exercise the General Mandate.
- (d) To authorize the Board to approve, execute, modify and do or procure to execute and do, all such documents, agreements, deeds and things as it may consider related to the allotment, issuance and disposal of any new H Shares under the abovementioned General Mandate, handle the necessary procedures and take other necessary actions.
- (e) To authorize the Board to engage intermediaries for the issuance of H Shares, approve and execute all acts, documents, and other matters required for or related to the issuance of H Shares, and review, approve, and execute on behalf of the Company all agreements in connection with the issuance of H Shares, including but not limited to subscription agreements, placement agreements, underwriting agreements, and engagement agreements with intermediaries.
- (f) If the Board has resolved to allot, issue, and deal with H Shares or Similar Rights during the effective period of the General Mandate, and the Company has obtained relevant approvals, permits or registrations (where applicable) from regulatory authorities within such effective period, the Board may complete such allotment, issuance and dealing of H Shares within the effective period of said approvals, permits or registrations.
- (g) Where the Board has, during the effective period of the mandate referred to in this resolution, determined to allot, issue and deal with the H Shares or Similar Rights, and the Company also has, during the effective period of the mandate, obtained the relevant approval, permission from, or registration (if applicable) with the regulatory authorities, the Board may, during the effective period of such approval, permission or registration, complete the relevant allotment, issuance and disposal and other works.

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## LETTER FROM THE BOARD

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- (h) To authorize the Board, after the completion of allocation and issuance of the new Shares, to increase the registered capital of the Company and make appropriate and necessary amendments to the Articles of Association in accordance with the way, type and number of the allotment and issuance of new Shares of the Company and the actual shareholding structure of the Company upon completion of the allotment and issuance of new Shares.
- (i) To authorize the Board to review and execute on behalf of the Company all statutory documents to be submitted to relevant regulatory authorities in connection with the share issuance, complete all required approval procedures in compliance with the requirements of regulatory authorities and the Shanghai Listing Rules and the Hong Kong Listing Rules, and complete all necessary filing, registration and record with relevant government authorities in Hong Kong and/or any other regions or jurisdictions (where applicable).
- (j) The exercise of the General Mandate by the Board shall comply with all applicable laws, regulations and rules including but not limited to the PRC Company Law, PRC Securities Law, Hong Kong Listing Rules, and those of any other government or regulatory authority.
- (k) The effective period of the General Mandate shall commence from the date when it is approved at the AGM to the earliest of the following dates:
  - 1. the conclusion of the Company's next annual general meeting to be held in 2026; or
  - 2. the revocation or variation of the General Mandate granted to the Board under this resolution passed by the Shareholders at the general meeting of the Company.

The resolution on the General Mandate to issue additional H Shares of the Company was considered and approved at the 34th meeting of the 4th session of the Board, and will be submitted at the AGM by way of a special resolution for the Shareholders' consideration and approval.

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## LETTER FROM THE BOARD

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### **(17) PROPOSED APPOINTMENT OF DOMESTIC AND INTERNATIONAL AUDITORS FOR THE YEAR 2025**

Reference is made to the announcement of the Company dated May 6, 2025 in relation to the proposed appointment of domestic and international auditors of the Company by the Board.

Gongzheng Tianye has served as the Company's domestic auditor for two years, while Moore CPA Limited (“**Moore**”) has served as the Company's international auditor for annual audit services for a year. The Board is of the view that the change of auditors would help better advance the Company's internationalization strategy and meet increasingly complex domestic and cross-border audit requirements, while taking into account business development needs and the necessity for effective collaboration in audit work across jurisdictions, ensuring the independence, objectivity, and fairness of the audit process.

At the 36th meeting of the 4th session of the Board held on May 6, 2025, the Board, having considered the opinion of the Audit Committee, resolved to propose the appointment of Ernst & Young Hua Ming LLP and Ernst & Young respectively as the domestic and international auditors of the Company for the year 2025 after the termination of term of office of Gongzheng Tianye and Moore as the domestic and international auditors respectively, and proposed to the Shareholders' general meeting to authorize the management of the Company to decide the actual audit fee. The Audit Committee has considered a number of factors including (i) Ernst & Young Hua Ming LLP and Ernst & Young's experience in providing audit services for companies listed on Hong Kong Stock Exchange and the Shanghai Stock Exchange, their industry knowledge, and technical competence; (ii) their resources and capability including manpower and time; (iii) their independence, objectivity and integrity; (iv) their audit fee; and (v) the guidelines issued by the Accounting and Financial Reporting Council.

The appointment of Ernst & Young Hua Ming LLP and Ernst & Young shall be effective upon the approval by the Shareholders' general meeting, and the term of office of Ernst & Young Hua Ming LLP and Ernst & Young shall be until the date of the next annual general meeting.

### **(18) CLOSURE OF REGISTER OF MEMBERS**

For the purpose of determining the eligibility to attend and vote at the AGM, the register of members of the Company will be closed from May 23, 2025 to May 28, 2025, both days inclusive. During such period, no transfer of the Company's H Shares will be registered. Holders of the H Shares of the Company whose names appear on register of members of H Shares of the Company on May 23, 2025 will be entitled to attend the AGM. In order to be eligible to attend and vote at the AGM, holders of H Shares of the Company whose transfers of Shares have not been registered shall deposit the transfer documents together with the relevant share certificates with the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on May 22, 2025.

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## LETTER FROM THE BOARD

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### **(19) AGM**

The AGM will be held at 2nd Floor, Large Conference Room, No. 6 Hengtong Avenue, Nanjing Economic and Technological Development Zone, Nanjing, Jiangsu Province, PRC on Wednesday, May 28, 2025 at 2:00 p.m.. The notice of the AGM and the form of proxy for use at the AGM will be despatched to the Shareholders on May 6, 2025. The aforesaid documents are also published on the website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.lopal.cn](http://www.lopal.cn)). As of the Latest Practicable Date, Mr. Shi Junfeng, Ms. Zhu Xianglan, Nanjing Bailey Venture Capital Center (Limited Partnership) (南京貝利創業投資中心(有限合夥)), Mr. Qin Jian, Mr. Shen Zhiyong, Mr. Zhang Yi and Ms. Xu Suxia who directly own 212,662,195 A Shares, 23,618,649 A Shares, 1,901,208 A Shares, 410,832 A Shares, 908,112 A Shares, 385,792 A Shares and 33,056 A Shares, representing approximately 31.98%, 3.55%, 0.29%, 0.06%, 0.14%, 0.06% and 0.00% of the total issued Shares, will abstain from voting for the resolution in relation to continuing related party transactions in 2024 and its estimates in 2025. Save as the aforesaid, no Shareholders has a material interest in any of the resolutions to be proposed at the AGM and is required to abstain from voting at the AGM. No Directors has a material interest in any of the resolutions to be proposed at the AGM.

In order to be valid, the form of proxy of the holders of H Shares together with the power of attorney or other authorization document (if any) signed by the authorized person or notarially certified power of attorney must be deposited at the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 24 hours before the time appointed for holding the AGM or any adjournment thereof (as the case may be). Completion and return of a form of proxy will not preclude a Shareholder from attending and voting in person at the AGM if he/she so wishes.

### **(20) RECOMMENDATIONS**

The Board believes that the abovementioned resolutions are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends all Shareholders to vote in favor of all resolutions to be proposed at the AGM.

### **(21) RESPONSIBILITY STATEMENT**

This circular, for which the Board collectively and individually accepts full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

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**LETTER FROM THE BOARD**

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**(22) VOTING BY POLL AT THE AGM**

Voting on all the resolutions to be proposed at the AGM will be taken by poll in accordance with the Rule 13.39(4) of the Hong Kong Listing Rules.

In the event of any discrepancy between the English translation and the Chinese version of this circular, the Chinese version shall prevail.

By order of the Board  
**Jiangsu Lopal Tech. Co., Ltd.**  
**SHI Junfeng**  
*Chairman*

Nanjing, PRC, May 6, 2025

**JIANGSU LOPAL TECH. CO., LTD.**  
**WORK REPORT OF THE BOARD OF DIRECTORS**  
**FOR THE YEAR 2024**

In 2024, the Board of Directors of the Company strictly adhered to the provisions of relevant laws and regulations, including the Company Law, the Securities Law, the Articles of Association, and the Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No.1 — Standardized Operations, as well as other normative documents and internal corporate policies. Centering on the Company's development strategy and annual key tasks, the Board actively carried out its duties. All directors fulfilled their responsibilities with diligence, dedication, and a scientific, rigorous, prudent, and objective approach. They actively participated in the decision-making process for major corporate matters, faithfully executed the duties entrusted by the shareholders' meeting, and drove the Company's sustained, healthy, and stable development. Below is a detailed report on the work of the Board of Directors in 2024:

**I. OVERALL OPERATING PERFORMANCE IN 2024**

In 2024, the Company achieved operating revenue of RMB7,673.0511 million, a year-on-year decrease of 12.10%; the net profit attributable to shareholders of the listed company was –RMB635.6681 million, representing a 48.46% reduction in losses compared to the same period of the previous year. The Company sold 39,299.67 tons of lubricant products, 323,950.55 tons of diesel exhaust fluids products, 108,331.95 tons of coolant products, 15,148.42 tons of car maintenance products, and 178,287.23 tons of lithium iron phosphate cathode materials, with total sales reaching 665,017.82 tons.

**II. DAILY WORK OF THE COMPANY'S BOARD OF DIRECTORS IN 2024**

**1. Operation of the Board of Directors**

In 2024, pursuant to the relevant provisions of the Company Law, the Company's Board of Directors convened a total of 15 meetings and deliberated on 57 resolutions. The Board discussed and adopted resolutions concerning the following matters:

Meeting Date	Meeting Name	Resolutions Reviewed
January 12, 2024	15th Meeting of the 4th Board of Directors	1. Resolution on Capital Increase and Share Expansion of a Controlled Subsidiary and Introduction of Investors 2. Resolution on Convening the Second Extraordinary General Meeting of Shareholders in 2024

Meeting Date	Meeting Name	Resolutions Reviewed
January 29, 2024	16th Meeting of the 4th Board of Directors	<ol style="list-style-type: none"> <li>1. Resolution on Closing Certain Fundraising Investment Projects, Utilizing Surplus Raised Funds for Other Projects, and Extending Deadlines for Certain Projects</li> <li>2. Resolution on the Proposal to Convene the Third Extraordinary General Meeting of Shareholders in 2024</li> </ol>
March 6, 2024	17th Meeting of the 4th Board of Directors	<ol style="list-style-type: none"> <li>1. Resolution on the Acquisition of Shandong Meiduo Technology Company Limited (Involving Related Transactions) and Capital Increase</li> </ol>
March 7, 2024	18th Meeting of the 4th Board of Directors	<ol style="list-style-type: none"> <li>1. Resolution on Signing the Supplementary Agreement to the Equity Transfer Agreement for Shandong Meiduo Technology Company Limited</li> </ol>
April 25, 2024	19th Meeting of the 4th Board of Directors	<ol style="list-style-type: none"> <li>1. Resolution on the 2023 Annual Board of Directors Work Report</li> <li>2. Resolution on the 2023 Annual General Manager Work Report</li> <li>3. Resolution on the 2023 Annual Report and Summary</li> <li>4. Resolution on the 2023 Annual Financial Final Accounts Report</li> <li>5. Resolution on the 2024 Annual Financial Budget Report</li> <li>6. Resolution on the 2023 Annual Profit Distribution Plan</li> <li>7. Resolution on Applying for Comprehensive Credit Facilities from Financial Institutions and Providing Guarantees for Related Financing</li> <li>8. Resolution on the Controlling Shareholder and De Facto Controller Providing Guarantees for the Company and Subsidiaries to Secure Comprehensive Credit Facilities from Financial Institutions</li> <li>9. Resolution on the Executive Status of 2023 Daily Related Party Transactions and Forecast of 2024 Daily Related Party Transactions</li> <li>10. Resolution on the Special Report Regarding the Deposit and Actual Utilization of 2023 Raised Funds</li> <li>11. Resolution on the Company's Use of Certain Idle Raised Funds and Self-owned Funds for Cash Management</li> <li>12. Resolution on the Company's Use of Certain Idle Raised Funds to Temporarily Supplement Working Capital</li> <li>13. Resolution on Using Bank Acceptance Drafts to Pay for Fund-raising Projects and Replacing with an Equivalent Amount of Raised Funds</li> </ol>

