Lopal
龙蟠科技

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)

INDICATIVE ANNOUNCEMENT ON PROPOSED IMPAIRMENT PROVISION

IMPORTANT NOTICE:

In accordance with the "Accounting Standards for Business Enterprises No. 8 — Asset Impairment" and "Accounting Regulatory Risk Warning No. 8 — Goodwill Impairment" and the relevant regulation of the accounting policies of Jiangsu Lopal Tech. Group Co., Ltd. (hereinafter referred to as the "**Company**"), the Company performed a preliminary impairment test on underlying assets that may have showed indications of impairment on the balance sheet date within the scope of consolidated statements, such as goodwill, accounts receivable and inventories. The Company intends to make impairment provision for the year of 2025, which is expected to result in a reduction of the net profit attributable to the shareholders of the listed company by a range of RMB71.2101 million to RMB80.3611 million.

The amount of impairment provision has not been audited, and the final accounting treatment and impact on the Company's profit for the year of 2025 shall be subject to the 2025 annual report to be disclosed by the Company.

I. OVERVIEW OF PROVISION FOR IMPAIRMENT

(1) Accounts Receivable

Provision for credit impairment loss on accounts receivable is proposed to be approximately RMB33.9946 million to RMB39.0043 million for the year of 2025, primarily due to the increase in the balance of accounts receivable.

(2) Inventories

Provision for impairment loss on inventories is proposed to be approximately RMB81.2840 million to RMB91.2188 million for the year of 2025, primarily due to fluctuations and changes in the market prices of raw materials.

II. IMPACT ON THE COMPANY FROM THE PROVISION FOR IMPAIRMENT

The aforementioned provision for impairment is expected to reduce the net profit attributable to the shareholders of the listed company by a range of RMB71.2101 million to RMB80.3611 million. The amount of the provision for impairment has not been audited, and the final accounting treatment and its impact on the Company's profit for the year of 2025 shall be subject to the 2025 annual report to be disclosed by the Company.

III. RISK WARNING

(1) The impairment amount proposed by the Company is the preliminary calculation result of the Company. At present, the impairment test has not been completed, and the final provision amount shall be subject to the 2025 annual report to be disclosed by the Company. Investors are advised to exercise caution when making decisions and pay attention to investment risks.

(2) The provision for impairment proposed by the Company is subject to the consideration and approval of the audit committee and the board of directors of the Company after the amount of provision is determined.

This announcement is published in both English and Chinese. In case of discrepancies between the Chinese and English versions, the Chinese version shall prevail.

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

Nanjing, PRC
January 29, 2026

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; Mr. LI Qingwen, Mr. YE Xin, Ms. GENG Chengxuan and Mr. HONG Kam Le as independent non-executive Directors.