Jiangsu Lopal Tech. Group Co., Ltd.

Terms of Reference for the Audit Committee of the Board of Directors

Jiangsu Lopal Tech. Group Co., Ltd.
(Revised in July 2025)

JIANGSU LOPAL TECH. GROUP CO., LTD.

TERMS OF REFERENCE FOR THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to enhance the decision-making function of the board of directors (the "Board") of Jiangsu Lopal Tech. Group Co., Ltd. (the "Company"), perform pre-audit and professional audit, ensure effective supervision over the senior management by the Board and improve the corporate governance structure, the Board has hereby established the audit committee (the "Committee") and formulated these Terms of Reference in accordance with the relevant regulations of the Company Law of the People's Republic of China (the "Company Law"), the Code of Corporate Governance for Listed Companies, the Guidelines No. 1 of the Shanghai Stock Exchange for the Self-regulation of Listed Companies — Standard Operation, the Measures for the Administration of Independent Directors of Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules"), the Articles of Association of Jiangsu Lopal Tech. Group Co., Ltd. (the "Articles of Association") and the Rules of Procedure for the Board of Directors.

Article 2 The Committee is a specialized working body under the Board, which is mainly responsible for the communication, supervision, and verification of internal and external audits of the Company. It exercises the powers and functions of a supervisory committee as stipulated in the Company Law of the People's Republic of China, reports and is accountable to the Board.

CHAPTER 2 COMPOSITION

Article 3 The Committee shall comprise three directors. The members of the Committee shall be directors who do not hold office as senior management in the Company, all of whom shall be non-executive directors, with a majority (i.e. not less than two) of them being independent directors (i.e. independent non-executive directors), and one of the independent directors being an independent non-executive director who has appropriate professional qualifications, or has appropriate accounting or related financial management expertise as required under the Rule 3.10(2) of the Hong Kong Listing Rules.

Article 4 The members of the Committee shall be nominated by the chairperson of the Board, more than one half of independent directors or more than one-third of all directors, and shall be elected by the Board. The appointment of members of the Committee shall comply with the requirements of the listing rules of the place where the Company's shares are listed.

The former partner of the current external audit firm of the Company shall not be a member of the Committee within two years from the following date (whichever is later):

(I) the date on which such former partner ceased to be a partner of the accounting firm; or

(II) the date on which such former partner ceased to enjoy the financial benefits of the accounting firm.

Article 5 The Committee shall have one chairperson (the convener), who shall be an independent director of accounting profession and responsible for presiding over the work of the Committee; the chairperson shall be elected among the members of the Committee and the appointment thereof shall be reported to the Board for approval. Where the chairperson cannot perform his/her duties, another member who is an independent non-executive director shall be appointed to perform duties on his/her behalf. If no such member is appointed by the chairperson, an independent non-executive director shall be elected by more than half of the members of the Committee to act for the chairperson.

Article 6 The term of office of the Committee shall be identical to that of the Board. A member may be re-elected upon the expiration of his/her term of office. If any member ceases to be a director of the Company during his/her term of office, he/she shall be automatically disqualified as a member of the Committee, and the vacancy shall be filled up by the Board in accordance with relevant provisions of relevant laws, regulations, normative documents, the Articles of Association, these Terms of Reference, and the securities regulatory rules of the place where the Company's shares are listed.

Article 7 The Committee shall set up an audit department as a body for daily work, which is responsible for daily work liaison, organization of meeting and other work. The audit department shall conduct internal audit under the guidance and supervision of the Committee.

The secretary to the Board shall take charge of the specific coordination between the Committee and the Board.

CHAPTER 3 DUTIES AND AUTHORITIES

Article 8 The main duties and authorities of the Committee are as follows:

Relationship with the Company's external auditors

(I) to be primarily responsible for making recommendations to the Board on the appointment, re-appointment and removal of the external auditors, approving the remuneration and the terms of engagement of the external auditors, and dealing with any issues related to the resignation or dismissal of such external auditors. Where the Board disagrees with the Audit Committee's view on the selection, appointment, resignation or dismissal of the external auditors, the Company shall include in the corporate governance report a statement from the Audit Committee explaining its recommendation and the reason(s) why the Board has taken a different view;

(II) to review and monitor the external auditors' independence and objectivity and the effectiveness of the audit procedures in accordance with applicable standards, and to discuss with the external auditors the nature and scope of the audit and relevant reporting obligations before the audit commences;

(III) to develop and implement the policy on engaging external auditors to supply non-audit services. For this stipulation, "external auditors" include any entity that is under common control, ownership or management with the audit firm, or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm nationally or internationally. The Committee shall report and make recommendations to the Board on any matters where action or improvement is needed;

Review of the Company's financial information

(IV) to monitor the integrity of the Company's financial statements and annual reports and accounts, half-year reports and, if prepared for publication, quarterly reports, and to review significant opinions on financial reporting contained therein. In reviewing these statements and reports before submission to the Board, the Committee shall focus particularly on:

(i) any changes in accounting policies and practices;

(ii) major judgmental areas;

(iii) significant adjustments resulting from audit;

(iv) the going concern assumptions and any qualifications;

(v) compliance with accounting standards; and

(vi) compliance with the Hong Kong Listing Rules and legal requirements in relation to financial reporting.