Meeting Date	Meeting Name	Resolutions Reviewed
		<ul style="list-style-type: none"> <li>14. Resolution on the 2024 Compensation Plan for Directors and Senior Management</li> <li>15. Resolution on the 2023 Annual Independent Directors' Work Report</li> <li>16. Resolution on the 2023 Annual Report on the Performance of the Board Audit Committee</li> <li>17. Resolution on the 2023 Internal Control Self-assessment Report</li> <li>18. Resolution on Conducting Futures Hedging Business</li> <li>19. Resolution on 2023 Impairment Provisions</li> <li>20. Resolution on Cancellation of Granted but Unexercised Share Options</li> <li>21. Resolution on Amendments to Accounting Policies</li> <li>22. Resolution on Formulating the Accounting Firm Selection System</li> <li>23. Resolution on the Evaluation Report of the External Auditor's Performance for 2023</li> <li>24. Resolution on the Audit Committee's Report on Its Oversight of the External Auditor's Performance for 2023</li> <li>25. Resolution on the Special Assessment Report Regarding Independent Directors' Independence</li> <li>26. Resolution on Authorizing the Board of Directors to Issue Shares to Specific Investors via Simplified Procedures (Subject to Shareholder Approval)</li> <li>27. Resolution on Convening the 2023 Annual General Meeting of Shareholders</li> </ul>
April 29, 2024	20th Meeting of the 4th Board of Directors	<ul style="list-style-type: none"> <li>1. Resolution on the Company's 2024 First Quarter Report</li> </ul>
May 13, 2024	21st Meeting of the 4th Board of Directors	<ul style="list-style-type: none"> <li>1. Resolution on Capital Increase and Share Expansion of a Controlled Subsidiary and Introduction of Investors</li> </ul>
June 28, 2024	22nd Meeting of the 4th Board of Directors	<ul style="list-style-type: none"> <li>1. Resolution on the Completion of Certain Fundraising Investment Projects and Permanently Reallocating Surplus Raised Funds to Working Capital</li> <li>2. Resolution on Reappointing the Company's External Auditor for 2024</li> <li>3. Resolution on Convening the 4th Extraordinary General Meeting of Shareholders in 2024</li> </ul>
August 15, 2024	23rd Meeting of the 4th Board of Directors	<ul style="list-style-type: none"> <li>1. Resolution on the 2024 Interim Report and Summary</li> <li>2. Resolution on the Special Report Regarding the Deposit and Actual Use of Raised Funds for the 2024 Semi-Annual Period</li> <li>3. Resolution on Cancelling Granted but Unexercised Share Options</li> </ul>

Meeting Date	Meeting Name	Resolutions Reviewed
September 26, 2024	24th Meeting of the 4th Board of Directors	1. Resolution on Capital Increase by a Controlled Subsidiary to Its Wholly-owned Subsidiary and Cumulative External Investments
September 30, 2024	25th Meeting of the 4th Board of Directors	1. Resolution on Amending the Articles of Association for Post-issuance of Overseas Listed Shares 2. Resolution on Amending the Corporate Governance Framework for Post-issuance of Overseas Listed Shares 3. Resolution on Amending the Current Articles of Association 4. Resolution on Amending the Current Corporate Governance Framework 5. Resolution on Adjustments to Hedging Business Related Matters 6. Resolution on Convening the 5th Extraordinary General Meeting of Shareholders in 2024
October 14, 2024	26th Meeting of the 4th Board of Directors	1. Resolution on the Global Offering of Company's H Shares (Including Hong Kong Public Offering and International Placement) and Listing on the Hong Kong Stock Exchange 2. Resolution on Executing Framework Agreements with Related Persons
October 30, 2024	27th Meeting of the 4th Board of Directors	1. Resolution on the Company's 2024 Third Quarter Report
December 9, 2024	28th Meeting of the 4th Board of Directors	1. Resolution on Amendments to the Company's Registered Capital, Business Scope and Articles of Association 2. Resolution on Appointment of Overseas Auditor 3. Resolution on Convening the 6th Extraordinary General Meeting of Shareholders in 2024
December 20, 2024	29th Meeting of the 4th Board of Directors	1. Resolution on Capital Increase and Share Expansion of a Controlled Grandchild Subsidiary and Introduction of Investors 2. Resolution on Formulation of the Public Opinion Management System of Jiangsu Lopal Tech. Co., Ltd. 3. Resolution on Convening an Extraordinary General Meeting of Shareholders

In all the aforementioned meetings, the convening, proposal, attendance, deliberation, voting, and resolution processes of the Board of Directors were conducted in strict compliance with the relevant provisions of the Company Law, the Articles of Association, and the Rules of Procedure for the Board of Directors.

## **2. Implementation of Shareholders' Meeting Resolutions by the Board of Directors**

In 2024, the Company held a total of 7 shareholders' meetings, comprising 6 extraordinary general meetings and the 2023 Annual General Meeting. In accordance with the requirements of the Company Law, the Shanghai Stock Exchange Listing Rules, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and the Articles of Association, as well as other relevant laws, regulations, and normative documents, the Board of Directors strictly adhered to the resolutions and authorizations of the shareholders' meetings and diligently implemented all resolutions passed by the shareholders.

## **3. Performance of Board Specialized Committees**

The Company's Board of Directors has established four specialized committees, namely the Audit Committee, Nomination Committee, Strategy Committee, and Remuneration and Evaluation Committee. During the reporting period, all committees operated strictly within their respective mandates as defined in their working rules, conducted their duties diligently, performed in-depth research on specialized matters, and formulated recommendations and resolutions to provide decision-making references for the Board.

## **4. Performance of Independent Directors**

The Company's four independent directors diligently fulfilled their responsibilities in accordance with the Company Law, the Securities Law, the Articles of Association, and other relevant laws and regulations, actively participating in significant corporate decision-making. Throughout the reporting period, the independent directors raised no objections to any resolutions reviewed by the Board or other corporate matters.

## **5. Information Disclosure Practices**

The Board of Directors strictly complied with information disclosure obligations under the Company Law, the Securities Law, the Articles of Association, and other applicable laws, regulations, and normative documents. The Board of Directors maintained rigorous standards for information disclosure, significantly enhancing the Company's standardized operations and transparency. All disclosures were truthful, accurate, timely, and complete, containing no false records, misleading statements, or material omissions, thereby ensuring the accuracy, reliability, and usefulness of the disclosed information.

## **6. Investor Relations Management**

In 2024, the Company proactively facilitated information communication among regulatory authorities, shareholders, securities service institutions, and media organizations. Through various engagement initiatives including earnings briefings, investor conferences, investor research receptions, SSE E-Interaction platform

exchanges, and telephone consultations, the Company enhanced investors' understanding and recognition of its operations. These efforts effectively communicated corporate development updates and strengthened mutually beneficial interactions between the Company and its investor community.

### III. KEY FOCUS AREAS FOR THE BOARD OF DIRECTORS IN 2025

In 2025, the Company's Board of Directors will continue to prioritize all shareholders' interests while rigorously pursuing established production and operational objectives. The Board will strengthen its central governance role through diligent daily operations, scientifically sound decision-making on major issues, and steadfast implementation of medium-to-long-term development strategies to ensure the Company's sustained, rapid, and coordinated advancement.

#### 1. Oversee 2025 Business Plan Implementation and Annual Target Achievement

In 2025, the Board of Directors of the Company will procure the management of the Company to implement the established business indicators. By focusing on the production and operation plan objectives formulated by the Company and implementing various assessment and management mechanisms, the Board of Directors will ensure the achievement of the Company's business indicators, organize the production coordination, organizational coordination and management coordination across the entire company, in a view to promote the Company's sustained, rapid and coordinated development, maximize operational effectiveness, and continuously improve the Company's sustainable development capabilities and level.

#### 2. Enhance Standardized Corporate Governance

The Company will continue to strictly comply with the requirements of the Company Law, the Securities Law, the Shanghai Stock Exchange Listing Rules, and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as well as other applicable laws and regulations, and diligently organize and convene board meetings and shareholders' meetings to ensure full compliance, actively implement all Board resolutions, and rigorously execute shareholders' meeting resolutions to enhance corporate governance capabilities. The Company will strengthen the development of the four Board committees, namely Nomination Committee, Strategy Committee, Audit Committee, and Remuneration and Evaluation Committee, to better fulfill their respective functions. The independent directors will play a more prominent role through the special meeting mechanism for independent directors, thereby promoting standardized operations and healthy corporate development. The Company will carefully plan business strategies and major initiatives, including the implementation of equity incentive schemes. Additionally, the Company will enhance director training programs to improve the standardization and effectiveness of Board operations.

### **3. Enhance Information Disclosure Transparency**

The Board of Directors of the Company will continue to ensure timely and accurate information disclosure in compliance with regulatory requirements. This includes the proper preparation and release of periodic reports and interim reports, guaranteeing all disclosed information is truthful, accurate, and complete. The Board of Directors is committed to continuously improving the quality of our disclosures and enhancing the transparency of our standardized operations. The Board of Directors of the Company will rigorously implement the relevant provisions of the Administrative Measures for Information Disclosure of Listed Companies, adhering to the principles of fairness, openness, and good faith to ensure all material information will be disclosed promptly.

### **4. Steadily Advance Fundraising Projects and Properly Utilizing Raised Funds**

The Company will adopt a proper and prudent approach to fund allocation and utilization, ensuring the orderly advancement of fundraising projects according to plan. We will rigorously implement corporate development strategies to promote sustainable growth while further strengthening the management of raised funds, including their custody, administration, and deployment, to maximize capital efficiency.

### **5. Effectively Safeguard Investors' Legitimate Rights and Interests**

The Company places high priority on investor relations management, implementing innovative strategies across all dimensions to manage and safeguard investor relations. Through diversified channels including earnings briefings, institutional investor meetings, dedicated hotlines, and E-interactive platforms, we maintain proactive communication with our investors. Taking into account of the needs of the Company to communicate with investors, we establish multiple bridges between the capital markets and the Company and ensure open and diversified communication channels to effectively convey corporate value and enhance our capital market reputation.

In 2025, the Board of Directors of the Company will rigorously observe all relevant laws, regulations and normative documents in its operations. This includes properly conducting the Board of Directors' and Shareholders' Meetings that fully comply with legal procedures, faithfully executing all Shareholders' Meeting resolutions, and proactively implementing decisions made by the Board.

Board of Directors of Jiangsu Lopal Tech. Co., Ltd.

28 March 2025

**JIANGSU LOPAL TECH. CO., LTD.**  
**WORK REPORT OF THE BOARD OF SUPERVISORS**  
**FOR THE YEAR 2024**

In 2024, the Board of Supervisors of the Company strictly performed its supervisory duties in accordance with the Company Law, the Securities Law, the Articles of Association, and the Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Standardized Operations, among other relevant regulations. Upholding the principle of being accountable to the Company and all shareholders, the Committee diligently exercised its oversight functions. The Board of Supervisors effectively monitored the Company's financial status, major decision-making processes, and the performance of the Board of Directors and management team, actively safeguarding the interests of all shareholders. The following outlines the key activities of the Board of Supervisors in 2024:

**I. WORK REPORT OF THE BOARD OF SUPERVISORS DURING THE REPORTING PERIOD**

**(I) Attendance at Board and Shareholders' Meetings**

During the reporting period, the Board of Supervisors attended all meetings of the Board of Directors and Shareholders' Meetings. Faithfully representing the interests of all shareholders, the Board of Supervisors rigorously performed its oversight duties and independently exercised its statutory authority to conduct comprehensive supervision over the Company's operations and management, ensuring compliance and ethical business practices.

