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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)

**ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS
FOR THE SIX MONTHS ENDED JUNE 30, 2025**

The board (the “**Board**”) of directors (the “**Directors**”) of Jiangsu Lopal Tech. Group Co., Ltd. (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended June 30, 2025 (the “**Reporting Period**”), together with comparative figures (restated) for the six months ended June 30, 2024 as follows:

FINANCIAL HIGHLIGHTS

For the Reporting Period:

- Gross profit for the six months ended June 30, 2025 amounted to approximately RMB501.2 million, representing an increase of approximately 45.7% as compared with the same period in 2024; and
- Loss for the six months ended June 30, 2025 amounted to approximately RMB109.1 million, representing a decrease of approximately 58.3% as compared with the same period in 2024.

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**
For the six months ended 30 June

		2025	2024
		(Unaudited)	(Unaudited
	<i>Notes</i>	RMB'000	and restated)
			RMB'000
Revenue	4	3,621,880	3,568,612
Cost of sales		<u>(3,120,686)</u>	<u>(3,224,644)</u>
Gross profit		501,194	343,968
Other income, gains and losses	4	96,920	134,121
(Impairment losses)/reversal of impairment loss on financial assets		(11,081)	30,458
Selling and distribution expenses		(69,608)	(80,665)
Administrative expenses		(274,704)	(275,599)
Research and development expenses		(190,094)	(204,953)
Share of results of an associate		(8,905)	(11,877)
Finance costs	6	<u>(141,078)</u>	<u>(130,395)</u>
LOSS BEFORE TAX	5	(97,356)	(194,942)
Income tax	7	<u>(11,754)</u>	<u>(66,691)</u>
LOSS FOR THE PERIOD		<u>(109,110)</u>	<u>(261,633)</u>
Attributable to:			
Owners of the Company		(84,194)	(219,233)
Non-controlling interests		<u>(24,916)</u>	<u>(42,400)</u>
		<u>(109,110)</u>	<u>(261,633)</u>
OTHER COMPREHENSIVE INCOME/(LOSS)			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		967	(1,083)
Change in the fair value on hedging instruments designated as cash flow hedges		<u>362</u>	<u>(837)</u>
Other comprehensive income/(loss) for the period		<u>1,329</u>	<u>(1,920)</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		<u>(107,781)</u>	<u>(263,553)</u>

		2025	2024
		(Unaudited)	(Unaudited
		and restated)	
		<i>RMB'000</i>	<i>RMB'000</i>
	<i>Notes</i>		
TOTAL COMPREHENSIVE LOSS FOR THE			
PERIOD ATTRIBUTABLE TO:			
Owners of the parent		(82,971)	(220,631)
Non-controlling interests		<u>(24,810)</u>	<u>(42,922)</u>
		<u>(107,781)</u>	<u>(263,553)</u>
LOSS PER SHARE ATTRIBUTABLE TO			
ORDINARY EQUITY HOLDERS OF			
THE PARENT			
Basic and diluted	9	<u>RMB(0.12)</u>	<u>RMB(0.39)</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As of 30 June 2025 (Unaudited) <i>RMB'000</i>	As of 31 December 2024 (Unaudited and restated) <i>RMB'000</i>
	<i>Notes</i>		
NON-CURRENT ASSETS			
Property, plant and equipment		6,597,764	6,787,868
Right-of-use assets		1,199,391	1,239,640
Goodwill		214,173	214,173
Other intangible assets		49,275	49,488
Investments in an associate		39,224	47,659
Financial assets at fair value through other comprehensive income		141,450	141,450
Deferred tax assets		354,988	344,332
Other non-current assets	<i>10</i>	73,654	32,291
Total non-current assets		8,669,919	8,856,901
CURRENT ASSETS			
Inventories		1,327,611	1,392,470
Trade and bills receivables	<i>10</i>	1,552,475	1,460,645
Prepayments, other receivables and other assets	<i>10</i>	621,427	757,798
Tax recoverable		4,603	9,630
Financial assets at fair value through profit or loss ("FVTPL")	<i>11(a)</i>	1,573,804	505,364
Financial assets at fair value through other comprehensive income	<i>11(b)</i>	887,612	296,752
Derivative financial instruments		4,175	68
Pledged deposits		192,836	265,957
Time deposits		346,170	—
Cash and cash equivalents		2,663,870	2,509,603
Total current assets		9,174,583	7,198,287

