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Jiangsu Lopal Tech. Group Co., Ltd.
江蘇龍蟠科技集團股份有限公司

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

(Stock Code: 2465)

PROPOSED ADOPTION OF THE 2025 SHARE OPTION INCENTIVE SCHEME AND THE PROPOSED GRANT

The Company hereby announces that on October 22, 2025, the Board passed a resolution in respect of the proposed adoption of the 2025 Share Option Incentive Scheme. The 2025 Share Option Incentive Scheme constitutes a share scheme under Chapter 17 of the Listing Rules, and a summary of its terms is set out in this announcement.

PROPOSED ADOPTION OF THE SCHEME AND THE PRINCIPAL TERMS

A summary of the terms of the proposed Scheme and the Proposed Grant thereunder are as follows:

A. Purpose of the Scheme

The purposes of the Scheme are:

1. to establish and improve the interest sharing mechanism between the management and the Shareholders to align the interests of the Company, Shareholders and employees, fostering a shared focus on the Company's long-term development, thereby bringing more efficient and sustainable returns to the Shareholders;

2. to further improve the Company's corporate governance structure and establish a long-term and effective incentive and constraint mechanism to ensure the Company's long-term and stable development; and

3. to effectively motivate the proactivity of management and employees, attract and retain quality management talent and key personnel, prevent loss of talent, and enhance the Company's cohesion and competitiveness.

The Scheme is formulated in accordance with relevant requirements under the Company Law, the Securities Law, the Administrative Measures, other relevant laws and regulations, and the Articles of Association.

B. Source of Shares under the Scheme

The Scheme is a share option incentive scheme. Share Option represents the right to be granted to a Participant by the Company to acquire certain number of Shares at a pre-determined price under certain conditions during a particular period of time.

The subject shares involved in the Scheme are A Shares (being ordinary shares) of the Company, the source of which shall be new A Shares (being ordinary shares) to be issued and placed to the Participants by the Company.

C. Number of the Share Options Proposed to be Granted under the Scheme

6,850,000 Share Options are to be granted to the Participants under the Scheme, representing approximately 1% of the total share capital of the Company as at the date of the A Share Announcement.

Subject to the fulfillment of the Conditions of Exercise, each Share Option entitles the Participant to acquire one A Share of the Company at the Exercise Price during the Exercise Period.

The 2023 Share Option Incentive Scheme of the Company is still under implementation. Upon implementation of the Scheme, the total number of Shares involved in all equity incentive schemes of the Company within their validity period shall not exceed 10% of the total share capital of the Company.

D. Determination and Allocation of Participants of the Scheme

The Participants for the Proposed Grant under the Scheme include the existing executive Directors, senior management, middle management and core technical (business) backbones of the Group. None of the Participants under the Scheme has participated in the share option incentive schemes of two or more listed companies at the same time. The Participants who are director and senior management must be elected by Shareholders' meeting or engaged by the Board. All the Participants must hold positions in and enter into labour contracts or employment agreements or retirement re-employment agreements with the Group at the time of the grant of Share Option(s) by the Company and within the appraisal period of the Scheme. The independent Directors and Shareholders and de facto controllers individually or collectively holding more than 5% of the Shares of the Company (excluding treasury shares) and their spouses, parents and children shall not participate in the Scheme.

The total number of the above Participants is 300 in total, representing approximately 6.96% of the total existing employees of the Group as at the date of this announcement.

The total number of Shares granted to any Participant under all equity incentive schemes within their validity period shall not exceed 1% of the total share capital of the Company.

The allocation of the Proposed Grant is set out in the table below:

Name	Position	Number of Share Options	Approximate percentage of the total Share Options	Approximate proportion to the total share capital of the Company as at the date of this announcement
I. Directors, Senior Management				
Zhang Yi	Executive Director, joint company secretary of the Company and secretary of the Board	80,000	1.17%	0.0117%
Lu Zhenya	Executive Director	70,000	1.02%	0.0102%
Qin Jian	Executive Director, deputy general manager	30,000	0.44%	0.0044%
Subtotal (3 persons)		180,000	2.63%	0.0263%
II. Other Participants				
Middle management and core technical (business) backbones (297 persons)		6,670,000	97.37%	0.9736%
Total (300 persons)		**6,850,000**	**100.00%**	**0.9999%**

The 2023 Share Option Incentive Scheme was approved and adopted by the Shareholders at the extraordinary general meeting held on September 22, 2023 prior to the Company's listing of H Shares on the Hong Kong Stock Exchange, and no options or awards will be granted by our Company pursuant to the 2023 Share Option Incentive Scheme thereafter.

E. Exercise Price of the Share Options and Basis of Determination

The Exercise Price of the Share Options to be granted under the Proposed Grant shall be RMB15.35 per Share, and shall not be lower than the nominal amount of the Shares and not lower than the higher of the following:

1. the average trading price of the A Share (i.e. RMB15.35 per share) on the trading day preceding the date of the A Share Announcement; and

2. the average trading price of the A Share (i.e. RMB14.75 per share) for 120 trading days preceding the date of the A Share Announcement.

During the period between the date of the A Share Announcement and the completion of exercising the Share Options by the Participants, in the event of any issues such as capitalisation issue, distribution of share bonus, sub-division or consolidation of the Shares, rights issue, or declaration of dividends of the Company, the Exercise Price of the Share Options shall be adjusted accordingly.