**(II) Meetings of the Board of Supervisors**

The Board of Supervisors convened a total of 11 meetings during the reporting period. The convening and proceedings of all meetings complied with the Company Law, the Articles of Association and the Rules of Procedure for the Board of Supervisors. Details are as followed:

Meeting Date	Meeting Name	Resolutions Reviewed
January 29, 2024	13th Meeting of the Fourth Board of Supervisors	Resolution on Closing Certain Fundraising Investment Projects, Utilizing Surplus Raised Funds for Other Projects, and Extending Deadlines for Certain Projects
March 6, 2024	14th Meeting of the Fourth Board of Supervisors	Resolution on the Acquisition of Shandong Meiduo Technology Company Limited (Involving Related Transactions) and Capital Increase

Meeting Date	Meeting Name	Resolutions Reviewed
March 7, 2024	15th Meeting of the Fourth Board of Supervisors	Resolution on Signing the Supplementary Agreement to the Equity Transfer Agreement for Shandong Meiduo Technology Company Limited
April 25, 2024	16th Meeting of the Fourth Board of Supervisors	<ol style="list-style-type: none"><li>1. Resolution on the 2023 Annual Supervisory Report of the Board of Supervisors</li><li>2. Resolution on the 2023 Annual Report and Summary</li><li>3. Resolution on the 2023 Financial Final Accounts Report</li><li>4. Resolution on the 2024 Financial Budget Report</li><li>5. Resolution on the 2023 Profit Distribution Plan</li><li>6. Resolution on Applying for Comprehensive Credit Facilities from Financial Institutions and Providing Guarantees for Related Financing</li><li>7. Resolution on the Controlling Shareholder and De Facto Controller Providing Guarantees for the Company and Subsidiaries to Secure Comprehensive Credit Facilities from Financial Institutions</li><li>8. Resolution on the Executive Status of 2023 Daily Related Party Transactions and Forecast of 2024 Daily Related Party Transactions</li><li>9. Resolution on the Special Report Regarding the Deposit and Utilization of 2023 Raised Funds</li><li>10. Resolution on the Company's Use of Certain Idle Raised Funds and Self-owned Funds for Cash Management</li><li>11. Resolution on the Company's Use of Certain Idle Raised Funds to Temporarily Supplement Working Capital</li><li>12. Resolution on Using Bank Acceptance Drafts to Pay for Fund-Raising Projects and Replacing with an Equivalent Amount of Raised Funds</li><li>13. Resolution on the 2024 Remuneration Plan for Supervisors</li><li>14. Resolution on the 2023 Internal Control Self-assessment Report</li><li>15. Resolution on 2023 Impairment Provisions</li><li>16. Resolution on Cancellation of Granted but Unexercised Share Options</li><li>17. Resolution on Amendments to Accounting Policies</li><li>18. Resolution on Authorizing the Board of Directors to Issue Shares to Specific Investors via Simplified Procedures (Subject to Shareholder Approval)</li></ol>
April 29, 2024	17th Meeting of the Fourth Board of Supervisors	Resolution on the 2024 First Quarter Report

Meeting Date	Meeting Name	Resolutions Reviewed
June 28, 2024	18th Meeting of the Fourth Board of Supervisors	<ol style="list-style-type: none"> <li>1. Resolution on Closing Certain Fundraising Investment Projects and Permanently Reallocating Surplus Raised Funds to Working Capital</li> <li>2. Resolution on the By-election of Non-Employee Representative Supervisors</li> </ol>
August 15, 2024	19th Meeting of the Fourth Board of Supervisors	<ol style="list-style-type: none"> <li>1. Resolution on the 2024 Interim Report and Summary</li> <li>2. Resolution on the Special Report Regarding the Deposit and Actual Use of Raised Funds for the 2024 Semi-annual Period</li> <li>3. Resolution on Cancelling Granted but Unexercised Share Options</li> </ol>
September 30, 2024	20th Meeting of the Fourth Board of Supervisors	<ol style="list-style-type: none"> <li>1. Resolution on Amending the Rules of Procedure for the Board of Supervisors of Jiangsu Lopal Tech. Co., Ltd. for Post-issuance of Overseas Listed Shares</li> <li>2. Resolution on Amending the Current Rules of Procedure for the Board of Supervisors of Jiangsu Lopal Tech. Co., Ltd.</li> </ol>
October 14, 2024	21st Meeting of the Fourth Board of Supervisors	Resolution on Executing Framework Agreements with Related Persons
October 30, 2024	22nd Meeting of the Fourth Board of Supervisors	Resolution on the Company's 2024 Third Quarter Report
December 9, 2024	23rd Meeting of the Fourth Board of Supervisors	Resolution on Appointment of Overseas Auditor

## II. OVERSIGHT OPINIONS OF THE BOARD OF SUPERVISORS ON RELEVANT MATTERS IN 2024

### 1. The Company's Compliant Operation

In 2024, the Board of Supervisors actively attended all Shareholders' Meetings and Board of Directors' meetings in accordance with applicable laws, regulations and the Articles of Association, exercising comprehensive oversight over meeting procedures, agenda items, decision-making processes, and the Board of Directors' implementation of shareholders' resolutions. The Board of Supervisors confirms that the Board of Directors of the Company's operations were fully compliant with the Company Law and Articles of Association, with all shareholders' resolutions being strictly implemented. Directors and senior executives of the Company duly fulfilled their responsibilities without any violations of laws, regulations or the Articles of Association, nor any acts detrimental to the Company's interests.

## **2. The Company's 2024 Financial Status**

During the reporting period, the Board of Supervisors conducted comprehensive oversight and examination of the Company's financial systems and status, thoroughly reviewing all quarterly, semi-annual, and annual financial reports and related documents. The Board of Supervisors confirms the Company maintained sound financial systems and standardized operations and achieved healthy financial conditions. In 2024, the Company strictly complied with the Accounting Law and Chinese Accounting Standards for Business Enterprises without any regulatory violations. All periodic reports fully satisfied regulatory requirements in preparation procedures, content, and format, truthfully, accurately and completely reflecting the Company's financial position and operating results with no false records, misleading statements, or material omissions. The Board of Supervisors verified no confidentiality breaches or other irregularities occurred during reporting preparation, and endorsed the standard unqualified audit opinion issued by Gongzheng Tianye Certified Public Accountants (Special General Partnership) as providing objective and fair evaluation of the annual financial statements and related matters.

## **3. The Company's Utilization of Raised Fund**

The Board of Supervisors has diligently monitored the Company's utilization of raised fund during the reporting period, and confirmed that the Company has strictly complied with the provisions of the Shanghai Stock Exchange Listing Rules and the Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Standardized Operations in its utilization of raised funds. All related information disclosures were made in a timely, truthful, accurate, and complete manner, with no violations of fundraising regulations identified.

## **4. The Company's Equity Incentives**

The Board of Supervisors confirms that the matters of share option incentives during the reporting period, including the cancellation of granted but not exercised options from the 2020 and 2023 plans and the autonomous exercise of vested 2020 options, complied with all provisions of the 2020 Share Option Incentive Plan (Draft), 2023 Share Option Incentive Plan (Draft) and the Articles of Association, with all deliberation procedures following legal and regulatory requirements.

## **5. The Company's Related (Connected) Transactions**

The Board of Supervisors has conducted rigorous examination of the Company's related (connected) transactions during the reporting period, and confirmed that all deliberation and voting procedures of related (connected) transactions in the Company's business course have strictly complied with relevant requirements of the Articles of Association and the Connected Transactions Management Policy, adhering to the principles of fairness, justice and transparency. The Company has properly executed all required approval processes and made timely disclosures in accordance with the regulatory requirements of the China Securities Regulatory Commission, the

Shanghai Stock Exchange, and the Hong Kong Exchanges and Clearing Limited (hereinafter referred to as “HKEX”). All transactions were conducted at arm’s length with compliant procedures. There was no prejudice to the interests of the Company and other shareholders, and no transfer of interests to related (connected) parties

#### **6. The Company’s External Guarantees**

The Board of Supervisors has conducted a comprehensive review of the Company’s external guarantee activities in 2024 during the reporting period, and confirms that all external guarantee matters were properly deliberated and disclosed in strict compliance with the Company Law and the Articles of Association, with no instances of non-compliant guarantees identified. Furthermore, there is no occurrence of fund appropriation by controlling shareholders or their related parties.

#### **7. The Company’s Capital Market Activities**

The Company resubmitted its application for listing on the Main Board of the HKEX (hereinafter referred to as the “Offering Listing”) on April 29, 2024. On the same day, the application information for the Offering Listing was published on the website of the HKEX. On October 10, 2024, the Listing Committee of the HKEX held a listing hearing to consider the Company’s application for the Offering Listing. Subject to the approval of the HKEX, the 100,000,000 H shares of the Company will be listed and traded on the Main Board of the HKEX on October 30, 2024. The Board of Supervisors considers that the Company’s issue of overseas listed shares and listing on the Main Board of the HKEX is in accordance with the relevant provisions of relevant laws, regulations and normative documents, and there is no harm to the interests of the Company and its shareholders, especially minority shareholders.

#### **8. The Company’s Internal Control**

The Company has developed and maintained an effective internal control system during the reporting period in line with practical operation and management needs, strictly following the Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Standardized Operations and other laws and regulations. The Company has set up a relatively perfect internal organizational structure, and its internal control system conforms to the requirements of relevant national laws and regulations and the actual needs of the Company, which plays a better role in risk prevention and control for the Company’s operation and management.

#### **9. The Company’s Information Disclosure Management**

During the reporting period, the Board of Supervisors checked the establishment and implementation of the Company’s information disclosure system and the management system of insiders. The Board of Supervisors believes that the Company has established and strictly implemented the information disclosure system and the insider information registration management system in accordance with the requirements of laws and regulations, strictly standardized the information

transmission process during the reporting period, and disclosed the information truthfully, accurately, timely and completely in accordance with the requirements of the system. The Company shall record the insider of the Company. The Company's directors, supervisors and senior management personnel and other relevant insiders strictly abide by the insider information management system, and no insider information trading of the Company's shares and derivatives occurred during the reporting period. The Company and related personnel have not been subjected to regulatory measures or administrative penalties by the regulatory authorities due to the implementation of the insider information registration management system or suspected insider trading.

### **III. WORK PLAN OF THE BOARD OF SUPERVISORS FOR 2025**

In 2025, the Board of Supervisors of the Company will continue to strictly implement the Company Law, the Articles of Association, the Rules of Procedure for the Board of Supervisors, and relevant national laws and regulations. We will enhance our professional knowledge, summarize and refine working methodologies, and improve oversight capabilities to better fulfill our supervisory responsibilities. With a focus on risk prevention and compliance management as fundamental principles, we will conscientiously fulfill the duties and responsibilities of the Board of Supervisors, place emphasis on investigation and research, and strengthen inspections and supervision of key areas including periodic financial reporting, related (connected) transactions, and the use of raised funds to effectively prevent and mitigate risks, thereby promoting the Company's stable operations and high-quality development while better safeguarding the legitimate rights and interests of all shareholders.

The board of supervisors of Jiangsu Lopal Tech. Co., Ltd.