		As of 30 June 2025 (Unaudited) <i>RMB'000</i>	As of 31 December 2024 (Unaudited and restated) <i>RMB'000</i>
	<i>Notes</i>		
CURRENT LIABILITIES			
Trade and other payables	12	1,874,640	1,997,116
Tax payable		14,496	5,325
Bank and other borrowings		6,987,062	6,465,700
Lease liabilities		49,100	69,580
Derivative financial instruments		681	878
Contract liabilities		41,733	92,296
Financial liabilities at fair value through profit or loss	13	1,431,470	—
Deferred income		22,789	14,619
		<u>10,421,971</u>	<u>8,645,514</u>
Total current liabilities			
		<u>10,421,971</u>	<u>8,645,514</u>
NET CURRENT LIABILITIES		(1,247,388)	(1,447,227)
		<u>(1,247,388)</u>	<u>(1,447,227)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		7,422,531	7,409,674
		<u>7,422,531</u>	<u>7,409,674</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities		6,720	6,646
Bank and other borrowings		2,539,707	2,417,605
Lease liabilities		787,703	801,990
Provision		48,612	—
Deferred income		186,690	160,459
		<u>3,569,432</u>	<u>3,386,700</u>
Total non-current liabilities			
		<u>3,569,432</u>	<u>3,386,700</u>
Net assets		<u>3,853,099</u>	<u>4,022,974</u>
		<u>3,853,099</u>	<u>4,022,974</u>
EQUITY			
Share capital		685,079	665,079
Reserves		2,415,354	2,504,669
		<u>2,415,354</u>	<u>2,504,669</u>
Equity attributable to owners of the parent		3,100,433	3,169,748
Non-controlling interests		752,666	853,226
		<u>752,666</u>	<u>853,226</u>
Total equity		<u>3,853,099</u>	<u>4,022,974</u>
		<u>3,853,099</u>	<u>4,022,974</u>

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

1. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024.

Going concern

During the six months ended 30 June 2025, the Group reported a net loss of approximately RMB109 million (for the six months ended 30 June 2024: RMB262 million). As at 30 June 2025, the Group's current liabilities exceeded its current assets by approximately RMB1,247 million (2024: the Group's current liabilities exceeded its current assets by approximately RMB1,447 million).

In view of these circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of financial resources to continue as a going concern. In order to improve the Group's liquidity and cash flows to sustain the Group as a going concern, the Group has implemented, or is in the process of implementing, the following key plans and measures: (i) The Group has been actively negotiating with a number of banks and financial institutions for renewal, extension and replacement of bank loans; (ii) The Group continues to take active measures to control administrative costs including streamlining the workflows of different business operations; (iii) The Group continues to take active actions to improve the working capital situation including monitoring the collection of receivables closely and take immediate actions for any outstanding receivables and negotiation with suppliers to extend credit terms; and (iv) The Group will consider other financing arrangements with a view to improving the Group's liquidity and financial position. The directors of the Company have reviewed the Group's cash flow projections which cover a period of not less than twelve months from the end of the reporting period. The directors of the Company are of the opinion that after taking into account the above plans, the Group has sufficient financial resources to continue as a going concern for the foreseeable future. Therefore, the directors of the Company are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Adoption of merger accounting and restatement

As disclosed in note 14 to the interim condensed consolidated financial statements, a business combination under common control was effected during the current interim period. The interim condensed consolidated financial statements incorporate the financial information of the combining entities as if they had been combined from the date when the combining entities first came under the common control of the controlling party.

The net assets of the combining entities are consolidated using the existing book values from the controlling party's perspective. No adjustments are made to reflect fair values, or recognise any new assets or liabilities as a result of the business combination under common control and no amount is recognised in respect of goodwill.