F. Duration of the Share Options under the Scheme

1. Validity Period

The Validity Period of the Scheme shall be the period from the Date of Grant of a Share Option to the date on which all Share Options are exercised or cancelled, and shall not exceed 48 months from the Date of Grant. Share Options not exercised will lapse after the Validity Period.

2. Date of Grant

The Date of Grant shall be determined by the Board after the Scheme is considered and approved at the general meeting of the Company. The Date of Grant must be a trading day. The Company shall, within 60 days after the Scheme is approved at the general meeting, convene a Board meeting to make the Proposed Grant to the Participants in accordance with the relevant requirements, and complete the registration, announcement(s) and other relevant procedures. If the Company fails to complete the above work within the 60-day period, it shall disclose the reasons for such failure and terminate the implementation of the Scheme in due course, and the Share Options that have not been granted shall lapse.

No Share Option will be granted during the period as restricted by Rule 17.05 of the Listing Rules.

Participants are not required to make any payment for the application or acceptance of the Share Options.

3. Vesting Period

Vesting Period represents the period from the Date of Grant to the Exercise Date of a Share Option. The granted Share Options will be vested in the relevant Participants in two tranches. The Vesting Period of 50% of the granted Share Options is 16 months, and that of the remaining 50% is 28 months.

During the Vesting Period, the Participants shall not exercise the Share Options granted under the Scheme.

4. Exercise Date

After the approval of the Scheme at the Shareholders' meeting, the Share Options granted shall be exercisable after expiry of 16 months commencing from the Date of Grant. The Exercise Date must be a trading day and shall not fall within any of the following periods:

(I) the period commencing from fifteen days prior to the publication of annual reports and interim reports of the Company, or in the event of delay in publishing the annual reports and interim reports for special reasons, fifteen days prior to the original date of publication and up to the day before the publication of annual reports and interim reports;

(II) the period commencing from five days prior to the publication of the announcement of quarterly reports, results forecast and preliminary results of the Company;

(III) the period commencing from the date of occurrence of any significant event which may have significant effect on the trading prices of the Company's securities and their derivatives or the date on which relevant decision-making procedures start and ending on the publication date in accordance with laws; and

(IV) other periods as stipulated by the CSRC, the Shanghai Stock Exchange and the Hong Kong Stock Exchange.

If the relevant laws, administrative regulations and departmental rules have other provisions on the period during which the Exercise is not allowed, the new relevant provisions shall prevail.

On the Exercise Date, upon the fulfilment of the Conditions of Exercise required by the Scheme, the Participants shall exercise the Share Options according to the arrangement set out in the following table:

Exercise Period	Exercise Time	Exercise Proportion
First Exercise Period	Commencing on the first trading day after expiry of 16 months from the Date of Grant and ending on the last trading day of 28 months from the Date of Grant	50%
Second Exercise Period	Commencing on the first trading day after expiry of 28 months from the Date of Grant and ending on the last trading day of 40 months from the Date of Grant	50%

For Share Options that have not been applied for Exercise or cannot be applied for Exercise due to failure to meet the Conditions of Exercise during the Exercise Period, the relevant Share Options shall no longer be exercisable and shall not be deferred to become exercisable in the next Exercise Period, and the Company will cancel such Share Options in accordance with the principles of the Scheme.

The number of individual effective Share Options of Participants shall be adjusted according to the individual comprehensive appraisal and assessment for the year of assessment.

5. Lock-up period

The lock-up period refers to the timeframe during which the Participants are restricted from selling the shares they receive upon Exercise. The lock-up arrangement under the Scheme shall be implemented in accordance with the Company Law, the Securities Law and other relevant laws, regulations and regulatory documents as well as the requirements of the Articles of Association. Specific requirements are as follows:

(I) Where a Participant is a Director or a member of the senior management of the Company, the number of Shares of the Company which may be transferred by the Participant each year during his/her term of office as determined upon his/her appointment shall not exceed 25% of the total number of the Shares of the Company held by him/her. No Shares of the Company held by him/her shall be transferred within six months after his/her termination of office;

(II) Where a Participant is a Director or a member of the senior management of the Company and their spouses, parents or children, and he/she disposes of any Shares of the Company within six months after acquisition or buys back such Shares within six months after disposal, all gains arising therefrom shall be accounted to the Company and the Board will collect all such gains;

(III) shareholding reduction by a Participant shall be in compliance with relevant regulations including the Interim Measures for the Administration of Shareholding Reduction by Shareholders of Listed Companies (上市公司股東減持股份管理暫行辦法) issued by the CSRC and Guidelines No. 15 of Shanghai Stock Exchange for Self-Regulation of Listed Companies — Reduction of Shareholdings by Shareholders, Directors and Senior Management (上海證券交易所上市公司自律監管指引第15號 — 股東及董事、高級管理人員減持股份); and

(IV) if, during the Validity Period of the Scheme, there is any amendment to the requirements regarding transfer of Shares by a Director or a member of the senior management of the Company under the Company Law, the Securities Law and other relevant laws, regulations, regulatory documents and the Articles of Association, then such Participants shall comply with such amended requirements when transferring the Shares of the Company held.