March 28, 2025

**JIANGSU LOPAL TECH. CO., LTD.**  
**FINAL FINANCIAL REPORT FOR THE YEAR 2024**

In 2024, the Company maintained normal operations owing to the unremitting efforts of the Company's management and all employees under the leadership of the board of directors. The annual financial report of the Company for 2024 prepared in accordance with the PRC Accounting Standards for Business Enterprises ("ASBEs") has been audited by Gongzheng Tianye Certified Public Accountants (Special General Partnership), which has issued a standard unqualified audit report. The statements of the Company have been prepared in accordance with the requirements of ASBEs in all material respects and can give a fair view of the consolidated statements of the Company and the financial position of the parent company as at December 31, 2024. Particulars on the final account for 2024 are presented as below:

**I. SIGNIFICANT ACCOUNTING DATA AND KEY FINANCIAL INDICATORS OF THE COMPANY**

Unit: RMB10,000

Significant accounting data	2024	2023	Increase/ Decrease (%)
Total assets	1,580,896.75	1,722,682.66	-8.23
Net assets attributable to shareholders of the listed company	308,024.94	345,217.41	-10.77
Operating revenue	767,305.11	872,947.86	-12.10
Net profit attributable to shareholders of the listed company	-63,566.81	-123,332.35	N/A
Net profit after deducting non-recurring profit or loss attributable to shareholders of the listed company	-68,793.53	-123,987.25	N/A
Net cash flows from operating activities	81,946.38	88,562.58	-7.47
Weighted average return on equity (%)	-21.52	-30.24	N/A
Basic earnings per share (RMB/share)	-1.10	-2.18	N/A
Diluted earnings per share (RMB/share)	-1.09	-2.19	N/A

## II. SIGNIFICANT DATA FOR 2024 FINAL ACCOUNT

## (I) Operating revenue and profit

Unit: RMB10,000

Item	Amount for the period	Amount for previous period	Increase/ Decrease (%)
I. Total operating revenue	767,305.11	872,947.86	-12.10
Include: Operating revenue	767,305.11	872,947.86	-12.10
II. Total operating costs	827,455.01	993,048.88	-16.68
Include: Operating costs	696,163.65	874,060.77	-20.35
III. Operating profit ("—" denotes loss)	-73,345.43	-183,353.48	N/A
IV. Total profit ("—" denotes loss)	-72,311.67	-183,060.14	N/A
V. Net profit ("—" denotes net loss)	-79,899.61	-151,423.35	N/A
Include: Net profit attributable to owners of the parent company	-63,566.81	-123,332.35	N/A

In 2024, the Company realized operating revenue of RMB7,673,051,100, a decrease of -12.10% as compared to 2023, and achieved net profit of -RMB798,996,100, a decrease of 47.23% as compared to 2023.

## (II) Expenses for the period

Unit: RMB10,000

Item	2024	2023	Increase/ Decrease (%)
Selling expenses	16,376.41	19,653.70	-16.68
Administrative expenses	37,056.99	24,972.75	48.39
Research and development expenses	48,391.92	48,572.42	-0.37
Financial expenses	25,393.23	21,154.04	20.04

In 2024, administrative expenses of the Company increased by 48.39% as compared to 2023, primarily due to increases in staff payrolls, amortization of intangible assets and depreciation of fixed assets.

**(III) Assets and liabilities**

Unit: RMB10,000

Assets	2024	2023	Increase/ decrease (%)
Monetary funds	276,466.51	330,932.86	-16.46
Financial assets held for trading	50,536.40	5,952.65	748.97
Derivative financial assets	6.4	95.01	-93.26
Bills receivable	2,133.47	14,723.25	-85.51
Trade receivable	143,504.72	217,491.45	-34.02
Financing receivables	29,675.23	33,188.97	-10.59
Prepayments	28,230.36	15,272.74	84.84
Other receivables	8,925.10	8,547.58	4.42
Inventories	139,191.83	161,023.78	-13.56
Other current assets	<u>37,906.24</u>	<u>51,501.37</u>	<u>-26.40</u>
<b>Total current assets</b>	<b><u>716,576.28</u></b>	<b><u>838,729.67</u></b>	<b><u>-14.56</u></b>
Long-term equity investments	4,765.94	7,449.03	-36.02
Investment in other equity instruments	14,145.00	14,145.00	0.00
Fixed assets	593,400.20	366,711.35	61.82
Construction in progress	57,454.93	257,761.20	-77.71
Right-of-use assets	84,523.40	92,054.79	-8.18
Intangible assets	40,464.78	43,386.27	-6.73
Goodwill	21,417.31	28,982.57	-26.10
Long-term deferred expenses	11,627.22	12,138.46	-4.21
Deferred income tax assets	34,433.25	39,269.07	-12.31
Other non-current assets	<u>2,088.45</u>	<u>22,055.28</u>	<u>-90.53</u>
<b>Total non-current assets</b>	<b><u>864,320.48</u></b>	<b><u>883,952.99</u></b>	<b><u>-2.22</u></b>
<b>Total assets</b>	<b><u>1,580,896.75</u></b>	<b><u>1,722,682.66</u></b>	<b><u>-8.23</u></b>

	2024	2023	Increase/ decrease (%)
Short-term borrowings	398,575.12	506,750.94	-21.35
Derivative financial liabilities	87.83	406.17	-78.38
Bills payable	8,999.23	59,063.54	-84.76
Trade payables	170,176.13	220,248.53	-22.73
Contract liabilities	9,229.02	2,194.01	320.65
Payroll payable	6,179.57	5,418.62	14.04
Taxes payable	1,692.57	2,104.80	-19.59
Other payables	5,137.72	3,444.87	49.14
Non-current liabilities due within one year	253,066.19	163,321.87	54.95
Other current liabilities	<u>1,180.53</u>	<u>292.83</u>	<u>303.14</u>
<b>Total current liabilities</b>	<b><u>854,323.91</u></b>	<b><u>963,246.19</u></b>	<b><u>-11.31</u></b>
Long-term borrowings	220,401.47	206,946.90	6.50
Lease liabilities	75,736.59	78,119.86	-3.05
Long-term payables	19,309.79	1,421.93	1,258.00
Deferred income	17,112.89	8,833.66	93.72
Deferred income tax liabilities	664.62	882.56	-24.69
Other non-current liabilities	<u>0</u>	<u>45,125.00</u>	<u>-100.00</u>
<b>Total non-current liabilities</b>	<b><u>333,225.35</u></b>	<b><u>341,329.90</u></b>	<b><u>-2.37</u></b>
<b>Total liabilities</b>	<b><u>1,187,549.26</u></b>	<b><u>1,304,576.08</u></b>	<b><u>-8.97</u></b>

**(IV) Cash flows**

Unit: RMB10,000

Items	2024	2023	Increase/ decrease (%)
Cash and cash equivalents at beginning of period	295,860.29	152,937.31	93.45
Net cash flows generated from operating activities	81,946.38	88,562.58	-7.47
Net cash flows from investing activities	-102,095.21	-214,075.52	N/A
Net cash flows from financing activities	-25,006.65	267,139.92	-109.36
Effect of fluctuation in exchange rate on cash and cash equivalents	41.51	1,296.00	-96.80
Cash and cash equivalents at end of period	250,746.32	295,860.29	-15.25

Board of Directors of Jiangsu Lopal Tech. Co., Ltd.

March 28, 2025

Jiangsu Lopal Tech. Co., Ltd. (hereinafter referred to as “Lopal Tech” or the “Company”) has prepared the Company’s financial budget for the year 2025 according to the business objectives determined by the Company’s production and operation development plan for 2025. The details of which are as follows:

### **I. EXPLANATION FOR PREPARATION OF BUDGET**

This budget report is prepared based on the principle of prudence, together with market needs and the business expansion plan, based on the Company’s actual expenses in 2024, according to the requirements of consolidated statements and based on the production and operation plan for 2025, covering the expected production volume, sales volume and product types, as well as the expected sales prices.

### **II. BASIC ASSUMPTIONS FOR PREPARATION OF BUDGET**

1. No material changes in the applicable current national and local laws, regulations and rules to which the Company complies;
2. No material changes in social and economic environment of the place of principal operations of the Company and relevant regions of businesses;
3. No material changes in the Company’s industry circumstances and market conditions;
4. No material changes in the relevant market of products by the Company in 2025;
5. No material changes in the market price and supply and demand of the Company’s key products and raw materials;
6. No adverse impacts will arise from material changes in objective factors including transportation, telecommunication, severe shortage in water and electricity and raw materials which will affect production and operation of the Company in 2025;
7. Fluctuation of the credit interest rate, taxation policy and foreign exchange market regarding production and operation of the Company are within normal scope;
8. No material changes in the existing production organization structure of the Company and completion and commencement for production of the planned investment projects will take place on schedule;
9. Material adverse impacts on the Company due to other force majeure and unpredictable factors.

**III. BASIS FOR PREPARATION OF BUDGET**

1. The financial budget is prepared based on the requirements of the new Accounting Standards for Business Enterprises and the relevant guidelines for the operating activities of the enterprise;
2. Expenses for the year 2025 are budgeted based on the actual expenditures in 2024 and the expected changes in business volume for 2025;
3. The financial budget covers Lopal Tech and its subsidiaries within the scope of consolidated statements.

**IV. PRINCIPAL BUDGET TARGETS**

1. Steadily advance the Company's vertical integration strategy, leverage synergies across the industry chain, and enhance the Company's overall competitiveness.
2. Continuously improve operational management, optimise the management structure, implement lean production management, enhance product quality and capacity utilisation, and strive to reduce costs and improve efficiency.
3. Actively explore overseas markets, seize market opportunities, and enhance the Company's marketing network.
4. Place emphasis on research and development investment, stay abreast of industry technological developments, and enhance product core competitiveness.
5. Proactively expand financing channels, further reduce interest-bearing liabilities, and optimise the Company's asset-liability structure.

**V. RISK WARNING**

The budget targets do not constitute a direct or indirect warranty or guarantee by the Company that it will achieve its profitability in 2025. The achievement of such targets is subject to a number of factors, including changes in domestic and international market conditions, market demand, and the joint efforts of the Company's management and all employees. As such, material uncertainties exist. Investors are advised to make prudent investment decisions and to be aware of investment risks.

In accordance with the *Administration Measures for Securities Issuance Registration of Listed Companies* (hereinafter referred to as the “Registration Management Measures”) issued by the China Securities Regulatory Commission (CSRC) and other relevant regulations, the Board of Directors the Company proposes that the Board of Directors will be authorized by the general meeting to issue shares to specific targets with a total financing amount not exceeding RMB300 million and not exceeding 20% of the net assets at the end of the most recent financial year, for an authorization period from the date of its approval at the Company’s 2024 annual general meeting until the date of the Company’s 2025 annual general meeting. The authorization is detailed as follows:

## I. SPECIFIC DETAILS

### 1. Confirmation of Eligibility for Simplified Procedure by the Company for Issuing Shares to Specific Targets

The Board of Directors, in accordance with the *Company Law of the People’s Republic of China*, the *Securities Law of the People’s Republic of China*, the *Administration Measures for Securities Issuance Registration of Listed Companies*, and other laws, regulations, and normative documents, as well as the Articles of Association, will be authorized to conduct a self-examination and verification based on the Company’s actual situation and relevant matters to confirm whether the Company meets the conditions for issuing shares to specific targets through a simplified procedure.

### 2. Type, Quantity, and Par Value of the Issued Shares

The type of shares to be issued to specific targets will be domestic listed RMB ordinary shares (A Shares), with a par value of RMB1.00 each. The total financing amount from the share issuance will not exceed RMB300 million nor exceed 20% of the net assets at the end of the most recent financial year. The number of shares issued will be determined by dividing the total raised funds by the issuance price, which will not exceed 20% of the total number of A Shares in issue at the time the annual general meeting deliberates on this matter. The final issuance price and number of shares will be subject to the inquiry results and the quantity approved for registration by the CSRC.