(V) regarding (IV) above:

(i) members of the Committee shall liaise with the Board and senior management, and the Committee must meet, at least twice a year, with the Company's external auditors; and

(ii) the Committee shall consider any significant or unusual items that are, or need to be, reflected in such reports and accounts, and shall give due consideration to any matters that have been raised by the Company's staff responsible for accounting and financial reporting, compliance officer or external auditors.

Oversight of the Company's financial reporting system, risk management and internal control systems

(VI) to review the Company's financial controls, and to review, annually, the Company and its subsidiaries' risk management and internal control systems (including without limitation to the procedures for compliance with the requirements of the Hong Kong Listing Rules);

(VII) to discuss the risk management and internal control systems with management to ensure that management has performed its duties to establish effective systems. This discussion shall include the adequacy of resources, staff qualifications, experience, training programs and budget of the Company's accounting and financial reporting function and, if any, the circumstances of any monitoring failures or weaknesses as well as any measures taken to address such failures or weaknesses;

(VIII) to consider major investigation findings on risk management and internal control matters on its own initiative or as delegated by the Board and management's response to these findings;

(IX) where an internal audit function exists, to ensure co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness;

(X) to review the financial and accounting policies and practices of the Company and its subsidiaries;

(XI) to review the external auditors' Explanatory Statement on Audit to management, any material queries raised by the external auditors to management about accounting records, financial accounts or systems of control and management's response;

(XII) to ensure that the Board will provide a timely response to the issues raised in the external auditors' Explanatory Statement on Audit to management;

(XIII) to review arrangements by which employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters. The Committee shall ensure that proper arrangements are in place to allow the Company to carry out fair and independent investigations and take appropriate actions on such matters;

(XIV) to act as the key representative body for overseeing the Company's relations with the external auditors, and be responsible for overseeing the relationship between them;

(XV) to report to the Board on the matters set out herein;

(XVI) to establish a whistleblowing policy and system for employees and those who deal with the Company to raise concerns, in confidence and anonymity, with the Committee about possible improprieties in any matter related to the Company; and

(XVII) to consider other topics as defined by the Board.

Article 9 The Committee shall be accountable to the Board, the resolution of which shall be submitted to the Board for review and approval before implementation.

Article 10 The Committee shall be provided with sufficient resources to perform its duties.

Article 11 The Committee shall make available these Terms of Reference on the websites of The Stock Exchange of Hong Kong Limited and the Company, explaining its role and the authority delegated to it by the Board.

Article 12 The Committee shall hold meetings with the external audit firm of the Company at least twice a year. If the external audit firm of the Company deems necessary, it may request for holding a meeting. However, the Committee shall hold meetings with external and internal auditors at least once a year in the absence of executive directors.

CHAPTER 4 DECISION-MAKING PROCEDURES

Article 13 The Committee is authorized to carry out activities within its terms of reference and has the right to request information it needs from all departments, branches and holding and participating subsidiaries of the Company. The audit department is responsible for making the preliminary preparations for the decision-making by the Committee and for collecting and providing written information on the Company's audits:

(I) relevant financial reports of the Company;

(II) work reports of internal auditors;

(III) external audit contracts and relevant work reports;

(IV) external disclosure of financial information by the Company;

(V) audit reports on material connected transactions of the Company;

(VI) other relevant matters.

Article 14 The meetings of the Committee shall discuss and consider the reports submitted by the audit department, and shall submit its relevant written resolutions to the Board for its discussion, including:

(I) appraisal on the work performance of the external auditors, and the appointment and replacement of the external auditors;

(II) whether the internal audit system of the Company has been effectively implemented and whether the financial reports of the Company are true in all aspects;

(III) whether the information including financial reports disclosed publicly by the Company is objective and true, and whether the material connected transactions of the Company are in compliance with the relevant laws and regulations;

(IV) appraisal on the work performance of the internal finance department and audit department (including the persons-in-charge thereof);

(V) other relevant matters.

Article 15 The following matters shall be submitted to the Board for consideration upon being approved by more than half of all members of the Audit Committee:

(I) disclosure of financial information in financial accounting reports and periodic reports, and internal control evaluation reports;

(II) appointment or dismissal of the accounting firm that undertakes the Company's auditing services;

(III) appointment or dismissal of the listing company's chief financial officer;

(IV) making changes in accounting policies, accounting estimates, or correction of significant accounting errors for reasons other than changes in accounting standards;

(V) other matters as stipulated by the laws, administrative regulations, provisions of the China Securities Regulatory Commission, the listing rules of the place where the Company's shares are listed and the Articles of Association.

