

Shandong Linglong Tyre Co., Ltd.

2024 Annual Assessment Report on the Corporate Value and Return Enhancement Action Plan and the 2025 Annual Corporate Value and Return Enhancement Action Plan

In proactive response to the Shanghai Stock Exchange's Initiative on Launching the Corporate Value and Return Enhancement Action Plan for Shanghai-listed Companies, practice the development concept of "putting investors first", and further improve the quality and value of the Company's investments, the Company formulated and released the "2024 Annual Corporate Value and Return Enhancement Action Plan" in March 2024, and actively promoted the implementation of relevant work based on the plan. In order to promote the long-term development of this work with high quality, the specific implementation situation of the Company in 2024 and the Corporate Value and Return Enhancement Action Plan in 2025 are reported as follows:

I. Adhere to innovation driven approach, enhance core competitiveness, and achieve high-quality development

In 2024, the global economy is facing challenges such as rising trade protectionism, escalating geopolitical risks, and insufficient growth momentum, presenting a characteristic of "coexistence of risks and opportunities". In the complex and ever-changing international situation, the Company adheres to focusing on its main business, actively promotes

global layout according to established strategies, accelerates product innovation and upgrading, actively builds the core competitiveness of the enterprise, and continuously improves product profitability through continuous adjustment and optimization of sales structure, achieving good results. In 2024, the Company achieved a cumulative sales volume of 85.4471 million units, a year-on-year increase of 9.57%; Operating revenue was 22.058 billion yuan, a year-on-year increase of 9.39%; The net profit attributable to the parent company was 1.752 billion yuan, a year-on-year increase of 26.01%.

i. Implementing the digital transformation development strategy and accelerating the creation of new quality productivity

In order to promote the high-quality layout of global industries and enhance the core competitiveness of the international market, Linglong Tire firmly implements the "7+5" global strategic layout, gradually implements the digital transformation development strategy, and creates an advanced tire factory that is intelligent in all fields, fully automated in all processes, and green in all aspects. It continuously promotes the process of technological leapfrog development, industrial optimization and upgrading, and overall productivity improvement.

The Company continues to utilize the Industrial Internet of Things, AI, Big data, edge computing and other advanced technologies to build an intelligent manufacturing factory integrating digital, networking and

intelligence at home and abroad. Through digital intelligent production combined with lean management mode, product manufacturing capacity, quality and production efficiency are greatly improved. In 2024, the Company's digital intelligence factory was successfully shortlisted for two important lists by the Ministry of Industry and Information Technology. Among them, the "Linglong Big Data Platform Based on Artificial Intelligence" was shortlisted for the Ministry of Industry and Information Technology's list of typical application cases of artificial intelligence empowering new industrialization, and the "High-end Tire Full Process Data Driven Intelligent Factory" was shortlisted for the Ministry of Industry and Information Technology's list of outstanding intelligent factories (first batch) projects. At the same time, the Company also emphasizes the clever combination of innovative concepts, intelligent production, and green environmental protection. With its industry-leading green development concept and intelligent innovation technology strength, it has won two honors, "Green Development" and "Intelligent Innovation Technology", in the 2024 China Automotive Industry Sustainable Development Practice Case.

In September 2024, the Phase I project of the Company's Serbia base was successfully put into mass production. The products are mainly supplied to the European and surrounding markets, representing high-level intelligence, automation, and refinement in the industry, laying a solid

foundation for the Company to further expand its global market. The Linglong Serbia factory is the first factory built by a Chinese tire company in Europe, and also the largest greenfield investment project in Serbia to date. The completion of this project has driven the coordinated development of the local tire industry chain upstream and downstream, played a positive role in promoting regional economic development and improving people's livelihoods, and created new momentum for the Company's overseas market expansion and rapid growth in production, sales, and profits.

ii. Continuously innovating and improving the product matrix

For many years, Linglong Tire has been driven by technological innovation, continuously launching high-quality, high-performance, and high-tech tire products, enriching its product matrix, and meeting the increasingly diverse needs of consumers.