The interim condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group include the results and cash flows of each of the combining entities from the earliest date presented or since the date when the combining entities first came under the common control of the controlling party, where this is a shorter period, regardless of the date of the business combination under common control.

The comparative amounts in the interim condensed consolidated financial statements are restated as if the entities had been combined at the beginning of the previous reporting period or when they first came under common control, whichever is later. The impact on the Group arising from the common control combinations is disclosed in note 14 to this interim condensed consolidated financial information.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended IFRS Accounting Standard for the first time for the current period's financial information.

Amendments to IAS 21

Lack of Exchangeability

The nature and impact of the amended IFRS Accounting Standard are described below:

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (“**CODM**”). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief executive officer and directors of the Company that makes strategic decisions.

The CODM review the Group's internal reporting in order to assess performance and allocate resources. Management determined the operating segments based on these reports.

The CODM assesses the performance based on the nature of the Group's businesses which are principally located in the Mainland China, and comprises (i) Sales of automotive specialty chemicals business and (ii) sales of lithium iron phosphate (“**LFP**”) cathode material business and (iii) processing for lithium carbonate and raw materials.

Segment results represent the gain/(loss) generated by each segment without allocation of other income, gain and losses, share of result of an associate, finance costs, listing expenses and income tax expense. This is the measure reported to the CODM for the purposes of resources allocation and assessment of segment performance.

No information about segment assets and liabilities is presented as such information is not regularly provided to CODM for resource allocation and performance assessment purposes.

Six months ended 30 June 2025	Sales of automotive specialty chemicals business (Unaudited) RMB'000	Sales of LFP cathode material business (Unaudited) RMB'000	Processing for lithium carbonate and raw materials (Unaudited) RMB'000	Other business (Unaudited) RMB'000	Total (Unaudited) RMB'000
Segment revenue					
Sales to external customers	956,051	2,359,175	282,807	23,847	3,621,880
Intersegment sales	<u>145,351</u>	<u>151,220</u>	<u>614,028</u>	<u>84,253</u>	<u>994,852</u>
Total segment revenue	<u>1,101,402</u>	<u>2,510,395</u>	<u>896,835</u>	<u>108,100</u>	<u>4,616,732</u>
<i>Reconciliation:</i>					
Elimination of intersegment sales					<u>(994,852)</u>
Revenue					<u><u>3,621,880</u></u>
Segment results	124,056	(185,819)	20,341	(2,871)	(44,293)
<i>Reconciliation:</i>					
Unallocated other income, gain and losses					96,920
Share of result of an associate					(8,905)
Finance costs					<u>(141,078)</u>
Loss before tax					<u><u>(97,356)</u></u>

Six months ended 30 June 2024	Sales of automotive specialty chemicals business (Unaudited and restated) RMB'000	Sales of LFP cathode material business (Unaudited and restated) RMB'000	Processing for lithium carbonate and raw materials (Unaudited and restated) RMB'000	Other business (Unaudited and restated) RMB'000	Total (Unaudited and restated) RMB'000
Segment revenue					
Sales to external customers	990,595	2,516,515	57,782	3,720	3,568,612
Intersegment sales	<u>22,327</u>	<u>667</u>	<u>332,809</u>	<u>6,843</u>	<u>362,646</u>
Total segment revenue	<u>1,012,922</u>	<u>2,517,182</u>	<u>390,591</u>	<u>10,563</u>	<u>3,931,258</u>
Reconciliation:					
Elimination of intersegment sales					<u>(362,646)</u>
Revenue					<u><u>3,568,612</u></u>
Segment results	91,780	(293,678)	41,922	(13,420)	(173,396)
Reconciliation:					
Unallocated other income, gain and losses					
Other income, gain and losses					134,121
Share of result of an associate					(11,877)
Finance costs					(130,395)
Listing expenses					<u>(13,395)</u>
Loss before tax					<u><u>(194,942)</u></u>