CHAPTER 5 RULES OF PROCEDURE

Article 16 Activities of the Committee include regular meetings and extraordinary meetings. The Audit Committee shall meet at least once every quarter. An extraordinary meeting can be convened as proposed by two or more members, or when the convenor deems it necessary.

Article 17 Unless otherwise agreed by all the members of the Committee, the notice of each meeting stating the time, date and place of the meeting shall be given to each member of the Committee and any other person invited to attend the meeting at least three days prior to the date of the meeting. The meetings shall be held with the attendance of at least two-thirds of the members. The meetings shall be presided over by the chairperson of the Committee. If the chairperson is unable to attend a meeting, he/she may

appoint another member to preside over the meeting. In principle, the meetings of the Committee shall be held on-site, however, under the premise of ensuring full communication among and expression of opinions by all participating members of the Committee, the meetings may be held by way of video, telephone or other means in accordance with the procedures if necessary.

Article 18 Agenda and any supporting documents and papers shall be circulated in full to each member of the Committee and any other person invited to attend the meeting at least three days prior to the date of the meeting (or such other period as the members may agree).

Article 19 Independent directors shall attend the meetings of the Committee in person, and if they are unable to attend in person for any reason, they shall review the meeting materials in advance, form clear opinions, and entrust other independent directors in writing to attend on their behalf. When independent directors notice significant matters of the Company within the scope of the duties of the Committee in the course of performing their duties, they may timely submit them to the Committee for discussion and consideration in accordance with the procedures.

Article 20 Each member of the Committee shall have one vote. A resolution of the meeting shall be passed by more than half of all the Committee members. Voting at the meeting of the Committee shall be taken by a show of hands or by poll. Under the premise of ensuring that all participating members can communicate fully and express their opinions, meetings may be conducted and voted via video, telephone or other means in accordance with the procedures where necessary.

Article 21 The members of audit working team may be present at meetings of the Committee. In addition, directors and senior management members of the Company may be invited to be present at such meetings if necessary. If necessary, the Committee may engage intermediary agencies or invite external experts or consultants to provide professional advice for its decision-makings at the expense of the Company.

Article 22 The procedures for convening a meeting, the method of voting and resolutions passed at a meeting of the Committee shall comply with the provisions of the relevant laws, regulations, the Articles of Association, the Hong Kong Listing Rules and these Terms of Reference.

Article 23 The Committee shall keep minutes of its meetings. The opinions of the members attending the meetings shall be set out in the minutes, and the members attending the meetings shall sign on the minutes to confirm the same; the minutes and information of the meetings shall be kept by the secretary to the Board as the Company's files for a period of 10 years. The

secretary to the Board shall ensure full minutes with sufficient details to be made in books to be provided for the purpose of the proceedings of all meetings of the Committee and of the attendances thereat and of all business transacted, resolutions passed and orders made at such meetings. Minutes of meetings of the Committee shall record details of the matters considered and decisions reached, including any concerns raised or dissenting views expressed by directors. Such minutes of meetings of the Committee shall be kept by the secretary to the Board and shall be open for inspection at any reasonable time on reasonable notice by any director.

Article 24 The resolutions passed at meetings of the Committee and the voting results thereof shall be reported to the Board in writing.

Article 25 The members and other relevant persons attending the meeting shall be obliged to keep confidential any of the matters discussed at the meeting, and shall not disclose relevant information without authorization, or take advantage of information coming to their knowledge for insider dealing (whether for their own account or otherwise).

CHAPTER 6 ANNUAL GENERAL MEETING

Article 26 The chairperson of the Committee or in his/her absence, another member of the Committee or failing this, his/her duly appointed delegate, shall attend the annual general meeting and respond to questions at such meeting on the Committee's work and responsibilities.

CHAPTER 7 SUPPLEMENTAL PROVISIONS

Article 27 Unless otherwise explicitly specified by relevant laws, administrative regulations of the PRC and relevant regulatory rules of the place where the Company's shares are listed, the "independent non-executive director(s)" referred to herein shall have the same meaning as that of "independent director(s)".

Article 28 Any matters not covered herein shall be dealt with in accordance with the relevant provisions of relevant laws, regulations and normative documents, securities regulatory rules in the place where the shares of the Company are listed and the Articles of Association. In the event of any inconsistency between these Terms of Reference and the laws, regulations and normative documents, securities regulatory rules in the place where the shares of the Company are listed or the Articles of Association as promulgated from time to time, such matters shall be resolved in accordance with the provisions of relevant national laws,

regulations and normative documents, securities regulatory rules in the place where the shares of the Company are listed and the Articles of Association.

Article 29 These Terms of Reference shall be construed by the Board.

Article 30 Upon consideration and approval by the Board, these Terms of Reference shall come into force and the same shall apply to any amendments hereto. Upon the effectiveness of these Terms of Reference, the original Terms of Reference of the Audit Committee of the Board of Directors of the Company shall be invalidated automatically.