In 2024, the Company's Atlas ECO-LINE921, New Linglong Master, New Linglong Ultimate, new Linglong giant tire products and other new products were launched in succession. Among them, the New Linglong Master series of passenger car tires is mainly aimed at mid to high-end car owners, with design standards benchmarked against international first-line brands. The products integrate Linglong's leading innovative technologies, achieving leaps in performance, appearance, quality, service and other aspects, continuously improving the driving experience of buyers. Since its

launch in early 2024, this series has won widespread praise in the market. The New Linglong Master-SPORT MASTER won the "Excellent Award in Mass Production and Chassis System" at the 9th Lingxuan Awards; The new generation of commercial vehicle tires, the New Linglong Ultimate series, adopts Linglong's pioneering honeycomb technology and stands out in the high-end commercial vehicle market with its outstanding performance and quality.

The environmentally friendly tires with a sustainable material content of 79% developed and produced by the Company in 2024 have achieved the highest EU level A in wet performance, noise performance, and rolling resistance performance through the use of sustainable and recyclable materials and RFID chip technology, combined with Linglong Tire's lightweight technology. This demonstrates Linglong Tire's industry leadership in green travel and technological breakthroughs, and has won the "Prospective · Lightweight and New Materials Category · Gold Award" at the 9th Lingxuan Awards.

At present, the Company has multiple high-performance tire product series, including low noise, anti slip, ultra-low rolling resistance, ultra-high wear resistance, run on flat, SEALIN self-healing, LLST silent cotton, etc. It has passed a series of domestic and international certifications such as CCC, DOT, ECE, etc. In response to the EU labeling law, some of the Company's products have reached AAA level, and the overall level has

reached the international advanced level. With excellent product quality and performance, the Company has become the only enterprise in the tire industry to have won the "Lingxuan Award" for five consecutive years, and has been awarded multiple honorary titles such as the Shandong Provincial Governor's Quality Award and the China Market Quality AAA (User Satisfaction Benchmark Enterprise) level.

iii. Parallel development of OE and RE, comprehensive construction of marketing system

In 2024, the Company continued to promote the adjustment of OE business structure, actively explored the mid to high-end market, cooperated with global OEMs, and made new breakthroughs in OE products for key global car series such as China, German, European, American, and Japanese. In 2024, the Company has added OE mass production projects, including FAW Hongqi, BYD, Geely, SAIC Volkswagen, American and Mexican BMW, General Motors, Volkswagen and other well-known domestic and foreign car manufacturers, and has become the supplier of regular tires for Volkswagen Tiguan, entering the global high-end OE market. In addition, the Company has also achieved new breakthroughs in the OTR field, successfully supporting the world's largest horsepower new energy tractor - Lingong Agricultural Machinery 9E Series (ECVT), marking that Linglong Tire will begin to become the preferred tire brand in the field of new energy tractors. According to the

2024 annual tire original equipment (OE) data report released by the China Passenger Car Association (CPCA), Linglong Tire ranked first in terms of the number of OE models, tire sales volume, and market share among tire brands for models with annual sales exceeding 5,000 units; The OE field of new energy vehicle tire has been ranked first in the industry for many consecutive years, and its brand influence in major domestic and foreign OEMs is constantly increasing.

In September 2024, the Linglong Vehicle Maintenance Workshop serving passenger car tires was officially renamed Atlas Vehicle Maintenance Workshop, and the development and operation efficiency was further improved. In 2024, Linglong Tire has continuously launched professional projects such as new energy tire repair, "Chassis Doctor" – tire + chassis characteristic business, refined operation of core business, and operator business capability training, actively explored opportunities for new energy vehicle maintenance, vigorously promoted full platform and community-based brand marketing and targeted traffic acquisition through the extensive gathering of high-quality industry resources, and open up new profit growth channels for stores with distinctive services, ultimately achieving a win-win situation for brands, stores, operators, and users.

Based on the independently developed new retail 3.0 digital intelligent SAAS system, Atlas Truck Mate Home, which serves commercial vehicle tires, has achieved full coverage of the PC back end,

APP and mini programs at the supplier end, Truck Mate Home headquarters end, operator end, storage and distribution end, store end, logistics fleet end and driver owner end. By the end of 2024, a total of 101 prefecture level city operators in 24 provinces have been developed, with full coverage achieved in prefecture level cities in Shandong, Henan, Hebei, and Jiangsu provinces; Completed the establishment of approximately 1,061 authorized stores and 40 flagship stores of Truck Mate Home, with the Truck Mate Home app achieving over 340,000 registered and certified truck drivers.