4. REVENUE

An analysis of revenue is as follows:

	For the six months ended	
	30 June	
	2025	2024
	(Unaudited) RMB'000	(Unaudited and restated) RMB'000
Type of goods or services		
LFP cathode materials	2,313,631	2,475,580
Automotive specialty chemicals	981,468	970,147
Processing income	286,786	42,685
Others	39,995	80,200
Total	<u>3,621,880</u>	<u>3,568,612</u>
Timing of revenue recognition		
At a point in time	<u>3,621,880</u>	<u>3,568,612</u>

The major customers which contributed more than 10% of the total revenue for the period are listed as below:

	For the six months ended	
	30 June	
	2025	2024
	(Unaudited) RMB'000	(Unaudited and restated) RMB'000
Customer A	952,188	1,114,401
Customer B (note (a))	527,765	7,750
Customer C (note (a))	408,796	86,534
Customer D (note (b))	224,964	525,290
Customer E (note (b))	154,261	383,792

Notes:

- (a) The revenue contributed by Customer B and C less than 10% of the total revenue for the six months ended 30 June 2024.
- (b) The revenue contributed by Customer D and E less than 10% of the total revenue for the six months ended 30 June 2025.

An analysis of other income, gains and losses is as follows:

	For the six months ended	
	30 June	
	2025	2024
	(Unaudited)	(Unaudited
	<i>RMB'000</i>	and restated)
		<i>RMB'000</i>
Interest income	16,732	12,317
Government grants	80,914	106,096
Loss on disposal of property, plant and equipment	(509)	(388)
Gain on early termination of leases	—	1,823
Gain/(loss) from changes in fair value of financial assets at FVTPL	27,338	(5,539)
Loss from changes in fair value of financial liabilities at FVTPL	(26,830)	—
Loss from changes in fair value of other borrowings at FVTPL	(15,419)	(16,355)
Gain from changes in fair value of derivatives	7,066	30,319
Others	7,628	5,848
Total	96,920	134,121

5. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

		For the six months ended	
		30 June	
		2025	2024
		(Unaudited)	(Unaudited
		RMB'000	and restated)
	Notes		RMB'000
Cost of inventories sold*		3,120,686	3,224,644
Depreciation of property, plant and equipment	10	354,401	249,488
Depreciation of right-of-use assets	11	40,249	42,959
Amortisation of other intangible assets		7,381	13,158
Impairment loss on goodwill		—	25,249
Write-down of inventories to net realisable value		66,778	69,494
Impairment losses/(reversal of impairment losses) on trade receivables	13(a)	11,521	(31,787)
Impairment losses/(reversal of impairment losses) on other receivables		301	(725)
Reversal of impairment losses/(impairment losses) on bills receivable	13(a)	(741)	2,054
Staff cost (including directors', chief executives', and supervisors' remuneration):			
Wages, salaries and bonuses		257,284	250,614
Retirement benefit expense		27,893	26,982
Equity-settled share-based payment		1,149	4,664
Social security costs, housing benefits and other employee benefits		37,943	26,791

* Cost of inventories sold includes expenses relating to depreciation of property, plant and equipment, depreciation of right-of-use assets and staff costs, which is also included in the respective total amounts disclosed separately above for each of these types of expenses.

6. FINANCE COSTS

An analysis of finance costs is as follows:

		For the six months ended	
		30 June	
		2025	2024
		(Unaudited)	(Unaudited
		RMB'000	and restated)
			RMB'000
Interest on bank and other borrowings		116,107	80,930
Interest on lease liabilities		23,781	40,952
Interest on discounted bills		1,190	8,513
Total		<u>141,078</u>	<u>130,395</u>

7. INCOME TAX

The amounts of income tax expense in the interim condensed consolidated statement of profit or loss and other comprehensive income represent:

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited and restated)
	RMB'000	RMB'000
PRC Enterprise Income Tax		
Current tax	22,147	27,930
Under provision in prior years	132	276
	<u>22,279</u>	<u>28,206</u>
Deferred tax	(10,525)	38,485
	<u>(10,525)</u>	<u>38,485</u>
Total	<u>11,754</u>	<u>66,691</u>

The Company is subject to income tax on an entity basis on profits arising in or derived from jurisdictions in which its subsidiaries are domiciled and operate.