### 3. Issuance Method, Targets, and Arrangement for Placing to Original Shareholders

The share issuance will be conducted through a simplified procedure for specific targets. The targets will include legal persons, natural persons, or other legal investment organizations that comply with the regulations set by the regulatory authorities, with a total of no more than 35 specific targets. These include securities investment fund management companies, securities companies, trust companies, financial companies, insurance institution investors, qualified foreign institutional investors, and other legal persons, natural person or institutional investors that meet the conditions prescribed by laws and regulations, all of which will meet the conditions as prescribed by the CSRC. Securities investment fund management companies,

securities companies, qualified foreign institutional investors, and RMB qualified foreign institutional investors that subscribe with more than two products under their management will be treated as a single issuance target. Trust companies as issuance targets may only subscribe with their own funds. The final issuance targets will be determined by the Board of Directors of the Company based on the subscription quotes and negotiations with the sponsor (lead underwriter) in accordance with the authorization of the general meeting. All issuance targets will subscribe to the shares with cash.

#### **4. Pricing Benchmark Date, Pricing Principles and Issuance Price**

The pricing benchmark date of the share issuance shall be the first day of the issuance period, and the price shall be not less than 80% of the average price of the shares traded in the 20 trading days prior to the pricing benchmark date (calculated as follows: average price of the shares traded in the 20 trading days prior to the pricing benchmark date = the total amount of the shares traded in the 20 trading days prior to the pricing benchmark date/the total volume of the shares traded in the 20 trading days prior to the pricing benchmark date);

The final issuance price will be determined by the Board in consultation with the sponsor (lead underwriter) based on the results of the subscription quotation and in accordance with the authorization of the general meeting. If any ex-dividend or ex-rights events occurs to the shares of the Company such as dividend distribution, bonus shares or capitalization of capital reserve during the period from the pricing benchmark date to the issuance date, the issuance price of the issuance will be adjusted accordingly.

#### **5. Arrangement for Lock-up Period**

Shares to be issued to specific targets may not be transferred within 6 months from the date of the closing of the issuance. In the event that the issuance targets fall under the circumstances set forth in paragraph 2 of article 57 of the Administration Measures for Securities Issuance Registration of Listed Companies, the shares subscribed by them shall not be transferred within 18 months from the date of the closing of the issuance. If shares acquired by the issuance targets from the listed company's issuance of shares to specific targets derive extra shares due to distribution of dividends or capitalization of capital reserve by the listed company, such extra shares shall also be subject to the aforesaid share lock-up arrangement. The authorization given to the Board to issue shares to specific targets will not lead to a change in the control of the Company.

**6. Use of Proceeds**

The Company intends to use the proceeds for projects related to the Company's principal business and replenishment of working capital. The proportion of the proceeds used for replenishment of working capital shall be in line with the relevant requirement of regulatory authorities. Meanwhile, the use of proceeds shall comply with the following provisions:

- (1) in line with national industrial policy and relevant environmental protection, land management and other laws and administrative regulations;
- (2) the proceeds shall not be used for financial investment, and shall not be directly or indirectly invested in the companies of which main business is to buy and sell marketable securities;
- (3) after the implementation of the fund-raising project, there will be no new inter-industry competition or unfair connected transactions with controlling shareholders, de facto controllers and other enterprises under their control, which will constitute a material adverse effect, or will seriously affect the independence of the Company's production and operation.

**7. Arrangement for Pre-issuance Roll-over Profits**

After the share issuance, the undistributed profits of the Company rolled over before the issuance will be shared between the new and existing shareholders of the Company in proportion to the shares to be held after the issuance.

**8. Place of Listing**

The shares issued will be listed and traded on the Main Board of the Shanghai Stock Exchange.

**9. Validity Period of the Resolution**

The resolution is valid from the date of its approval at the Company's 2024 annual general meeting until the date of the Company's 2025 annual general meeting.

**II. AUTHORIZATION TO THE BOARD TO DEAL WITH SPECIFIC MATTERS OF  
THE ISSUANCE**

To authorize the Board, subject to compliance with the resolution and relevant laws and regulations, to have full authority to handle all matters relating to the issuance of shares to specific targets by simplified procedure, including but not limited to:

1. formulating, adjusting and implementing the issuance plan in accordance with the relevant laws, regulations, normative documents or provisions or requirements of the securities regulatory authorities, and in the light of the actual situation of the Company, including but not limited to, the time of implementation of the issuance, the number of shares to be issued, the price of the issuance, the targets of the issuance, the specific subscription methods, the subscription ratio, the size of the funds to be raised, and other matters relating to the issuance plan;
2. handling matters relating to the construction of the fund-raising investment projects and the use of the proceeds from the issuance, and making adjustments to the fund-raising investment projects and their specific arrangements in accordance with relevant laws, regulations, normative documents and resolutions approved by the general meeting, and taking into account the securities market and the implementation of the fund-raising investment projects, the actual progress, the amount of actual proceeds raised and other actual circumstances;
3. handling reporting matters related to the issuance, including but not limited to making, amending, signing, submitting, supplementing the submission, implementing and announcement of materials related to the issuance in accordance with the requirements of regulatory authorities, responding to feedback from relevant regulatory authorities, and handling information disclosure matters related to the issuance in accordance with regulatory requirements;
4. signing, amending, supplementing, submitting, presenting and implementing all agreements relating to the issuance, including but not limited to the share subscription agreement, material contracts and important documents relating to the fund-raising;
5. establishing a special account for the proceeds of the issuance to handle matters relating to the use of the proceeds;
6. in accordance with relevant laws, regulations, regulatory requirements and issuance conditions, handling the registration or filing of industrial and commercial changes involved in the alteration of registered capital and the Articles of Association;

7. handling the registration, lock-up and listing of the additional shares on the Shanghai Stock Exchange and the Shanghai Branch of China Securities Depository and Clearing Corporation Limited after the completion of the issuance, and other related matters;
8. If there are new regulations or policies in the laws, regulations and normative documents related to the issuance, market changes or the securities regulatory authorities have other specific requirements, adjusting the specific plans for the issuance correspondingly according to the new regulations and requirements;
9. appointing the sponsor (lead underwriter) and other intermediaries and handling other matters related thereto;
10. In the event of force majeure or other circumstances sufficient to make the issuance difficult to implement, or in the event of possible implementation, it will bring adverse consequences to the Company, postponing or early terminating the implementation of the issuance plan at its discretion;
11. handling other matters relating to the issuance to the extent permitted by laws, regulations, normative documents and the Articles of Association.

The above resolution has been deliberated and approved by the 34th meeting of the 4th session of the Board and the 26th meeting of the 4th session of the Board of Supervisors.

## **JIANGSU LOPAL TECH. CO., LTD. SHAREHOLDER RETURN PLAN FOR 2025 TO 2027**

In order to further enhance the transparency and operability of the profit distribution policy of Jiangsu Lopal Tech. Co., Ltd. (the “Company”), improve and perfect the profit distribution decision-making and supervision mechanism of the Company, maintain the continuity and stability of the profit distribution policy, protect the legitimate rights and interests of investors, and facilitate investors in forming stable return expectations, the Board of Directors of the Company has formulated a shareholder return plan for 2025 to 2027 based on relevant laws, regulations and normative documents such as *Announcement on Further Implementation of Relevant Matters Concerning Cash Dividend Distribution of Listed Companies* and *No.3 Guideline for Supervision of Listed Companies-Cash Dividend Distribution of Listed Companies (2023 Revision)* issued by China Securities Regulatory Commission, as well as the relevant provisions of the Articles of Association of Jiangsu Lopal Tech. Co., Ltd. (the “Articles of Association”), combined with the actual situation of the Company. Details are as follows:

### **I. FACTORS CONSIDERED IN FORMULATING THIS PLAN**

The Company focuses on strategic goals and sustainable development and establishes a sustainable, stable and scientific return plan and mechanism for investors by comprehensively considering the current and future profit scale, cash flow status, development stage, project investment capital requirements, use of proceeds, bank credit facilities and other external financing environments. This move aims to make systematic arrangements for profit distribution to ensure the continuity and stability of the profit distribution policies.

### **II. PRINCIPLES FOR FORMULATING THIS PLAN**

The Company fully regards reasonable returns to the investment of shareholders as an important matter in formulating the shareholder return plan, while taking into account the actual operating conditions and sustainable development strategy of the Company. It fully considers and listens to the opinions of shareholders (especially minority shareholders and public investors), independent directors and supervisors, and distributes profits actively (including but not limited to giving priority to cash dividends for profit distribution), while maintaining the continuity and stability of the profit distribution policies. The shareholder return plan shall comply with the relevant provisions of the Articles of Association regarding profit distribution and shall not violate the relevant regulations of the China Securities Regulatory Commission and the stock exchange.

### **III. THE PERIOD FOR FORMULATING THIS PLAN AND RELEVANT DECISION MAKING MECHANISM**

1. The Board of Directors of the Company will revise the shareholder return plan timely and reasonably after taking into account the market conditions and policy changes, ensuring its content complies with the relevant laws and regulations and the profit distribution policies as confirmed in the Articles of Association.

2. If there are adjustments to this Plan in the event of any changes in the external operating environment or the Company's own operating conditions, the new shareholder return plan shall comply with the relevant laws and regulations and the requirements of the Articles of Association.
3. The Company shall adjust its shareholder return plan, which shall be formulated by the Board of Directors after thorough consideration of all relevant factors faced by the Company, with the protection of shareholders' rights and interests as the primary objective. The new shareholder return plan shall be submitted to the board of directors and the shareholders' meeting for review and approval.

#### **IV. THE SHAREHOLDER RETURN PLAN FOR 2025 TO 2027**

##### **(I) Principle for profit distribution**

The Company shall fully regard reasonable returns to the investment of investors as an important matter in profit distribution, while taking into account the sustainable development of the Company and maintaining the continuity and stability of the profit distribution policies, which shall comply with the provisions of the relevant laws and regulations and normative documents. The profits distributed by the Company shall not exceed the amount of accumulated distributable profits, shall be in the interest of the Company in the long term and the interests of all shareholders as a whole and in line with the sustainable development of the Company. The Company may distribute interim profit when the relevant conditions are met.

##### **(II) Form of profit distribution**

The Company may distribute profits in the form of cash or shares or a combination of both at the same time or other forms permitted by the laws and regulations. Distribution by way of cash shall be the priority way for profit distribution. The Company may distribute profits by distributing share dividends based on its cash flow position, business growth, net asset per share and other true and reasonable factors.

##### **(III) Intervals of profit distribution**

When satisfying the conditions for cash dividends, the Company will distribute dividends actively by cash. In principle, the Company shall distribute cash dividends once a year. The Board of Directors of the Company may propose to distribute interim cash dividend based on the profitability and capital needs of the Company.

##### **(IV) Conditions for and proportion of cash dividends**

1. Conditions for cash dividends:
  - (1) the distributable profit realized by the Company in the current year is positive;

- (2) the accumulated distributable profit of the Company is positive;
- (3) the Company has sufficient cash flow and the implementation of cash dividends will not affect the Company's subsequent operations on a going concern basis;
- (4) the auditor issued unqualified audit report on the financial report of the Company for the current year.

If the Company suffered a loss in the current year but satisfied conditions (2) to (4) above, the Company may distribute cash dividends if the Board deems necessary upon consideration and approval by more than two-thirds of directors and more than half of independent directors before submission to the general meeting for approval.

When the conditions for cash dividends are met, profit distribution shall be made by way of cash dividends. The Company may not distribute cash dividends if any of the following circumstances occurs:

- (1) its gearing ratio is over 80%;
- (2) the audit report for the most recent year is not an unqualified opinion or is a qualified opinion with a paragraph of material uncertainty related to the going concern;
- (3) the Company's distributable profit in the current year is small and insufficient for distribution.