In order to enrich the sales network and further enhance product awareness, Linglong Tire signed a strategic cooperation agreement with JD Automotive in April 2024. This is an innovation and upgrade in Linglong Tire's marketing field, which not only achieves a dual leap in brand exposure and sales conversion, but also explores a new path of user demand-oriented and integrated online and offline development. As of now, the two parties have engaged in deep cooperation in multiple dimensions such as product sales, omni-channel service network, and global marketing, and have opened up new cooperation models in the automotive aftermarket. In November 2024, Linglong Tire became one of the first brands to participate in government trade in subsidies.

iv. Building a three-dimensional communication network to promote brand value enhancement

In 2024, Linglong Tire's core goal is to break through the value of its global brand. Through a collaborative model of "strategic resource allocation + precise scene penetration + digital content fission", Linglong Tire has successfully achieved a significant increase in brand awareness and premium ability. In June 2024, the World Brand Lab released an analysis report on the top 500 most valuable brands in China for 2024. The brand value of Linglong Tire reached 98.137 billion yuan, a year-on-year increase of 19.5%; In the "2024 Global Most Valuable Tire Brands" list released by Brand Finance, a British brand value consulting firm, Linglong Tire once again made it to the list, becoming the only Chinese tire brand to have been on the list for five consecutive years. In 2024, through the construction of a three-dimensional communication network that links online and offline, the Company's brand promotion has doubled in its overall reach, reaching a total of 2.136 billion person-time throughout the year.

At the same time, the Company continues to deepen its sports marketing strategy. In 2024, the Company renewed contract with Wolfsburg and added two new partners, Chelsea and Real Madrid, achieving full coverage of the English Premier League, La Liga, and Bundesliga, successfully building the "iron triangle" of top European leagues; By participating in product performance verification activities such as the Macau GT competition and FDJ drifting competition, as well

as integrating into the wider sports ecosystem such as Go competitions, we aim to further accelerate the global influence of the Linglong brand.

v. Actively practicing ESG concepts and fully promoting the process of sustainable development

Linglong Tire has been adhering to international standards for many years, actively practicing ESG concepts, and continuously promoting the green development process of the enterprise. The Company adheres to the sustainable development concept of "harmony, wisdom, and green", and integrates ESG governance into various aspects of daily operations such as economy, environment, and social responsibility. Through active measures such as developing new materials, new equipment, new energy, new technologies, new processes, and building a responsible supply chain system, it continuously injects strong momentum into the high-quality development of the enterprise. As of 2024, the Company has voluntarily disclosed sustainability reports for seven consecutive years, showcasing its practices and achievements in environmental protection, social responsibility, internal management, and supply chain construction from multiple perspectives. In 2024, the Company won multiple honors such as MSCI "BB" rating, Huazheng ESG "AA" rating, Ecovadis bronze medal, EY Sustainable Development "Outstanding Enterprise of the Year", Securities Market Weekly ESG Golden Dawn Award, Southern Weekend Annual Outstanding Responsible Enterprise, and was selected for the

ESG+8 "Value 100" list by Yi Dong. Its sustainable development achievements have been recognized by authoritative institutions.

In addition, Linglong Tire is also the first tire enterprise in Chinese Mainland to join the Global Platform for Sustainable Natural Rubber (GPSNR), one of the most influential international cooperation platforms in the field of natural rubber. The Company has publicly released and continued to implement the *Sustainable Natural Rubber Policy*, actively promoting cooperation with stakeholders and collaborating with suppliers to jointly promote the construction of a sustainable natural rubber supply chain. In September 2024, the Company submitted its GPSNR annual report and it has been reviewed by the organization.

2025 is the final year of China's 14th Five Year Plan. With the continuous changes in the global economic environment and automobile market, coupled with the intensification of international trade frictions, Chinese tire companies will face more intense market competition. In the market environment full of challenges and opportunities, the Company will continue to adhere to the development concept of "innovation, quality, service, management, and sustainability", and focus on the business policy of "leading the team, laying the foundation, grasping management, improving level, and creating first-class". It will continue to promote the widespread application of digital, networked, and intelligent technologies in the entire process of tire production, sales, and use, constantly seek

effective ways to reduce operating costs, improve operating quality and efficiency, and continue to deepen global layout, accelerate the landing and release of new production capacity in Changchun factory and Serbia factory. Linglong Tire will also continue to promote the continuous improvement of Linglong brand influence and profitability through measures such as "three structural adjustments" of OE businesses, product innovation, and comprehensive construction of marketing system, to build the core competitiveness for the long-term development of the Company.