Mainland China

Tax on profits assessable in Mainland China has been calculated at the applicable enterprise income tax (“EIT”) rate of under the Law of the People’s Republic of China (the “PRC”). Subsidiaries in Mainland China are subject to EIT at 25% tax rate for the current period ended 30 June 2025 (2024: 25%). Certain subsidiaries of the Group are qualified as a small low-profit enterprise as their annual taxable income were less than RMB3,000,000 for both periods. The annual taxable income of a small low-profit enterprise shall be computed at a reduced rate of 25% (2024: 25%) of taxable income amount, and subjected to EIT at 20% (2024: 20%) tax rate. Certain subsidiaries of the Group are qualified as high and new technology enterprises and therefore were entitled to a preferential income tax rate of 15% for the reporting period.

Singapore

The subsidiary of the Group operating in Singapore was subject to income tax at the rate of 17% (for the six months ended 30 June 2024: 17%) on the taxable income during the reporting period.

Hong Kong

The subsidiary incorporated in Hong Kong is subject to income tax at the rate of 16.5% on any estimated assessable profits arising in Hong Kong during the reporting period. No Hong Kong profits tax was provided for as the Group did not have any assessable profits arising in Hong Kong during the reporting period.

Indonesia

The subsidiary incorporated in Indonesia is subject to income tax at the rate of 22% on any estimated assessable profits arising in Indonesia during the reporting period, except for certain subsidiaries of the Company, which are exempted or taxed at preferential rates of 0% entitled by subsidiaries in accordance with relevant tax rules and regulations in Indonesia or approvals obtained by the tax bureaus in Indonesia.

8. DIVIDENDS

No dividend was declared or proposed by the Company in respect of the six months ended 30 June 2025 (for the six months ended 30 June 2024: nil).

9. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the loss for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 666,330 thousand (for the six months ended 30 June 2024: 562,997 thousand) outstanding during the period, as adjusted to reflect the rights issue during the period.

During the periods ended 30 June 2025 and 2024, the dilutive potential ordinary shares were not included in the calculation of diluted loss per share as their inclusion would be anti-dilution.

The calculations of basic and diluted earnings per share are based on:

	For the six months ended	
	30 June	
	2025	2024
	(Unaudited)	(Unaudited
	<i>RMB'000</i>	and restated)
		<i>RMB'000</i>
Loss		
Loss for the period attributable to owners of the parent, used in basic loss per share calculation	<u>(84,194)</u>	<u>(219,233)</u>
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	666,330	562,997
Effect of dilutive — weighted average number of ordinary shares:		
Share options	<u>—</u>	<u>—</u>
Total	<u>666,330</u>	<u>562,997</u>

10. TRADE AND BILLS RECEIVABLES/PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

(a) Trade and bills receivables

	30 June 2025	31 December 2024
	(Unaudited) RMB'000	(Unaudited and restated) RMB'000
Trade and bills receivables	1,652,889	1,550,279
Impairment	(100,414)	(89,634)
Total	<u>1,552,475</u>	<u>1,460,645</u>

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2025	31 December 2024
	(Unaudited) RMB'000	(Unaudited and restated) RMB'000
Within 1 year	1,503,632	1,404,353
1 to 2 years	34,130	33,191
Over 2 years	7,465	1,767
Total	<u>1,545,227</u>	<u>1,439,311</u>

The movements in the loss allowance for impairment of trade and bills receivables are as follows:

	30 June 2025	31 December 2024
	(Unaudited) RMB'000	(Unaudited and restated) RMB'000
At beginning of year/period	89,634	124,322
Impairment losses, net (<i>note 5</i>)	10,780	(34,688)
At end of year/period	<u>100,414</u>	<u>89,634</u>