## 2. Proportion of cash dividends

When the conditions for cash dividends are met, the profit distributed in cash by the Company (including distributed interim cash dividend) shall not be lower than 20% of the distributable profit realized in the current year, if there is uncovered loss for previous years, the profit distributed in cash shall not be lower than 20% of the distributable profit after making-up for losses. Such distribution shall not exceed the amount of the accrued distributable profits and shall in no way prejudice the Company's sustainability of operation. The Company may distribute share dividends while distributing cash dividends as set out above.

The Board should formulate differentiated cash dividend policies for each of the following situations in accordance with the procedure stipulated in the Articles of Association after taking into consideration of all relevant factors such

as characteristics of the industry in which the Company operates, the development stage, business model and profit level, ability to repay debts of the Company and whether there are major capital expenditure arrangements and investor returns:

- (1) if the Company is fully developed and has no major capital expenditure arrangement, cash dividends shall take up a minimum of 80% in profit distribution;
- (2) if the Company is fully developed and has major capital expenditure arrangements, cash dividends shall take up a minimum of 40% in profit distribution;
- (3) if the Company is in a growth stage and has major capital expenditure arrangements, cash dividends shall take up a minimum of 20% in profit distribution.

If it is difficult to define the development stage of the Company, but the Company has major capital expenditure arrangements, the preceding provisions may apply. Major capital expenditure refers to (1) circumstances under which the Company's accumulated expenditure for intended external investment, asset acquisition or equipment procurement in the following 12 months reaches or exceeds 50% of the latest audited net assets of the Company and exceeds RMB50 million; (2) circumstances under which the Company's accumulated expenditure for intended external investment, asset acquisition or equipment procurement in the following 12 months reaches or exceeds 30% of the latest audited total assets of the Company.

#### **(V) Conditions for share dividend distribution**

If the capital size and shareholding structure is reasonable, out of the consideration of giving back to investors and sharing corporate value and from such true and reasonable factors as growth and capital needs of the Company, when the the Company's share value falls within a reasonable level and the Board deems it is in the interest of all shareholders of the Company as a whole to distribute share dividend, the Company may distribute share dividends while distributing cash dividends.

#### **(VI) Decision-making procedures for profit distribution**

The Company's annual profit distribution plan shall be proposed and formulated by the Board based on the provisions of the Articles of Association, its profitability, capital availability and demand. In considering the specific plans for distribution of cash dividends, the Board shall carefully study and deliberate the timing, conditions, minimum ratio, conditions for adjustment and requirements for decision-making procedure and other matters in respect of the Company's distribution of cash dividends, which shall be submitted to the general meeting for consideration upon approval by the Board.

Independent directors shall be entitled to express their independent opinions if they consider that specific plans for cash dividends may jeopardize the interests of the listed company or minority shareholders. If the Board does not adopt or fully adopt the opinion of independent directors, it shall record such opinion and the specific reasons for non-adoption in the resolution of the Board and disclose the same.

In considering the specific plans for distribution of cash dividends at a general meeting, the Company shall fully listen to the opinions and requests from shareholders, especially minority shareholders, and respond to their concerns in a timely manner by actively communicating with them through various channels, including but not limited to communication via telephone, facsimile and email or inviting minority shareholders to attend the meeting, etc..

Where the Company fails to distribute dividends in cash due to the special circumstances, the Company shall disclose in the announcement on Board resolutions and the full text of annual report and make special explanations on the reasons for not declaring the cash dividend or declaring a cash dividend below the stipulated percentage, the accurate usage of the retained profits of the Company, projected investment earnings and other relevant issues, submit such explanations to the general meeting for consideration and disclose the same in those media designated by the Company.

When the Company convenes an annual general meeting to review the annual profit distribution plan, it may deliberate and approve the conditions, and the upper limit of the proportion and the amount of interim cash dividends for the next year. The upper limit of the interim dividends for the next year as deliberated at the annual general meeting shall not exceed the net profit attributable to shareholders of the Company during the corresponding period. According to the resolution of the general meeting, the Board shall formulate a specific interim dividend plan subject to the condition of profit distribution.

#### **(VII) Adjustments to profit distribution policy**

In case of force majeure such as war and natural disaster which has material impact on the production and operation of the Company or there are material internal changes in the Company's operation, the Company may modify its profit distribution policy, however, the modified profit distribution policy shall not be in violation of provisions of relevant laws, administrative regulations, departmental rules and policy documents.

In considering a proposal for formulating or modifying relevant profit distribution policy at a Board meeting, such proposal shall be passed by more than half of all directors before the same is submitted to the general meeting for consideration. In considering a proposal for formulating or modifying relevant profit distribution policy at a general meeting, such proposal shall be passed by more than two-thirds of the voting rights held by shareholders (including their proxies) attending the general meeting.

In considering a proposal for adjusting profit distribution policy at a general meeting, the opinions of public shareholders shall be fully listened to and online voting system shall be provided to shareholders in addition to the voting at on-site meeting.

- V. THIS PLAN SHALL COME INTO EFFECT AS AT THE DATE WHEN IT IS CONSIDERED AND APPROVED BY THE COMPANY'S GENERAL MEETING, AND THE SAME SHALL APPLY WHEN IT IS AMENDED.**

Board of Directors of Jiangsu Lopal Tech. Co., Ltd.

March 29, 2025

**JIANGSU LOPAL TECH. CO., LTD.  
MANAGEMENT RULES FOR THE FUNDS RAISED****CHAPTER I GENERAL PROVISIONS**

**Article 1** In order to regulate the management and use of proceeds by Jiangsu Lopal Tech. Co., Ltd. (the “Company”) and protect the rights and interests of investors, the Company has formulated these measures in accordance with the requirements of relevant laws, regulations and regulatory documents such as the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (the “Listing Rules”), the Regulatory Guidelines for Listed Companies No. 2 — Regulatory Requirements for the Management and Use of Funds Raised by Listed Companies, the Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Standardized Operations and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”), as well as the Articles of Association of Jiangsu Lopal Tech. Co., Ltd. (the “Articles of Association”) and taking into account the actual situation of the Company.

**Article 2** For the purpose of these measures, “proceeds” refer to funds raised by the Company from the public for specific purposes through public offering of securities (including initial public offering of stocks, rights issue, additional offering, issuance of convertible corporate bonds, convertible corporate bonds with warrants, warrants, etc.) and funds raised by the Company from investors through non-public offering of securities, excluding funds raised by the Company through the implementation of stock incentive plans.

**Article 3** The Company shall use the proceeds in accordance with the investment plan for the proceeds as committed in the offering application document and subject to the resolutions as well as consideration and approval at the general meetings and board meetings, and disclose the utilization of proceeds and its impact as required.

**Article 4** The Board shall conduct a sufficient feasibility study of the Proceeds-financed Project to ensure that it has better market prospects and profitability, effective mitigation against investment risks and improvement in the effective yields of the proceeds.

**Article 5** The use of proceeds shall follow the principles of careful planning, practicability, compliant operation, openness and transparency. The Company shall carry out the obligation of disclosure on the usage of the proceeds and make true, accurate and complete disclosure of the actual use of proceeds, so as to faithfully safeguard the investors’ right to know.

**Article 6** The directors, supervisors and senior management of the Company shall be diligent and responsible, urge the Company to regulate the use of proceeds, consciously safeguard the safety of the Company's proceeds, and shall not participate in, assist or condone the Company to alter the use of proceeds without authorization or in disguise.

**Article 7** The general manager shall be responsible for the centralized management of proceeds and Proceeds-financed Projects; the secretary of the Board shall be responsible for information disclosure related to the management, use and change to use of proceeds; and the finance department shall be responsible for the daily management of proceeds, including the opening and management of designated account for proceeds and the deposit, utilization and ledger management of proceeds.

**Article 8** The sponsor engaged by the Company shall, in the period of continuous supervision, bear the responsibility of sponsorship with respect to the management of proceeds of the Company, and perform responsibility of sponsorship and continuous supervision on the management and use of proceeds of the Company according to the requirements of the Administrative Measures on Sponsorship for Securities Issuance and Listing (if applicable).

## CHAPTER II DEPOSIT OF PROCEEDS

**Article 9** The proceeds of the Company shall be deposited in a centralized manner to facilitate supervision.

**Article 10** The proceeds of the Company shall be deposited into a designated account (the "Designated Account for Proceeds") opened under the approval of the Board for centralized management and use. The Designated Account for Proceeds shall not be used for the deposit of funds other than the proceeds or for other purposes. The Company shall prudently select a commercial bank and open the Designated Account for Proceeds.

In the event that the Company conducts two or more fund raising activities, separate Designated Accounts for Proceeds shall be established for each proceeds. The portion of the total amount of proceeds net of the issue expenses (the "Net Proceeds") actually raised by the Company in excess of the proceeds planned to be raised (the "Excess Proceeds") shall also be deposited into the Designated Account for Proceeds for management.

**Article 11** The Company shall, within one month upon receipt of the proceeds, enter into a tripartite supervision agreement (the "Agreement") with the sponsor and the commercial bank in which the proceeds are deposited (the "Commercial Bank"). The Agreement shall include at least the following:

- (1) The Company shall deposit the proceeds into the Designated Account for Proceeds;
- (2) Account number of the Designated Account for Proceeds, the projects financed with the proceeds in such account and the amount deposited;

- (3) In the event that the Company makes a one-off withdrawal or withdrawals in any 12 consecutive months from the Designated Account for Proceeds in an aggregate amount of more than RMB50 million and reaching 20% of the Net Proceeds, the Company shall notify the sponsor in a timely manner;
- (4) The Commercial Bank shall issue a statement of the Designated Account for Proceeds to the Company on a monthly basis, and furnish a copy to the sponsor;
- (5) The sponsor may at any time inquire information on the Designated Account for Proceeds at the Commercial Bank;
- (6) Supervision responsibility of the sponsor, notification and cooperation responsibilities of the Commercial Bank, and methods of the sponsor and the Commercial Bank for supervision of use of proceeds by the Company;
- (7) Liabilities for breach of contract of the Company, the Commercial Bank and the sponsor;
- (8) The Company may terminate the Agreement and cancel the Designated Account for Proceeds if the Commercial Bank fails to timely provide account statements to the sponsor on three occasions, or refuses to cooperate with the sponsor's inquiry or investigation on the Designated Account for Proceeds.

The Company shall report to the Shanghai Stock Exchange for filing within 2 trading days upon the signing of the above agreement and make an announcement. In the event of early termination of the above agreement before expiry, the Company shall sign a new agreement with the relevant parties within two weeks from the date of termination of the agreement, and shall make an announcement in a timely manner.

**Article 12** The Company shall actively supervise the Commercial Bank's compliance with the Agreement. The Company may terminate the Agreement and cancel the Designated Account for Proceeds if the Commercial Bank fails to timely provide account statements to the sponsor on three consecutive occasions, or refuses to cooperate with the sponsor's inquiry or investigation on the Designated Account for Proceeds.

### CHAPTER III USE OF PROCEEDS

**Article 13** The Company shall comply with the following requirements in applying the proceeds:

- (1) The Company shall make specific provisions on the application, approval authority at different levels, decision-making procedures, risk control measures and information disclosure procedures of use of proceeds;
- (2) The Company shall use the proceeds in accordance with the plan for the use of proceeds as committed in the offering application document;

- (3) In the event of any circumstances severely affecting the normal implementation of the plan for the use of proceeds, the Company shall make an announcement in a timely manner;
- (4) Where any of the following circumstances occur to the Proceeds-financed Project, the Company shall review the feasibility and expected return of the Proceeds-financed Project, and decide whether to proceed with the implementation of the project:
  1. where the market environment in relation to the Proceeds-financed Project has undergone material changes;
  2. where the Proceeds-financed Project has been put on hold for over 1 year;
  3. where the latest deadline of the proceeds investment plan has expired and the amount of proceeds invested has not reached 50% of the amount as set out in the relevant plan;
  4. where other abnormal situations occur in relation to the Proceeds-financed Project.