G. Conditions of Grant and Exercise under the Scheme

1. Conditions of Grant of the Share Options

The Share Options may be granted to the Participants by the Company upon satisfaction of all of the following Conditions of Grant, and shall not be granted to the Participants if any of the following Conditions of Grant is not satisfied:

(I) there is no occurrence of any of the following on the part of the Company:

a. issuance of an auditors' report with an adverse opinion or a disclaimer of opinion by certified public accountants in respect of the Company's financial accounting report for the most recent accounting year;

b. issuance of an auditors' report with an adverse opinion or a disclaimer of opinion by certified public accountants in respect of the Company's internal control over financial reporting for the most recent accounting year;

c. circumstances under which, within the most recent 36 months after listing, the Company fails to distribute profits in accordance with relevant laws and regulations, the Articles of Association or any undertaking publicly made;

d. prohibition from implementation of any equity incentives under laws and regulations; or

e. any other circumstances as prescribed by the CSRC; and

(II) there is no occurrence of any of the following on the part of the Participants:

a. the Participant has been deemed as an inappropriate candidate by the Shanghai Stock Exchange in the last 12 months;

b. the Participant has been deemed as an inappropriate candidate by the CSRC or any of its derived agencies in the last 12 months;

c. the Participant has been imposed by the CSRC or any of its derived agencies with administrative penalties or a ban from entry into the securities market due to material breach of laws and regulations in the last 12 months;

d. the Participant is prohibited from acting as a director or a member of the senior management of a company under the Company Law;

e. the Participant is not allowed to participate in any equity incentives of a listed company under laws and regulations; or

f. any other circumstances as prescribed by the CSRC.

2. Conditions of Exercise of the Share Options

In addition to satisfying the Conditions of Grant, the Participants shall also satisfy the following conditions to exercise the Share Options granted:

(I) there is no occurrence of any of the following on the part of the Company:

a. issuance of an auditors' report with an adverse opinion or a disclaimer of opinion by certified public accountants in respect of the Company's financial accounting report for the most recent accounting year;

b. issuance of an auditors' report with an adverse opinion or a disclaimer of opinion by certified public accountants in respect of the Company's internal control over financial reporting for the most recent accounting year;

c. circumstances under which, within the most recent 36 months after listing, the Company fails to distribute profits in accordance with relevant laws and regulations, the Articles of Association or any undertaking publicly made;

d. prohibition from implementation of any equity incentives under laws and regulations; or

e. any other circumstances as prescribed by the CSRC; and

(II) there is no occurrence of any of the following on the part of the Participants:

a. the Participant has been deemed as an inappropriate candidate by the Shanghai Stock Exchange in the last 12 months;

b. the Participant has been deemed as an inappropriate candidate by the CSRC or any of its derived agencies in the last 12 months;

c. the Participant has been imposed by the CSRC or any of its derived agencies with administrative penalties or a ban from entry into the securities market due to material breach of laws and regulations in the last 12 months;

d. the Participant is prohibited from acting as a director or a member of the senior management of a company under the Company Law;

e. the Participant is not allowed to participate in any equity incentives of a listed company under laws and regulations; or

f. any other circumstances as prescribed by the CSRC.

(III) performance targets on company level are fulfilled, details of which are as follows:

a. a Participant granted with Share Options under the Scheme will be assessed annually and the exercising of Share Options shall be conducted annually for two accounting years during the Exercise period, subject to the achievement of the performance target by the Participant which is one of the Conditions of Exercise of the Share Options. The annual company-level performance appraisal targets for Share Options granted under the Scheme are as follows:

Exercise Period	**Performance Appraisal Target**
First Exercise Period	Based on the revenue in 2025, the revenue growth rate for 2026 shall not be less than 10%
Second Exercise Period	Based on the revenue in 2025, the revenue growth rate for 2027 shall not be less than 20%

b. in the event the Company fails to meet the performance appraisal targets above, all Share Options granted to the Participants in the respective appraisal year shall not be exercised and shall be cancelled by the Company;

(IV) performance targets on the business line level are achieved, details of which are as follows:

a. during the implementation of the Scheme, the Company will, each year, in accordance with the Administrative Measures for the Implementation and Appraisal of the 2025 Share Option Incentive Scheme of Jiangsu Lopal Tech. Group Co., Ltd. and other relevant internal assessment rules, set annual assessment targets for the business line to which each Participant belongs, taking into account the Company's annual performance assessment objectives;

b. achieving the annual performance assessment targets on the business line level will constitute one of the Conditions of Exercise for the Participants for that year; and

c. the specific annual performance assessment targets on the business line level and the exercisable proportion shall be implemented in accordance with the relevant agreements for grant entered into between the Company and the Participants; and

(V) performance targets on the individual level are achieved, details of which are as follows:

a. each Participant will undergo an annual individual performance assessment, which will be organised and implemented in accordance with the Company's prevailing remuneration and assessment policies;

b. the proportion of exercisable options will be determined based on the assessment results;

Assessment Result	**Qualified**	**Unqualified**
Exercise Ratio	1	0

c. if the Company's performance target at the company level is met in a given year, the number of Share Options that an individual Participant may exercise for that year = Share Options corresponding to that Exercise Period for the individual × business line exercise ratio × individual exercise ratio; and

d. any Share Options that cannot be exercised by a Participant in a given year due to the assessment results shall be cancelled by the Company and shall not be carried forward to the subsequent year.

If any of the events specified in (I) above occurs on the part of the Company, all Share Options granted to the Participants according to the Scheme but not exercised shall be cancelled by the Company.

If any of the events specified in (II) above occurs on the part of a Participant, the Share Options granted to such Participant according to the Scheme but not exercised shall be cancelled by the Company.