(b) Prepayments, other receivables and other assets

	30 June 2025	31 December 2024
	(Unaudited) RMB'000	(Unaudited and restated) RMB'000
Prepayments, other receivables and other assets	695,081	790,089
Analysis for reporting purposes:		
Current portion	<u>621,427</u>	<u>757,798</u>
Non-current portion	<u>73,654</u>	<u>32,291</u>

**11. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME/
PROFIT OR LOSS**

(a) Financial assets at fair value through profit or loss

	30 June 2025	31 December 2024
	(Unaudited) RMB'000	(Unaudited and restated) RMB'000
Listed equity investments, at fair value	899	419
Wealth management products <i>(note (a))</i>	1,221,257	30,082
Unlisted funds investment <i>(note (b))</i>	<u>351,648</u>	<u>474,863</u>
Total	<u>1,573,804</u>	<u>505,364</u>

(b) Financial assets at fair value through other comprehensive income

	30 June 2025	31 December 2024
	(Unaudited) RMB'000	(Unaudited and restated) RMB'000
Non-current assets		
Unlisted equity investments, at fair value	<u>141,450</u>	<u>141,450</u>
Current assets		
Bills receivable	<u>887,612</u>	<u>296,752</u>
Total	<u>1,029,062</u>	<u>438,202</u>

Notes:

- (a) The wealth management product was issued by banks in the PRC and were low-risk in nature. The wealth management products are structured fixed deposits with financial institutions with maturities within one year. The principal of the structured fixed deposits will be invested in debt instruments or derivative markets. The Group received variable return depending on the return of the derivative. The returns of these investments were determined by reference to the performance of the expected return rates stated in the contracts.
- (b) The unlisted funds investment were bond funds and the fair value of the Group's interests in the funds are determined by reference to its net assets value per share at the end of the reporting period, since the Group has the right to request for redemption of some or all of its interests in the fund at a redemption price, which equals to the net assets value, according to the private placing memorandum of the fund. The fair value of the Group's interests in the fund is categorised as level 2 under fair value measurement hierarchy.

12. TRADE AND OTHER PAYABLES

	30 June 2025	31 December 2024 (Unaudited and restated)
	(Unaudited) RMB'000	RMB'000
Trade payables	1,164,164	948,092
Bills payable	57,890	98,747
Other payables	652,586	950,277
Total	1,874,640	1,997,116

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2025	31 December 2024 (Unaudited and restated)
	(Unaudited) RMB'000	RMB'000
Less than 1 year	957,153	778,929
1 to 2 years	200,800	125,320
2 to 3 years	1,730	39,541
Over 3 years	4,481	4,302
Total	1,164,164	948,092

13. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Unaudited and restated) RMB'000
Convertible redeemable preferred shares (“CRPS”) of a subsidiary	<u>1,431,470</u>	<u>—</u>
Total	<u>1,431,470</u>	<u>—</u>

On 10 February 2025, LBM NEW ENERGY (AP) PTE. LTD. (“LBM NEW ENERGY”), a subsidiary of the Company issued to two independent third parties (the “Investors”) 66,387,000 Series A Convertible Redeemable Preferred Shares with a total consideration of US\$200,000,000 (equivalent to RMB1,433,980,000).

The key terms of the Preferred Shares are summarised as follows:

Redemption rights and prices

The Investors could request LBM NEW ENERGY to repurchase all the Shares held by such Investor upon the occurrence or non-occurrence of certain specified events, including failure to be admitted to the Official List of the Singapore Exchange Securities Trading Limited or any other recognised securities exchange agreed by Investors within six years after the completion date. The repurchase price is based on higher of capital contribution plus 16% internal rate of return per annum (inclusive of all paid Series A Preferred Distribution or other distribution of profits of the LBM NEW ENERGY to date) or the Fair Market Value of such Shares.

Conversion rights

Each Preferred Share may, at the option of the holders, shall be converted into such number of fully paid Ordinary Shares as is determined by dividing the Initial Subscription Price Per Series A Share (as appropriately adjusted for any subdivisions, consolidations, share dividends or similar recapitalisations) by the then applicable conversion price per Series A Share.