II. Improve the Company's institutional system and continuously enhance governance effectiveness

i. Optimize institutional construction and build a solid foundation for corporate governance

The Company strictly adheres to the requirements of laws and regulations such as the *Company Law*, *Securities Law*, *Code of Corporate Governance for Listed Companies*, and *Shanghai Stock Exchange Listing Rules*, continuously strengthens standardized operations, and continuously improves and perfects the corporate governance structure and internal control system. In 2024, the Company revised and improved relevant rules and regulations such as the *Articles of Association*, *Independent Director Work Rules*, and *Independent Director Special Meeting Work System* in accordance with newly issued or revised regulatory regulations such as the *Management Measures for Independent Directors of Listed Companies*,

further clarifying the responsibilities and management of independent directors, optimizing performance methods, and enhancing performance effectiveness. In addition, the Company has revised and improved a number of internal management systems and regulations, including the *Rules of Procedure for the Board of Directors*, *Detailed Rules for the Work of the Board of Directors' Nomination Committee*, *Detailed Rules for the Work of the Board of Directors' Remuneration and Appraisal Committee*, *Internal Audit System*, and *Management System for the Market Value of Listed Companies*, laying a solid institutional foundation for the Company's continuous standardized and efficient governance.

ii. Strengthen the responsibility of the 'critical minority' and enhance internal management efficiency

The Company continues to strengthen the training of directors, supervisors, and senior personnel, actively organizing and participating in various business training organized by regulatory agencies or associations such as stock exchanges, jurisdictional securities regulatory bureaus, and listed company associations. Compliance reminders are provided during the Company's periodic reports, major events, or other specific event window periods to enhance relevant personnel's understanding of information disclosure, major event reporting, and insider information management responsibilities, and to improve the compliance awareness and performance ability of the "critical minority" group. In 2024, there

were no violations of national laws, regulations, regulatory rules, or internal management systems or rules of the Company.

In 2025, the Company will continue to operate in a standardized manner, strictly in accordance with the requirements of the new *Company Law* and related supporting institutional rules, and continuously improve and perfect the corporate governance structure and internal control system based on the actual situation of the Company, laying a solid foundation for the system. By regularly conducting compliance inspections and risk assessments, it aims to comprehensively improve the Company's standardized operation level and enhance its risk prevention capabilities. At the same time, it will strengthen the training of "critical minority" such as directors and senior management personnel, promote the continuous improvement of their professional abilities and work capacity, and actively play the role of independent directors, providing comprehensive guarantees for independent directors to perform their duties from resource allocation, information support, and other aspects, ensuring that independent directors fully play their supervisory and decision-making roles.

III. Strengthen the quality of information disclosure and investor relations management, comprehensively enhance shareholder satisfaction

i. Strictly regulate information disclosure and promote quality

improvement

The Company strictly adheres to the requirements of relevant laws and regulations such as the *Company Law* and the *Securities Law*, conscientiously implements the information disclosure principles of "truthfulness, completeness, accuracy, timeliness, and fairness", and fulfills its disclosure obligations, ensuring the comprehensiveness, accuracy, and high quality of the disclosed content. At the same time, in order to enhance the transparency of the Company's information and facilitate investors to better understand the progress of the Company's business and strategic planning, in 2024, voluntary disclosure was carried out in addition to the required disclosure of information, including investor relations activity records, shareholder return related plan announcements, business performance reports, etc., actively promoting the Company's value transmission. In the "Evaluation Results of Information Disclosure Work of Shanghai Stock Exchange Listed Companies for 2023-2024" released by the Shanghai Stock Exchange, the Company once again received the highest rating of "A", which is the fifth consecutive year that the Company has received this honor.

ii. Enhance the effectiveness of investor relations management and strengthen shareholder communication

The Company always attaches great importance to the management of small and medium-sized investors, treats all shareholders equally,

actively builds multi-dimensional communication channels for investors, and ensures good communication efficiency and effectiveness. In 2024, the Company held three performance briefing meetings through online interaction and on-site communication, and answered 226 questions from E-Interactive investors. Except for the window period, the Company received a total of 97 investor surveys. In addition, in order to better serve the capital market, the Company has also supplemented dedicated investor relations management personnel in 2024, further strengthening proactive market communication and improving the frequency and quality of shareholder communication through multiple channels. At the same time, an "Investor Relations Map" has been established to regularly track and analyze the characteristics and changes of shareholding institutions, summarize and record communication situations and market voices, timely convey suggestions or opinions raised by investors to management, and provide reference for the Company to formulate and adjust investor relations strategies at various stages.