H. Accounting Treatment of the Scheme

1. Accounting treatment

a. Date of Grant

Since the Share Options are not exercisable on the Date of Grant, no accounting treatment is required. The Company will use the Binary Tree Model to determine the fair value of the Share Options on the Date of Grant.

b. Vesting Period

On each balance sheet date during the Vesting Period, the Company, based on the best estimate of the number of exercisable Share Options, records the services received during the period as cost or current expense at the fair value of the Share Options on the Date of Grant, and also records them in "capital reserve — other capital reserve" without recognizing any subsequent changes in their fair value.

c. Accounting treatment after the Exercise Date

No adjustments will be made to the recognized costs and expenses and total owner's equity.

d. Exercise Date

On the date of exercise, if the Conditions of Exercise are met, the Share Options can be exercised and the "capital reserve — other capital reserve" recognized on each balance sheet date before the date of exercise will be carried forward; if all or part of the Share Options are not exercised and become invalid or void, they will be cancelled by the Company and handled in accordance with accounting standards and relevant regulations based on the specific circumstances.

e. Fair Value of the Share Options and its Basis of Determination

In accordance with the relevant requirements of the Accounting Standards for Business Enterprises No. 11 — Share-Based Payments (《企業會計準則第11號 — 股份支付》) and the Accounting Standards for Business Enterprises No. 22 — Recognition and Measurement of Financial Instruments (《企業會計準則第22號 — 金融工具確認和計量》, the Company selects the Binary Tree Model to measure the fair value of Share Options and uses the closing price on October 22, 2025 as the benchmark price. This model is used to evaluate 6,850,000 Share Options to be granted. The specific parameters are selected as follows:

(a) Underlying share price: RMB15.32 per share (the closing price on October 22, 2025)

(b) Validity periods: 28 months and 40 months, respectively (i.e., the period from Date of Grant to the end of each Exercise Period)

(c) Historical volatility: 8.3057% and 6.6538% (using the average annual volatility of comparable companies in the same industry in the last 1 and 2 years respectively)

(d) Risk-free interest rates: 1.3653% and 1.4934% (using the yields of 1-year and 2-year China Bonds respectively)

(e) Dividend yield: 1.8386% (calculated based on the average dividend rate of comparable companies in the same industry in the three years before the announcement of the Scheme)

2. Estimated impact of Share Option implementation on operating results for each period

The Company determines the fair value of the Share Options on the Date of Grant in accordance with relevant valuation tools and confirms the share-based payment expenses of the Scheme. Such expenses will be amortised in proportion to the exercise ratio during the implementation of the Scheme. The incentive costs arising from the Scheme will be included in recurring profits and losses.

Based on the Company's preliminary estimate with current information, without considering the stimulating effect of the Scheme on the Company's performance, the amortisation of incentive costs will have an impact on the net profit of each year during the Vesting Period of the Scheme, but the impact is controllable.

I. Method and Procedures of Adjustment to the Number and Exercise Price of the Share Options

1. Method of adjustment to the number of the Share Options

In the event of capitalisation issue, distribution of share bonus, share sub-division or consolidation and rights issue prior to any Exercise, the number of the Share Options shall be adjusted accordingly as follows:

(a) Capitalisation issue, distribution of share bonus and share sub-division

$$Q = Q_0 \times (1 + n)$$

Where: Q_0 shall be the number of the Share Options before the adjustment; n shall be the ratio of increase per Share resulting from the capitalisation issue, distribution of share bonus and sub-division of Shares (i.e., the number of increased Shares per Share after such adjustment); Q shall be the number of Share Options after adjustment.

(b) Rights issue

$$Q = Q_0 \times P1 \times (1 + n) \div (P_1 + P_2 \times n)$$

Where: Q_0 shall be the number of the Share Options before the adjustment; P_1 shall be the closing price on the record date; P_2 shall be the subscription price of the rights issue; n represents the ratio of the rights issue (i.e. the number of Shares to be issued under the rights issue in proportion to the total Share capital of the Company before the rights issue); Q represents the adjusted number of the Share Options.

(c) Share consolidation

$$Q = Q_0 \times n$$

Where: Q_0 represents the number of the Share Options before to the adjustment; n represents the ratio of consolidation of shares (i.e. one Share of the Company shall be consolidated into n Shares); and Q represents the adjustment number of the Share Options.

(d) Declaration of dividend and new issue

In the event of any new issue of Shares or declaration of dividend, no adjustment shall be made to the number of the Share Options.

2. Method of adjustment to the Exercise Price of the Share Options

In the event of any dividend distribution, capitalisation issue, distribution of share bonus, sub-division or consolidation and rights issue of Shares prior to any Exercise, the Exercise Price shall be adjusted accordingly as follows.

(a) Capitalisation issue, distribution of share bonus and share sub-division

$$P = P_0 \div (1 + n)$$

Where: P_0 represents the Exercise Price before the adjustment; n represents the ratio of increase per Share resulting from the capitalisation issue, distribution of share bonus and sub-division of Shares; P represents the adjusted Exercise Price.

(b) Rights issue

$$P = P_0 \times (P_1 + P_2 \times n) \div P_1 \times (1 + n)$$

Where: P_0 represents the Exercise Price before the adjustment; P_1 represents the closing price as at the record date; P_2 represents the subscription price of the rights issue; n represents the ratio of the rights issue (i.e. the number of Shares to be issued under the rights issue in proportion to the total Share capital of the Company before the rights issue); P represents the adjusted Exercise Price.