Each Preferred Share shall automatically be converted into ordinary shares, at the applicable then-effective conversion price immediately upon the consummation of a Qualifying IPO. In the event that the equity value of an IPO is less than the minimum equity value required for a Qualifying IPO, the conversion ratio of the Shares shall be adjusted to ensure that the Investors achieve a USD IRR of 16%, inclusive of all paid Series A Preferred Distribution, dividends, proceeds or other distribution of profits of the LBM NEW ENERGY to the date of the Qualifying IPO.

Accounting for convertible redeemable preferred shares

The Company does not bifurcate any embedded derivatives from the host instruments and has designated the entire instruments as financial liabilities at fair value through profit or loss. Any directly attributable transaction costs are recognised as finance costs in the statement of profit or loss. Subsequent to initial recognition, the fair value change of the Preferred Shares is recognised in the statement of profit or loss except for the portion attributable to credit risk change which shall be recognised in other comprehensive income, if any.

As at 30 June 2025, the convertible redeemable preferred shares were classified as current liabilities, because the holders of the Preferred Shares can demand the Company to convert the convertible redeemable preferred shares to ordinary shares within 12 months. The Group applied the discount cash flow method and option pricing method to determine the fair value of the convertible redeemable preferred shares.

14. BUSINESS COMBINATIONS UNDER COMMON CONTROL AND RESTATEMENTS

The Group adopts merger accounting for common control combinations in respect of the following transaction which occurred during the six months ended 30 June 2025: On 21 January 2025, the Group acquire 100% equity interest of Shandong Meiduo Technology Company Limited (山東美多科技有限公司) at an aggregate cash consideration of RMB100,539,000 from Longpan International Holdings Co., Ltd (龍蟠國際控股有限公司), which is controlled by Mr. Shi, the controlling shareholder of the Company.

The book values of the merged company's assets and liabilities as at the merger date and 31 December 2024 were as follows:

	Merger date Book value (Unaudited) RMB'000	31December 2024 Book value (Unaudited) RMB'000
Non-current assets	152,324	152,324
Current assets	42,184	42,184
Current liabilities	(65,877)	(65,877)
Non-current liabilities	(39,132)	(39,132)
Net assets	89,499	
Difference directly credited to equity	11,040	
Cash consideration	100,539	

The effects of the application of merger accounting for business combinations under common control occurred during the six months ended 30 June 2025 on the Group's financial position as at 31 December 2024 and the results for the six months ended 30 June 2025 are summarised as follows:

For the six months ended 30 June 2025:

	As originally stated (Unaudited) RMB'000	Effect of business Combinations under common control (Unaudited) RMB'000	As restated (Unaudited) RMB'000
Revenue	<u>3,619,175</u>	<u>2,705</u>	<u>3,621,880</u>
Loss for the period	(99,971)	(9,139)	(109,110)
Other comprehensive income	1,329	—	1,329
Total comprehensive loss for the period	<u>(98,642)</u>	<u>(9,139)</u>	<u>(107,781)</u>
Attributable to:			
Owners of the Company	(72,920)	(9,139)	(82,059)
Non-controlling interests	<u>(25,722)</u>	<u>—</u>	<u>(25,722)</u>

As at 31 December 2024:

	As originally stated RMB'000	Effect of business Combinations under common control (Unaudited) RMB'000	As restated (Unaudited) RMB'000
Non-current assets	8,611,190	152,324	8,763,514
Current assets	9,038,804	42,184	9,080,988
Current liabilities	(10,356,094)	(65,877)	(10,421,971)
Non-current liabilities	(3,530,300)	(39,132)	(3,569,432)
Total equity attributable to owners of the Company	2,813,955	89,499	2,903,454
Non-controlling interests	<u>949,645</u>	<u>—</u>	<u>949,645</u>

