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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)

ANNOUNCEMENT ON PROVISIONS FOR IMPAIRMENT LOSSES FOR 2025

The board of directors and all directors of the Company warrant that the content of this announcement does not contain any false records, misleading statements or material omissions, and accept legal responsibility for the authenticity, accuracy and completeness of its content.

This announcement is made by Jiangsu Lopal Tech. Group Co., Ltd. (the "**Company**") pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Company convened the fourth meeting of the audit committee of the fifth session of the board of directors and the fourth meeting of the fifth session of the board of directors on April 24, 2026, at which the Resolution on Provisions for Impairment Losses for 2025 was considered and approved. The relevant details are hereby announced as follows:

I. OVERVIEW OF THE PROVISION FOR IMPAIRMENT

In accordance with the Accounting Standards for Business Enterprises, the Accounting Regulatory Risk Warning No. 8 — Goodwill Impairment issued by the China Securities Regulatory Commission, the Accounting Standards for Business Enterprises No. 8 — Asset Impairment issued by the Ministry of Finance, and the relevant regulation of the accounting policies of the Company, and based on the principle of prudence, in order to present a more true and accurate view of the Company's asset position and financial condition as of 31 December 2025, the Company and its subsidiaries conducted a comprehensive review and impairment testing of goodwill, notes receivable, accounts receivable, other receivables, inventories and other assets for which there were indications of impairment as at the balance sheet date. In 2025, the Company made aggregate impairment provisions of RMB124.5830 million, resulting in a decrease of RMB124.5830 million in the total profit of the Company's consolidated financial statements for 2025. Details are set out in the table below:

Unit: RMB'0,000

Item Name	**Impairment loss provision in 2025 (reversals are shown as negative amounts)**
Credit impairment	3,495.51
Inventory write-downs	8,962.79
Total	12,458.30

II. SPECIFIC DETAILS OF PROVISION FOR IMPAIRMENT

(1) Provision for credit impairment losses

1. Basis of provision for credit impairment losses

According to the provisions of the "Accounting Standards for Business Enterprises No. 22 — Recognition and Measurement of Financial Instruments" issued by the Ministry of Finance and the relevant accounting policies of the Company, based on expected credit losses, accountant treatment were implemented on financial assets classified as amortized at cost and impairment losses are recognized.

2. ***Specific details of provision for credit impairment losses***

Unit: RMB0'000

Item	**Opening balance**	**Accrual/ Reversal in current period**	**Charge-offs or other changes in current period**	**Closing balance**
Bad debt provision for bill receivables	112.29	–80.12	—	32.17
Bad debt provision for account receivables	8,851.06	3,604.93	213.61	12,242.38
Bad debt provision for other receivables	2,326.18	–29.30	18.64	2,278.24
Total	11,289.53	3,495.51	232.25	14,552.79

(2) Provision for impairment loss on assets

1. ***Basis of provision for impairment loss on assets***

According to the relevant provisions of "Enterprise Accounting Standard No. 8 — Impairment of Assets" and the accounting policies of the Company, if there are signs of impairment of an asset, its recoverable amount should be estimated. The recoverable amount should be determined based on the higher of the net amount of the fair value of the asset less the disposal costs and the present value of the expected future cash flows of the asset. If the measurement result of the recoverable amount shows that the recoverable amount of an asset is lower than its book value, the book value of the asset should be written down to the recoverable amount, and the amount of the write-down should be recognized as an asset impairment loss and included in the current period's profit and loss, and the corresponding asset impairment provision should be made at the same time. The depreciation or amortization expenses of the corresponding impaired assets shall be adjusted accordingly in future periods. Once an impairment loss is made, it will not be reversed in subsequent accounting periods.

2. ***Specific details of provision for inventory impairment***

Unit: RMB0'000

Item	Opening balance	Accrual/ Reversal in current period	Charge-offs or other changes in current period	Closing balance
Provision for inventory impairment	11,501.05	8,962.79	16,589.91	3,873.92
Total	11,501.05	8,962.79	16,589.91	3,873.92

Note: Any discrepancies in the above table are due to rounding.

III. IMPACT ON THE FINANCIAL POSITION OF THE COMPANY FROM THE PROVISION FOR IMPAIRMENT

In 2025, the Company made impairment provisions totaling RMB124.5830 million, resulting in a decrease of RMB124.5830 million in the total profit of the Company's consolidated financial statements for 2025. The provision for impairment complies with accounting standards and relevant accounting policies, and does not prejudice the interests of the Company or all its shareholders, particularly minority shareholders.

IV. DECISION-MAKING PROCESS AND RELATED OPINIONS

The provision for impairment has been considered and approved at the fourth meeting of the audit committee of the fifth session of the Board and the fourth meeting of the fifth session of the Board.

(1) Opinion of the Audit Committee

The provision for impairment made by the Company complies with and conforms to the Accounting Standards for Business Enterprises and the Company's relevant accounting policies. The basis for the impairment provision is adequate and aligns with the current status of the Company's assets. Based on the prudence principle, the provision for impairment contributes to a fairer reflection of the Company's financial position, asset value, and operating results as at December 31, 2025, thereby enhancing the reasonability of the Company's accounting information.

(2) Opinion of the Board

The provision for impairment made by the Company complies with the Accounting Standards for Business Enterprises, aligns with the Company's actual conditions and relevant policy requirements, truthfully and fairly reflects the Company's financial position and operating results. It provides adequate disclosure of potential risks in a prudent manner and does not prejudice the interests of the Company or its shareholders, particularly minority shareholders.

This announcement is published in both Chinese and English. 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
April 24, 2026

As at the date of this announcement, 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; and Ms. GENG Chengxuan, Mr. HONG Kam Le, Mr. ZHANG Jinlong and Mr. LU Jian as independent non-executive directors.