(c) Share consolidation

$$P = P_0 \div n$$

Where: P0 represents the Exercise Price before the adjustment; n represents the ratio of consolidation of Shares; P represents the adjusted Exercise Price.

(d) Declaration of dividend

$$P = P_0 - V$$

Where: P_0 represents the Exercise Price before the adjustment; V represents the dividend rate per Share; P represents the adjusted Exercise Price. After the adjustment, P shall still be higher than 1.

(e) New issue

In the event of new issue of Shares, no adjustment shall be made to the Exercise Price of the Share Options.

The Shareholders' meeting of the Company shall authorize the Board to pass resolutions for adjusting the number and Exercise Price of Share Options when the aforementioned circumstances arise. The Company shall engage legal advisers to provide professional advice to the Board as to whether such adjustments are in compliance with the requirements under the Administration Measures, the Articles of Association and the Scheme. After the resolutions for such adjustment are reviewed and passed by the Board, the Company shall disclose an announcement on the resolutions by the Board timely and announce the legal opinion of the legal advisers.

J. Effective Procedures of the Scheme and Procedures of Grant of The Share Options by the Company and Exercise by the Participants

1. The effective procedures of the Scheme include, among other things:

   (a) The remuneration and evaluation committee of the Board is responsible for formulating the Scheme and submitting it to the Directors for deliberation. The Board shall make a resolution on the Scheme in accordance with the law. The Scheme can be implemented only after being approved by the Shareholders' meeting.

2. The procedures of grant of the Share Options include, among other things:

   (a) After the Scheme is approved at the Shareholders' meeting, the Company will enter an agreement on grant of the Share Options with the Participants in order to set out their parties' rights and obligations.

   (b) The Board will consider and announce if the conditions for granting interests to the Participants have been fulfilled, the remuneration and evaluation committee of the Board shall express specific opinions, and the law firm shall issue legal opinion on whether the conditions for the exercise of Share Options by the Participants are fulfilled.

   (c) Upon the Scheme being approved at the Shareholders' meeting, the Company shall, within 60 days after the approval, make a grant to the Participants and complete the announcement and registration procedures. The Board shall disclose the implementation thereof timely by way of announcement after completion of the registration of the grant. In the event the Company fails to complete the aforesaid procedures within such 60 days, the Scheme shall be terminated, and the Board shall timely disclose the reason for such failure and shall not be allowed to consider the share option incentive scheme within the next three months (pursuant to the Administrative Measures, any period during which the Company is prohibited from granting Share Options shall not be counted within the 60-day timeframe).

(d) The Company shall make an application to the Shanghai Stock Exchange first before any Share Options are granted, and the securities registration and settlement institution will conduct registration and clearing procedures thereof upon confirmation by the Shanghai Stock Exchange.

3. The procedures of exercising the Share Options include:

(a) The Company shall confirm whether a Participant satisfies the Conditions of Exercise before the date of exercise. The Board shall consider and review whether the Conditions of Exercise as set out in the Scheme have been satisfied. The remuneration and evaluation committee of the Board shall express explicit views concurrently. The law firm shall issue legal opinions on whether the Conditions of Exercise are fulfilled by the Participants or not. For the Participants who satisfy the Conditions of Exercise, the Company may provide a unified or autonomous method of exercise to the Participants according to the actual situation, and for the Participants who fail to satisfy the Conditions of Exercise, the Company shall cancel their Share Options corresponding to the respective exercise. The Company shall disclose the implementation thereof timely by way of announcement.

(b) A Participant may transfer the Shares of the Company obtained pursuant to the exercise of Share Options, but the transfer of Shares held by the Directors and senior management of the Company shall be in compliance with the requirements of relevant laws, regulations and regulatory documents.

(c) The Company shall make an application to the Shanghai Stock Exchange first before any Share Option is exercised, and the securities registration and settlement institution will conduct registration and clearing procedures thereof upon confirmation by the Shanghai Stock Exchange.

K. Amendment and Termination of the Scheme

1. Amendment procedures of the Scheme

a. If the Company intends to amend the Scheme before it is considered at the Shareholders' meeting, such amendment shall be considered and approved by the Board.

b. If the Company intends to amend the Scheme after it is considered and approved at the current Shareholders' meeting, such amendment shall be considered and determined at a Shareholders' meeting and such amendment shall not result in the following:

i. leading to early/accelerated exercise of the Share Options;

ii. reducing the Exercise Price (excluding adjustments made in accordance with the Scheme).

c. The Company shall disclose the reasons for and the contents of the amendments in a timely manner. The remuneration and evaluation committee of the Board shall express views as to whether the amendments are conducive to the sustainable development of the Company or are significantly detrimental to the interests of the Company and the Shareholders as a whole.

d. The law firm shall issue professional opinions on whether the amended Scheme complies with the relevant provisions of the Administrative Measures and other laws and regulations, and whether there is any obvious damage to the interests of the Company and the Shareholders as a whole.

e. After relevant revisions are made to laws and regulations such as the Company Law, the Securities Law and the Administrative Measures, the Board, as authorized by the Shareholders' meeting, will adjust the Scheme in accordance with the revised contents of the laws and regulations.