The Company shall disclose the project progress, reasons for abnormality and the adjusted proceeds investment plan (if required) in the latest periodic report.

**Article 14** The Board of the Company shall, as necessary, formulate corresponding plans for the use of proceeds in accordance with the plan for the use of proceeds approved by the shareholders at general meeting of the Company, and shall ensure that the use of proceeds complies with the resolutions of the general meeting.

**Article 15** Capital expenditure for investment in the projects shall follow the review and approval procedures for the use of proceeds in strict compliance with the Company's capital management system. Any expenditure related to the proceeds shall be proposed by the relevant department and, if within the scope of authorization granted by the Board, verified by the finance department. Payment shall only be made with the signatures of the person-in-charge of the project, the Financial Director and the General Manager. Any expenditure which exceeds the authorization granted by the Board shall be filed to the Board for approval.

**Article 16** The use of proceeds shall be implemented in accordance with the planned investment projects and schedules as committed in the offering application document. The Company's project department shall establish a project management system to monitor and supervise the use of funds and project progress, maintain project archives, and provide regular updates on specific work progress and plans. The Company's finance department shall maintain a ledger for the use of proceeds, recording in detail all expenditures and investment activities related to the Proceeds-financed Project.

**Article 17** In the event that the Proceeds-financed Project cannot be completed according to the committed plan (or schedule) due to force majeure, the Company shall disclose the actual circumstances and provide explanations in accordance with relevant regulations in a timely manner.

**Article 18** In principle, the proceeds raised by the Company shall be used for its principal business. The Company shall not conduct the following acts with the proceeds:

- (1) Except for financial enterprises, participate in Proceeds-financed Projects that make financial investments through holding of transactional financial assets and available-for-sale financial assets, lending to others and entrusted assets management, and direct or indirect investment in companies that principally engage in the trading of marketable securities;
- (2) Essentially change the use of proceeds through pledges, entrusted loans or other means;
- (3) Provide the proceeds directly or indirectly to the controlling shareholders, de facto controllers and other related parties for the purpose of obtaining improper gains through the Proceeds-financed Project;
- (4) Other acts in violation of the provisions on the management of proceeds.

**Article 19** Use of the proceeds for any following purposes by the Company shall be subject to the consideration and approval by the Board and the opinions on explicit consent given by the Supervisory Committee and the sponsor or independent financial adviser:

- (1) replacement of the self-raised funds invested in advance in the Proceeds-financed Project with the proceeds;
- (2) use of the proceeds which are temporarily idle for cash management;
- (3) use of the proceeds which are temporarily idle for replenishment of working capital;
- (4) change of the use of proceeds;
- (5) investing the Excess Proceeds in projects under construction and new projects.

In addition, any change to the use of the proceeds shall be subject to the approval of the general meeting.

In respect of any projects involving a connected transaction, asset purchase or external investment, the Company shall follow the review and approval procedures and make disclosures as required by the relevant provisions under, among others, the Shanghai Stock Exchange Listing Rules and the Hong Kong Listing Rules.

**Article 20** The proceeds which are temporarily idle may be used for cash management, and the products they invest in must meet the following conditions:

- (1) It shall be principal-guaranteed products with high security, such as structured deposits and certificates of large amount deposit;
- (2) The investment products shall have high liquidity and shall not affect the normal implementation of the proceeds investment plan;
- (3) The term of the investment products shall not be longer than the term authorized for use by the Company internally by way of resolution and shall not exceed 12 months.

The investment products shall not be pledged and the designated settlement account for the products (if applicable) shall not be used for the deposit of funds other than the proceeds or for any other purposes. To open or cancel a designated settlement account for the products, the Company shall file with the stock exchange and make an announcement in a timely manner.

The Company may only carry out cash management again within the authorized period and limit after the previous proceeds used for the investment products are returned to the Designated Account for Proceeds as scheduled after the maturity of the investment products and an announcement thereon is made.

**Article 21** The investment of idle proceeds in products shall be subject to the consideration and approval by the Board of the Company, with the opinions on explicit consent given by the Supervisory Committee and the sponsor or independent financial adviser. The Company shall, within 2 trading days after the board meeting, announce the following contents:

- (1) basic information on the proceeds, including, among others, the time of raising, the amount and net amount of the proceeds and investment plans;
- (2) information on the use of the proceeds;
- (3) quota and duration of the idle proceeds for investing in products, whether there are any disguised changes in the purposes of the proceeds and the measures for ensuring the smooth progress of projects financed with proceeds;
- (4) income distribution manner, investment scope and safety of the investment products;
- (5) opinions issued by the Supervisory Committee and the sponsor or independent financial adviser.

The Company shall in a timely manner make an announcement of risk reminder and indicate the risk control measures adopted by the Company to guarantee the safety of the funds in the event of material risks, such as if financial conditions of the issuer have deteriorated and product invested has suffered losses.

**Article 22** In respect of any temporal use of the idle proceeds for replenishment of working capital, the Company shall meet the following requirements:

- (1) the use of proceeds shall not be changed in disguised form and the normal progress of the proceeds investment plan shall not be affected;
- (2) the proceeds shall only be applied to production and operation related to the principal business, and shall not be directly or indirectly applied to placing of new shares, subscription or used in stocks and any derivative instruments or convertible corporate bonds, etc.;
- (3) the duration of any single replenishment of working capital may not be in excess of 12 months;
- (4) the amount of any previous use of the proceeds for replenishment of working capital has been replenished by the due date (if applicable).

**Article 23** Any temporal use of the idle proceeds for replenishment of working capital by the Company shall be subject to the consideration and approval by the Board and the opinions on explicit consent given by the Supervisory Committee and the sponsor or independent financial adviser. The Company shall report to the Shanghai Stock Exchange within 2 trading days after the board meeting and make an announcement thereon.

The Company shall replenish the proceeds used for replenishment of working capital to the Designated Account for Proceeds by the due date and shall, within 2 trading days upon receipt of the full proceeds, make an announcement thereon.

**Article 24** The Excess Proceeds may be used for permanent replenishment of working capital or repayment of bank loans, but the aggregated amount used within each 12 months may not exceed 30% of the total amount of proceeds.

**Article 25** The use of the Excess Proceeds for permanent replenishment of working capital and repayment of bank loans shall be subject to the consideration and approval at the general meeting of the Company, with the manner of online voting provided, and the opinions on explicit consent given by the Supervisory Committee and the sponsor or independent financial adviser as well as disclosure. The Company shall undertake not to

make high-risk investment and provide financial assistance to entities other than its controlled subsidiaries, within 12 months after replenishment of working capital, and shall disclose the following information:

- (1) basic information on the proceeds, including, among others, the time of raising, the amount and net amount of the proceeds, the amount of the Excess Proceeds and investment plans;
- (2) information on the use of the proceeds;
- (3) necessity of and detailed plan for the Excess Proceeds used for permanent replenishment of working capital or repayment of bank loans;
- (4) undertaking of not making any high-risk investments or providing financial assistance for others within 12 months after replenishment of working capital;
- (5) impacts on the Company of the use of the Excess Proceeds for permanent replenishment of working capital or repayment of bank loans;
- (6) opinions from the Supervisory Committee and the sponsor or independent financial adviser.

**Article 26** In case the Company has made investment with its self-raised funds into the Proceeds-financed Project prior to receiving the proceeds, the proceeds may be used to replace such investment within 6 months from the receipt thereof. Such replacement shall be subject to consideration and approval by the Board, an assurance report issued by an accounting firm, the opinions on explicit consent given by the Independent Directors, the Supervisory Committee and the sponsor as well as disclosure.

**Article 27** Where the investment projects financed with the proceeds have not been completed within the original deadline and are to be postponed for further implementation, the Company shall timely disclose the specific reasons for the failure to complete as scheduled, explanation on the deposit of the proceeds and their status in accounts, whether there is any circumstance affecting the normal implementation of the plan for the use of proceeds, the estimated completion time, and relevant measures for ensuring the completion on schedule after the postponement. It shall also implement the corresponding decision-making procedures for the postponement of investment projects.

#### CHAPTER IV CHANGES TO USE OF PROCEEDS

**Article 28** The proceeds-financed project shall be consistent with those promised in the Company's application documents for issuance, and the intended use of proceeds shall not be changed arbitrarily. In the event that changes in market conditions necessitate a change to the use of proceeds, the general manager of the Company must first propose a preliminary plan for review by the Board. The change to the project financed by proceeds may only be implemented after approval by the general meeting in accordance with statutory procedures.

**Article 29** The use of proceeds after the changes shall, in principle, be invested in the principal business.

The Company shall conduct a scientific and prudent feasibility study of the proposed new proceeds-financed project, ensuring that the project has favorable market prospects and profitability, effectively mitigating investment risks, and enhancing the efficiency of capital utilization.

**Article 30** The occurrence of the following events in the Company is deemed to be a change in the use of proceeds, which shall be promptly announced upon the consideration and approval by the Board and shall be subject to the deliberation procedures of the general meeting:

- (1) Cancellation or termination of the original proceeds-financed project and implementation of new projects;
- (2) Change of the implementing entity of a proceeds-financed project;
- (3) Change of the way of implementation of a proceeds-financed project;
- (4) Other circumstances recognized as changes to the use of proceeds by the China Securities Regulatory Commission, the Shanghai Stock Exchange or the Hong Kong Stock Exchange.

A change in the implementing entity of a proceeds-financed project between the Company and its wholly-owned subsidiaries, or a change solely involving the implementation location of the project, shall not be deemed a change in the use of proceeds and shall be exempt from general meeting procedures. However, such change shall remain subject to the consideration and approval by the Board, and the reasons for the change in implementing entity or location, along with the sponsor's opinion, shall be promptly disclosed.

When the Company invests the Excess Proceeds in projects under construction and new projects (including acquisition of assets), the investment shall be limited to its principal business. The Company shall apply the relevant requirements regarding the change to use of proceeds to conduct the feasibility study of the investment projects in a scientific and diligent manner, and fulfill the obligation of disclosure in a timely manner.

**Article 31** In respect of the decision to changes to the proceeds-financed project, the Board of Directors of the Company shall promptly make an announcement within 2 trading days after approval by the Board, and disclose the following contents:

- (1) general profile of the original proceeds-financed project and detailed reasons for the proposed changes;
- (2) general profile, feasibility study and risk factors of the new proceeds-financed project;

- (3) investment plan of the new proceeds-financed project;
- (4) statement that any approval from relevant authorities for the new proceeds-financed project has been received or pending (if applicable);
- (5) opinions of the Supervisory Committee and the sponsor or independent financial advisor on the proposed changes to the proceeds-financed project;
- (6) statement that the proposed changes to the proceeds-financed project shall be subject to the consideration of the general meeting;
- (7) other contents required by the Shanghai Stock Exchange.

In respect of any new proceeds-financed project involving a related transaction, asset acquisition or external investment, the Company shall make disclosures required by the relevant rules.

**Article 32** In respect of any changes made to the proceeds-financed project to acquire the assets (including interests) from a controlling shareholder or de-facto controller, the Company shall ensure that, subsequent to the acquisition, competition between competing business is effectively avoided and related transactions are minimized.

**Article 33** In respect of any proposed external transfer or swap of the proceeds-financed project (save for the complete external transfer or swap during the substantial asset restructuring of the Company), the Company shall report to the Shanghai Stock Exchange within 2 trading days after submitting it to the Board for consideration, and announce the following contents:

- (1) specific reasons for the external transfer or swap of the proceeds-financed project;
- (2) amount of proceeds already invested in the proceeds-financed project;
- (3) progress status of and benefits realized from the project;
- (4) general profile, feasibility study and risk factors of the swapped-in project (if applicable);
- (5) pricing basis and benefits of the transfer or swap;
- (6) opinions of the Supervisory Committee and the sponsor or independent financial advisor on the transfer or swap of the proceeds-financed project;
- (7) statement that the transfer or swap of the proceeds-financed project shall be subject to the consideration of the general meeting;
- (8) other contents required by the stock exchange of the place where the Company's stock is listed.