iii. Adhere to the principle of putting investors first and valuing shareholder returns

Since its listing in 2016, the Company has always been investor oriented and highly values reasonable investment returns for shareholders. From 2017 to 2024, the Company has continuously and steadily distributed dividends annually, with a cumulative cash dividend of approximately

3.312 billion yuan, ranking among the top listed tire companies in China, and the dividend ratio has remained at a relatively high level of over 30% of the net profit attributable to the parent company in the consolidated financial statements for that year. In 2024, in order to actively respond to regulatory calls and implement a "long-term, stable, and sustainable" shareholder value return mechanism, the Company also proactively increased the frequency of cash dividends and implemented quarterly dividend plans to better enhance shareholder satisfaction. In addition, the Company implemented a major shareholder increase plan in 2024. From August 9, 2024 to January 22, 2025, the controlling shareholder Linglong Group increased its holdings of 7,981,100 shares of the Company through the centralized bidding trading system of the Shanghai Stock Exchange, with a cumulative increase amount of 150.0024 million yuan.

In 2025, the Company will continue to strengthen the quality of information disclosure, improve the effectiveness of information disclosure on the basis of compliance, actively build open, fair, transparent and multi-dimensional market communication channels, and further enhance the frequency of proactive communication among institutional shareholders to actively convey the long-term investment value of the Company to the market, while ensuring the efficient and smooth operation of public channels such as the Shanghai Stock Exchange Roadshow Center, E-interactive platform, investor hotline and email.

In 2025, the Company will continue to strive to provide reasonable investment returns for its shareholders, prioritize the use of continuous and stable cash dividends for profit distribution, and plan to increase the frequency of profit dividends for 2025 in a timely manner, subject to the authorization of the shareholders' meeting and profit distribution conditions. Specific measures include:

1. The Company plans to implement a cash dividend plan for the fourth quarter of 2024, and the dividend ratio will account for 50.52% of the net profit attributable to the parent company in the fourth quarter of 2024. After the implementation of the cash dividend plan in the fourth quarter, the overall dividend ratio of the Company in 2024 will continue to remain at a relatively high level of over 30%.

2. The Company plans to implement a quarterly cash dividend plan for the year 2025. According to the *Guidelines for the Supervision of Listed Companies No. 3- Cash Dividends of Listed Companies*, *Shanghai Stock Exchange Listing Rules*, *Articles of Association* and other relevant regulations, it is requested that the shareholders' meeting authorize the Board of Directors to fully handle matters related to quarterly profit distribution. The Board of Directors shall formulate the Company's 2025 quarterly profit distribution plan based on the Company's profitability and funding needs, provided that the total amount of annual cash dividends accounts for no less than 30% and no more than 40% of the net profit

attributable to shareholders of the listed company of 2025, and implement it within the prescribed period. The above plan will be submitted to the annual shareholders' meeting for further review after being approved by the Company's annual board of directors on April 24, 2025.

In the future, the Company will continue to track and evaluate the implementation of the Corporate Value and Return Enhancement Action Plan at all stages, strictly fulfill its information disclosure obligations, and continue to focus on its main business, strive to improve its management level, continuously enhance its core competitiveness, profitability, and risk management capabilities. Through standardized corporate governance, good performance, and stable investor returns, the Company will effectively fulfill its responsibilities and obligations as a listed company, give back investor trust, maintain the Company's market image, and jointly promote the stable and healthy development of the capital market.

Risk warning: the Corporate Value and Return Enhancement Action Plan is based on the current situation of the Company. In the future, it may be affected by macroeconomic policy adjustments, fluctuations in the tire industry, and the secondary market environment, and there is a certain degree of uncertainty. Investors are advised to invest rationally and pay attention to investment risks.

Announcement is hereby given.

Board of Directors of Shandong Linglong Tyre Co., Ltd.

April 24, 2025

This report has been prepared in Chinese and English respectively. In case of discrepancy in the translation of this report, the Chinese version shall prevail.