2. Termination procedures of the Scheme

a. If the Company intends to terminate the implementation of the Scheme before it is considered at the Shareholders' meeting, such termination shall be considered and approved by the Board;

b. If the Company intends to terminate the implementation of the Scheme after it is considered and approved at the Shareholders' meeting, such termination shall be considered and determined at the Shareholders' meeting.

c. The law firm shall issue professional opinions on whether the Company's termination of the implementation of the Scheme complies with the provisions of the Administrative Measures and relevant laws and regulations, and whether there is any obvious detriment to the interests of the Company and the Shareholders as a whole.

d. If the implementation of the Scheme is to be terminated, the Company shall complete the cancellation procedures for the granted Share Options in a timely manner after going through the relevant review procedures.

e. If the resolution on termination of the implementation of the Scheme is considered and approved at the Shareholders' meeting or by the Board, no further consideration of share option incentive scheme shall be allowed within three months from the date of the announcement on such resolution.

L. Rights and Obligations of the Company and the Participants

1. Rights and obligations of the Company include:

   a. The Company shall have the right to construe and execute the Scheme and shall appraise the performance of Participants based on the requirements under the Scheme, and supervise and review whether the Participants possess the qualifications to continue to exercise the Share Options. If a Participant fails to fulfill the Conditions of Exercise required under the Scheme, the Company will, in accordance with the principles under the Scheme, cancel the Share Options which have not been exercised by the Participant.

   b. The Company has the right to require the Participants to perform their responsibilities based on the requirement of the position. If the Participant is incompetent in performing his/her duties or fails in assessment, or the Participant violates the laws or professional ethics, leaks confidential information of the Company, or involves in dereliction of duty or malfeasance or other acts, which has caused serious damages to the interests or reputation of the Company, the Share Options that have not been exercised by the Participant can be cancelled upon the approval of the Board.

   c. The Company shall withhold and pay individual income tax and other taxes on behalf of the Participants in accordance with the relevant PRC tax laws and regulations.

   d. The Company undertakes not to provide loans and financial assistance in any other forms, including provision of guarantee for their loans, to the Participants with respect to the acquisition of relevant Share Options under the Scheme.

   e. The Company shall promptly discharge its obligations in relation to reporting and information disclosure under the Scheme in accordance with the relevant requirements.

   f. The Company shall actively support the Participants who have fulfilled the Conditions of Exercise to exercise their Share Options in accordance with the relevant requirements including those of the Scheme, CSRC, the Shanghai Stock Exchange, China Securities Depository and Clearing Corporation Limited and others. However, the Company disclaims any liability for any loss suffered by a Participant arising from the inability to exercise as he/she desires due to reasons relating to CSRC, the Shanghai Stock Exchange or China Securities Depository and Clearing Corporation Limited.

g. The Company's determination of the Participants of the Scheme does not mean that such persons may continue to serve the Company, and does not constitute a commitment by the Company on staff employment duration. The employment relationship between the Company and the employees will comply with the labour contracts or employment contracts or retirement re-employment agreements signed with the Participant.

h. Other relevant rights and obligations as stipulated under the laws, regulations, normative documents and the Scheme.

2. Rights and obligations of the Participants include:

a. The Participants shall comply with the requirements of their positions within the Company, and shall work diligently and responsibly, strictly observe professional ethics, and make due contributions to the development of the Company.

b. The Participants shall lock up their granted Share Options according to the requirements of the Scheme.

c. Source of funds of the Participants shall be derived from funds raised by them.

d. The Share Options granted to the Participants shall not be transferred, used for guarantee or repayment of debts before being exercised. Before the Share Options are exercised, the Participants do not enjoy the voting rights, dividend rights, transfer rights and rights arising from the Company's liquidation.

e. The Participants shall pay the individual income tax and other taxes and levies for their gains from the Scheme in accordance with the PRC tax laws and regulations.

f. The Participants undertake that in the event that false statements, misleading statements or material omissions in the information disclosure documents result in the Company to be ineligible for the granting of interests or the vesting arrangement of interests, the Participants should return to the Company all benefits obtained from the Scheme after the relevant information disclosure documents are confirmed to have contained false statements, misleading statements or material omissions.

g. Upon consideration and approval of the Scheme at the Shareholders' meeting, the Company will sign an agreement on the grant of Share Options with each Participant whereby their respective rights and obligations as well as other relevant matters are stipulated.

h. Other relevant rights and obligations as stipulated by laws, regulations and the Scheme.

M. Handling of Special Occasions of the Company and Participants

I. Handling of special occasions of the Company

1. In the event of any of the following circumstances, the Scheme shall not be changed:

   a. change of control of the Company;

   b. merger or demerger of the Company.

2. In the event of any of the following circumstances, the Scheme shall be terminated, and the Share Options granted to the Participants but not yet exercised under the Scheme shall not be exercised and shall be cancelled by the Company:

   a. a certified public accountant has issued an audit report with adverse opinion or disclaimer of opinion in relation to the financial accounting reporting for the latest accounting year;

      a certified public accountant has issued an audit report with adverse opinion or disclaimer of opinion in relation to the internal control on financial reporting for the latest accounting year;

   b. within the most recent 36 months after listing, the Company fails to distribute profits in accordance with relevant laws and regulations, the Articles of Association or any undertaking publicly made;

   c. where the laws and regulations prohibit the implementation of equity incentives;

   d. other circumstances where the Scheme shall be terminated as determined by the CSRC.

3. In addition, in the event that false statements, misleading statements or material omissions in the information disclosure documents result in the Company to be non-compliant with the conditions for granting or exercising of the Share Options, the Share Options to be granted shall not be granted and those had been granted to the Participants but not yet exercised shall be cancelled by the Company; and the benefits gained from exercising the granted Share Options by the Participants should be returned. If the Participants are not responsible for the above matters and

suffer losses due to such return of benefits, the Participants may claim their losses from the Company or the Participant who is responsible pursuant to the relevant arrangements under the Scheme.