The Company shall closely monitor the receipt and use of the transfer consideration, changes to the ownership title to the swapped-in asset and its continuing operation thereon, and satisfy the respective information disclosure obligations as required.

**Article 34** Where the Company proposes to use remaining proceeds (including interest income) upon completion of an individual proceeds-financed project for the purpose of other proceeds-financed project, the proposal shall be subject to consideration and approval by the Board and the opinions on explicit consent given by the sponsor and the Supervisory Committee. The Company shall promptly make an announcement after approval by the Board.

The remaining proceeds (including interest income) that are less than RMB1 million or 5% of the committed investment amount of such project can be exempted from the procedures in the preceding paragraph and the use of these proceeds shall be disclosed in the annual report.

For any use of the remaining proceeds (including interest income) for any purposes other than the proceeds-financed project (including replenishment of working capital), the Company shall fulfil the relevant procedures and disclosure obligations as required for any changes made to the proceeds-financed project.

**Article 35** Upon completion of all the proceeds-financed projects, any proposed use of the remaining proceeds (including interest income) shall be subject to the consideration and approval of the Board and the opinions on explicit consent given by the sponsor and the Supervisory Committee. The Company shall promptly make an announcement after approval by the Board. Any proposed use of the remaining proceeds (including interest income) in excess of 10% of the net proceeds shall also be subject to approval of the general meeting.

The remaining proceeds (including interest income) that are less than RMB5 million or 5% of the net proceeds can be exempted from the procedures in the preceding paragraph and the use of these proceeds shall be disclosed in the latest annual report.

#### CHAPTER V REPORT ON THE USE OF PROCEEDS

**Article 36** The Board shall continuously monitor the actual management and use of proceeds, and comprehensively check the progress of the proceeds-financed projects and issue a Special Report on the Deposit and Actual Use of the Company's Proceeds (the "Special Report on Proceeds") on the deposit and use of the proceeds semi-annually.

If there is a discrepancy between the actual investment progress and the investment plan of the proceeds-financed project, the Company shall explain the specific reasons in the Special Report on Proceeds. If there is any use of idle proceeds to invest in products in the current period, the Company shall disclose in the Special Report on Proceeds the income for the reporting period, as well as the end-of-period investment shares, contracting parties, product names, terms and other information. During the annual audit, the Company shall engage a certified public accountant firm to issue an assurance report on the deposit and use

of the proceeds. The Company shall submit such report to the Shanghai Stock Exchange when disclosing the annual report and make it publicly available on the website of the Shanghai Stock Exchange.

The Special Report on Proceeds shall be subject to the consideration and approval by the Board and the Supervisory Committee, and shall be promptly announced within 2 trading days after being submitted to the Board for consideration.

**Article 37** The sponsor or independent financial adviser shall conduct on-site investigations into the Company's deposit and use of proceeds at least semi-annually (where applicable).

After the end of each financial year, the sponsor or independent financial adviser shall prepare a special verification report on the Company's deposit and use of proceeds during the year. Such report shall be submitted to the Shanghai Stock Exchange concurrently with the disclosure of the Company's annual report and published on the website of the Shanghai Stock Exchange (where applicable).

After the end of each financial year, the Board of the Company shall disclose in the Special Report on Proceeds the conclusive opinions of the verification report by the sponsor and the assurance report by the accounting firm (where applicable).

**Article 38** The Company's internal audit department shall conduct examinations of the deposit and use of proceeds at least semi-annually and shall promptly report the examination results to the Audit Committee.

Where the Audit Committee identifies any non-compliance in the management of the Company's proceeds, material risks, or failure by the internal audit department to submit the examination report as required in the preceding paragraph, it shall promptly report such matters to the Board. The Board shall, upon receipt of such report, promptly submit the same to the Shanghai Stock Exchange and make an announcement.

## CHAPTER VI ACCOUNTABILITY MECHANISM

**Article 39** The Company shall regulate the use of proceeds, consciously maintain the security of the proceeds of the Company, and shall not change the use of the proceeds without authorization or in a disguised manner. The Company has the right to hold the relevant personnel accountable for unauthorized or disguised changes in the use of proceeds, misappropriation of proceeds for investment in stocks and their derivatives or convertible bonds, or failure to report the use of proceeds in a timely manner in accordance with the provisions of these measures.

**Article 40** Where any relevant personnel accountable violates the provisions of these measures by unlawfully utilizing the Company's proceeds, thereby causing losses to the Company, the Company shall be entitled to claim compensation for such losses in accordance with the law.

**CHAPTER VII SUPPLEMENTARY PROVISIONS**

**Article 41** Any matter not covered in these measures shall follow the relevant laws, regulations and regulatory documents, the requirements of the listing rules of the place where the Company's shares are listed and the Articles of Association.

**Article 42** The Board of the Company is responsible for the interpretation of these measures. In the event of any conflict between these measures and any laws, regulations and regulatory documents subsequently promulgated by the State, the listing rules of the stock exchange where the Company's shares are listed, or the amended Articles of Association duly adopted through proper procedures, the provisions of such national laws, regulations and regulatory documents, listing rules of the stock exchange where the Company's shares are listed and the Articles of Association shall prevail. The Company shall promptly amend these measures accordingly and submit the revisions to the Board and the general meeting of shareholders for consideration and approval.

**Article 43** If any Proceeds-financed Project is implemented by a subsidiary or any other company controlled by the Company, the Company shall ensure such subsidiary or other company comply with these measures.

**Article 44** These measures shall not apply to the use and management of proceeds raised by the Company from the issuance of overseas listed shares. The use of proceeds raised from the issuance of overseas listed shares shall be in accordance with the relevant laws, regulations, regulatory documents of the place where such shares are listed, and as well as the listing rules of the stock exchange.

**Article 45** These measures shall come into effect from the date on which it is considered and approved at the general meeting of shareholders.

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### **Jiangsu Lopal Tech. Co., Ltd.** **江蘇龍蟠科技股份有限公司**

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

**(Stock Code: 2465)**

## NOTICE OF AGM

**NOTICE IS HEREBY GIVEN** that the 2024 annual general meeting (the “AGM”) of Jiangsu Lopal Tech. Co., Ltd. (the “Company”) will be held at 2nd Floor, Large Conference Room, No. 6 Hengtong Avenue, Nanjing Economic and Technological Development Zone, Nanjing, Jiangsu Province, PRC on Wednesday, May 28, 2025 at 2:00 p.m., for the purpose of considering and, if thought fit, approving the following resolutions. Unless the context otherwise indicated, the capitalized terms and expressions used herein shall have the same meanings as those defined in the circular of the Company dated May 6, 2025 (the “Circular”).

### **ORDINARY RESOLUTIONS**

1. To consider and approve the work report of the board of directors of the Company for the year 2024.
2. To consider and approve the work report of the board of supervisors of the Company for the year 2024.
3. To consider and approve the Company's 2024 annual report and summary.
4. To consider and approve the Company's final financial report for the year 2024.
5. To consider and approve the Company's proposed financial budget report for the year 2025.
6. To consider and approve the 2024 profit distribution plan.
7. To consider and approve the report on continuing related party transactions of the Company in 2024 and the estimate of continuing related party transactions for the year 2025.

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## NOTICE OF AGM

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8. To consider and approve the proposed remuneration scheme for directors and senior management of the Company for the year 2025.
9. To consider and approve the proposed remuneration scheme for supervisors of the Company for the year 2025.
10. To consider and approve the work report of independent directors of the Company for the year 2024.
11. To consider and approve the shareholder return plan for 2025 to 2027.
12. To consider and approve the Company's unrecovered losses amounting to one-third of the total paid-up share capital.
13. To consider and approve the revised management manual for the Company's cash proceeds.
14. To consider and approve the appointment of domestic and international auditors for the year 2025.

### SPECIAL RESOLUTIONS

15. To consider and approve the proposed grant of the general mandate under simplified procedure to the board of directors of the Company to issue A Shares, the total number of which shall not exceed 20% of the A Shares in issue as of the date of the passing of this proposed resolution at the AGM, and the total proceeds of which shall not exceed RMB300 million and not exceeding 20% of the net assets at the end of the most recent year during a period from the date of passing this proposed resolution at the AGM until the date of which the next annual general meeting of the Company is held, and to authorize the board of directors of the Company and its delegates to approve, execute and do, or procure to be executed and done, all such documents, deeds and things as it may consider necessary in connection with the general mandate under simplified procedure.
16. To consider and approve the proposed grant of general mandate to the board of directors of the Company to issue, allot and deal with additional H Shares not exceeding 20% of the total number of the H Shares in issue as of the date of passing this proposed resolution for a period from the date of passing of this proposed resolution at the AGM until earliest of (i) the conclusion of the Company's next annual general meeting to be held in 2026; or (ii) the revocation or variation of the general mandate granted to the Board under this resolution passed by the Shareholders at the general meeting of the Company, and to authorize the board of directors of the Company (i) to make amendments to the articles of association of the Company as it thinks fit so as to reflect the new share capital structure upon the issuance or allotment of additional shares of the Company pursuant to the general mandate; and (ii) to execute and implement all such documents, do all such acts and things or take any steps in connection with

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and to give effect to the general mandate to the extent permitted by applicable laws and regulations.

By order of the Board  
**Jiangsu Lopal Tech. Co., Ltd.**  
**SHI Junfeng**  
*Chairman*

Nanjing, PRC, May 6, 2025

*As at the date of this notice, the members of the board of directors of the Company comprises Mr. SHI Junfeng, Mr. LU Zhenya, Mr. QIN Jian, Mr. SHEN Zhiyong and Mr. ZHANG Yi as executive directors; Ms. ZHU Xianglan as non-executive director; Mr. LI Qingwen, Mr. YE Xin, Ms. GENG Chengxuan and Mr. HONG Kam Le as independent non-executive directors.*

*Notes:*

1. The voting at the AGM will be conducted by way of poll.
2. For the purpose of determining the eligibility to attend and vote at the AGM, the register of members of the Company will be closed from May 23, 2025 to May 28, 2025, both days inclusive. During such period, no transfer of the Company's H Shares will be registered. Holders of the H Shares of the Company whose names appear on register of members of H Shares of the Company on May 23, 2025 will be entitled to attend the AGM. In order to be eligible to attend and vote at the AGM, holders of H Shares of the Company whose transfers of Shares have not been registered shall deposit the transfer documents together with the relevant share certificates with the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on May 22, 2025.
3. Each Shareholder entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote on his or her behalf. A proxy needs not be a Shareholder.
4. Special resolution at a general meeting shall be passed by two-thirds or above of the voting rights held by shareholders (including their proxies) attending the general meeting.
5. The form of proxy must be signed by the Shareholder or his/her attorney duly authorized in writing. If the Shareholder is a corporation, the instrument must be either under its common seal or signed by the director or his/her attorney duly authorized. If the instrument is signed by an attorney of the Shareholder, the power of attorney authorizing that attorney to sign or other authorization document must be notarized.
6. In order to be valid, the form of proxy of the holders of H Shares together with the power of attorney or other authorization document (if any) signed by the authorized person or notarially certified power of attorney must be deposited at the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 24 hours before the time appointed for holding the AGM or any adjournment thereof (as the case may be). Completion and return of a form of proxy will not preclude a Shareholder from attending and voting in person at the AGM if he/she so wishes.

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7. The AGM is expected to last for no more than half a day. Shareholders or their proxies attending the meeting are responsible for their own transportation and accommodation expenses. Shareholders or their proxies attending the meeting shall produce their identity documents.
8. All times refer to Hong Kong local time, except as otherwise stated.