II. Handling of changes in the personal circumstances of the Participants

1. If the Participant is involved in any of the following circumstances, the Share Options granted to such Participant but not yet exercised shall not be exercised and shall be cancelled by the Company:

    a. the Participant has been deemed as an inappropriate candidate by the Shanghai Stock Exchange in the last 12 months;

    b. the Participant has been deemed as an inappropriate candidate by the CSRC or any of its derived agencies in the last 12 months;

    c. the Participant has been imposed by the CSRC or any of its derived agencies with administrative penalties or a ban from entry into the securities market due to material breach of laws and regulations in the last 12 months;

    d. the Participant is prohibited from acting as a director or a member of the senior management of a company under the Company Law;

    e. the Participant is not allowed to participate in any equity incentives of a listed company under laws and regulations;

    f. any other circumstances as prescribed by the CSRC.

2. If the Participant is involved in any of the following circumstances, the Share Options granted to such Participant but not yet exercised shall not be exercised and shall be cancelled by the Company:

    a. violating national laws and regulations, the Articles of Association, or internal management rules and regulations of the Company, or engagement in acts of failure to perform duties effectively, dereliction of duty, or misconduct, which harm the interest and reputation of the Company, or cause direct or indirect economic losses to the Company;

    b. violating laws and disciplinary regulations during his/her term of office by accepting or asking for bribes, committing corruption, theft, leaking operation and technical secrets of the Company, and implementing related party transactions that harm the interest and reputation of the Company and have material negative effect on its corporate image, causing losses to the Company;

c. other circumstances determined by the Board that seriously violate the relevant regulations of the Company or seriously damage the interests of the Company.

III. Where a Participant undergoes a change in position but remains employed within the Company or within its affiliated companies or subsidiaries, the Share Options granted to such Participant but not yet exercised shall continue to be processed in accordance with the procedures stipulated under the Scheme prior to such change. If the Participant assumes a position as an independent director or any other role wherein holding Share Options of the Company is prohibited due to organizational reassignment, the exercised Share Options shall remain unaffected, while the Share Options granted to such Participant but not yet exercised shall not be exercised and shall be cancelled by the Company. If the Participant undergoes a change in position as a result of being incompetent in their role, violating laws, breaching professional ethics, disclosing company confidential information, dereliction of duty, or any act that harms the Company's interests or reputation, or if the employment relationship is terminated by the Company due to any of the foregoing reasons, the Share Options granted to such Participant but not yet exercised shall not be exercised and shall be cancelled by the Company. The Participant must settle individual income tax related to the exercised portion of the Share Options prior to departure.

IV. Where a Participant ceases employment due to resignation, company redundancy, or expiry of the labour contract, the Share Options granted to such Participant but not yet exercised shall not be exercised and shall be cancelled by the Company. The Participant must settle individual income tax related to the exercised portion of the Share Options prior to departure.

V. Where a Participant ceases employment due to retirement, from the date of such event, the Share Options granted to such Participant but not yet exercised shall continue to be processed in accordance with the procedures stipulated under the Scheme prior to retirement, and individual performance assessment shall no longer be considered as Conditions of Exercise.

VI. Where a Participant ceases employment due to loss of working capacity, either of the following shall apply:

1. If the loss of working capacity is due to work-related causes, from the date of such event, the Share Options granted to such Participant shall continue to be processed in accordance with the procedures stipulated under the Scheme prior to the loss of working capacity, and individual performance assessments shall no longer be considered as Conditions of Exercise. The Participant must settle individual income tax related to the exercised

portion of the Share Options prior to departure and shall, in a timely manner following each subsequent exercise, remit the corresponding individual income tax to the Company for withholding and payment.

2. If the loss of working capacity is not due to work-related causes, from the date of such event, the Share Options granted to such Participant but not yet exercised shall not be exercised and shall be cancelled by the Company. The Participant must settle individual income tax related to the exercised portion of the Share Options prior to departure.

VII. Where a Participant deceases, either of the following shall apply:

1. If the death is due to work-related causes, from the date of such event, the Share Options granted to such Participant but not yet exercised shall continue to be fully processed in accordance with the procedures stipulated under the Scheme prior to the death, and shall be held by the designated or legal successor(s). Individual performance assessment shall no longer be considered as Conditions of Exercise. The successor(s) must settle individual income tax related to the exercised portion of the Share Options prior to inheritance and shall, in a timely manner following each subsequent exercise, remit the corresponding individual income tax to the Company for withholding and payment.

2. If the death is not due to work-related causes, from the date of such event, the Share Options granted to such Participant but not yet exercised shall not be exercised and shall be cancelled by the Company.

VIII. Any other circumstances not specified herein shall be determined by the remuneration and evaluation committee of the Board, which shall also decide the corresponding handling measures.

N. Conflict or Dispute Resolution Mechanism Between the Company and the Participants

Any conflict or dispute arising from or in connection with the implementation of the Scheme and/or the equity incentive agreement entered into between the Company and the Participants shall be resolved through negotiation and communication between the parties, or through mediation by the remuneration and evaluation committee of the Board. If such conflict or dispute fails to be resolved within sixty (60) days after its occurrence despite the aforementioned efforts, either party shall have the right to submit the matter to the competent People's Court in the place where the Company is located for resolution through litigation.

IMPLICATIONS UNDER LISTING RULES

The Scheme constitutes a share option scheme under Chapter 17 of the Listing Rules. Therefore, pursuant to Rule 14A.92(3)(a) of the Listing Rules, the grant of the Share Options to any Participants who are connected persons of the Company under the Scheme is fully exempted from reporting, announcement and independent Shareholders' approval requirement.

The total number of Shares to be issued in respect of all options and awards granted and to be granted under the Scheme and any other schemes including the 2023 Share Option Incentive Scheme would not exceed 10% of the total issued share capital of the Company (excluding treasury shares) as at the date of approval of the Scheme, and would not exceed 10% of the total number of A Shares of the Company (excluding treasury shares) as at the date of approval of the Scheme.

The Company has applied to the Hong Kong Stock Exchange for a waiver from strict compliance with Rule 17.03(13) of the Listing Rules in respect of adjustment of the Exercise Price and Rule 17.03E of the Listing Rules in respect of the Exercise Price.

SHAREHOLDERS' MEETING AND CIRCULAR

An extraordinary general meeting of the Company will be held to approve the Scheme. A circular containing, among other things, (i) terms of the Scheme; and (ii) a notice convening the extraordinary general meeting of the Company, will be published in due course.

DEFINITIONS

In this announcement, unless otherwise requires, the following terms shall have the following meanings:

"2023 Share Option Incentive Scheme"	the A share option incentive scheme approved and adopted by the Shareholders at the extraordinary general meeting held on September 22, 2023
"A Share(s)"	ordinary share(s) issued by the Company, with a nominal value of RMB1.00 each, which is/are subscribed for or credited as paid in Renminbi and is/are listed for trading on the Shanghai Stock Exchange
"A Share Announcement"	the announcement of the Company to be published on Shanghai Stock Exchange on October 23, 2025, regarding, among others, the proposed adoption of the Scheme
"A Shareholder(s)"	holder(s) of the A Share(s)

"Administrative Measures"	the Administrative Measures on Share Option Incentives of Listed Companies (Zhong Guo Zheng Jian Hui Ling No. 126) (上市公司股權激勵管理辦法)(中國證監會令第126號), amended on 15 August 2018 (Zhong Guo Zheng Jian Hui Ling No. 148) (中國證監會令第148號)
"Articles of Association"	the Articles of Association of the Company (as amended from time to time)
"Board"	the board of Directors of the Company
"Company"	Jiangsu Lopal Tech. Group Co., Ltd. (江蘇龍蟠科技集團股份有限公司) (formerly known as Jiangsu Lopal Tech. Co., Ltd. (江蘇龍蟠科技股份有限公司)), a joint stock company established in the PRC on March 11, 2003 converted from the predecessor Jiangsu Lopal Petrochemical Co., Ltd.* (江蘇龍蟠石化有限公司) into a joint stock company with limited liability under the PRC Company Law on January 23, 2014, the A Shares of which are listed on the Shanghai Stock Exchange with the stock code of 603906 and the H Shares of which are listed on the Stock Exchange with the stock code of 2465
"Company Law"	the Company Law of the People's Republic of China
"Conditions of Exercise"	conditions to be fulfilled by a Participant to Exercise a Share Option according to the Scheme
"Conditions of Grant"	conditions to be fulfilled by a Participant to be granted a Share Option according to the Scheme
"CSRC"	China Securities Regulatory Commission
"Date of Grant"	the date on which a Share Option is granted to a Participant by the Company, which must be a trading day
"Director(s)"	the director(s) of the Company
"Exercise"	a Participant to acquire A Shares pursuant to the exercise of the Share Option(s) in accordance with the conditions stipulated under the Scheme
"Exercise Date"	the date on which a Participant is entitled to Exercise, which must be a trading day
"Exercise Price"	the price determined under the Scheme for a Participant to acquire Shares of the Company

"Group"	the Company and its subsidiaries
"H Share(s)"	overseas listed foreign Share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is/are to be traded in Hong Kong dollars and is/are listed for trading on the Stock Exchange
"H Shareholder(s)"	holders of H Shares
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
"Participant(s)"	person(s) eligible to be granted Share Options under the Scheme
"PRC"	the People's Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macao Special Administrative Region and Taiwan
"Proposed Grant"	proposed grant of a total 6,850,000 Share Options to the Participants under the Scheme
"RMB"	Renminbi, the lawful currency of the PRC
"Scheme" or "2025 Share Option Incentive Scheme"	the 2025 A Share Option Incentive Scheme of the Company proposed for adoption
"Securities Law"	the Securities Law of the PRC
"Share(s)"	A Share(s) and/or H Share(s)
"Share Option(s)"	the right to be granted to a Participant to acquire certain number of A Shares according to pre-determined conditions in a particular period of time under the Scheme
"Shareholder(s)"	the holder(s) of the Share(s)
"subsidiary" or "subsidiaries"	shall have the meaning ascribed to it under the Listing Rules
"treasury share(s)"	shall have the meaning ascribed to it under the Listing Rules

"Validity Period"	the period from the Date of Grant of a Share Option to the date on which all Share Options are exercised or cancelled
"Vesting Period"	the period between the Date of Grant and the Exercise Date of a Share Option
"%"	per cent

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

Nanjing, PRC
October 22, 2025

As at the date of this announcement, the Board 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; and Mr. LI Qingwen, Mr. YE Xin, Ms. GENG Chengxuan and Mr. HONG Kam Le as independent non-executive Directors.