BUSINESS REVIEW AND OUTLOOK

Business Review

During the Reporting Period, the Company remained committed to its mission of building a better global life through green new energy core materials, while contributing to the sustainable development of the new energy industry. In terms of industrial layout, the Company adopted a dual-track strategy, advancing both its new energy business and traditional business segments in parallel. In the automotive environmental-friendly specialty chemical sector, the Company continued to innovate and diversify its product portfolio on the basis of traditional products such as including lubricants, coolants, brake fluid, and exhaust fluid, so as to adapt to industry changes and maintain its leading market position. In the first half of 2025, despite intensified market competition leading to a net loss, the Company implemented proactive measures that resulted in improved capacity utilization at its LFP (“**lithium iron phosphate**”) plant production bases, a robust order backlog, and steady growth in sales volume of key products, which ultimately led to the Group’s gross profit position in the first half of 2025. Revenue amounted to RMB3,621,880.1 thousand, while net loss attributable to owners of the Company RMB84,193.9 thousand, with the loss narrowed significantly year-on-year. During the Reporting Period, the Company focused on the following key initiatives:

(I) Focusing on Overseas Market Development and Actively Expanding New Customers

Against the backdrop of continuously rising installation capacity in the power and energy storage markets, the global demand for LFP batteries continues to grow, and China’s LFP industry is accelerating its expansion into overseas markets. With a strong focus on overseas market development, the Company is accelerating engagements with more than ten overseas customers across Japan, South Korea, the U.S., and other regions. Progress has been made across multiple stages, including sample testing, pilot production, small-batch orders, factory verification by customers, and approval as a qualified supplier. During the Reporting Period, the Company achieved significant milestones in overseas cooperation. Building on the long-term supply agreement with LG Energy Solution, Ltd. (“**LG**”) for 260,000 tons of LFP cathode materials, the Company further solidified its overseas LFP cathode materials sales for the 2026–2030 period by securing additional long-term supply agreements with Blue Oval Battery Park, Michigan (“**Blue Oval**”) in January 2025 and Eve Energy Malaysia Sdn. Bhd. (“**Eve Energy**”) in June 2025. Deep collaboration with overseas customers helps to better understand their product standards and requirements, which is expected to bring relatively stable revenue and profits. This will further drive the expansion of the Company’s overseas production capacity, enabling it to take the lead in capturing international market share and solidify its position in the global LFP cathode material industry.

(II) Completion of Key Projects and Advancement in Overseas and Raw Material Production Capacity

During the Reporting Period, the accelerated construction and gradual ramp-up of several production bases led to the establishment of a diversified supply system. This has enabled the Group to provide customers with a stable product supply, implement its vertically integrated development strategy, further enhance its large-scale production capabilities, and improve its brand recognition and reputation in the LFP cathode material industry, as well as maintain and expand its customer base. The Phase I of the 30,000-ton LFP cathode materials project in Indonesia began mass production in 2025, with product quality gaining customer recognition and achieving stable supply to target markets. The Phase II of the 90,000-ton LFP project in Indonesia is also under active construction, marking a further expansion of the Company's overseas LFP cathode material production capacity.

(III) Prioritizing Innovation and Research and Development ("R&D") to Enhance Product Competitiveness

During the Reporting Period, the Company concentrated its R&D efforts on innovation breakthroughs in automotive specialty chemicals and LFP cathode materials, developing a synergistic multi-domain advancement landscape. Leveraging its three R&D centers in Shenzhen, Nanjing, and Changzhou, along with a CNAS-accredited testing platform, the Company intensified R&D investments in LFP cathode materials, sodium-ion battery cathode materials, and solid-state battery technologies. As of the end of the Reporting Period, the Company held 474 valid authorized patents, including 138 invention patents.

The Company has developed a diversified portfolio of cathode materials tailored to various industry sectors, application scenarios, and specific customer requirements, including Lithium Energy 1 (鋰能1號), optimized for high-end energy storage with superior energy density and cycle life; Manganese Lithium 1 (High-Cycle Edition) (錳鋰1號高循環版) and Iron Lithium 1 (Fast-Charging Edition) (鐵鋰1號快充王), featuring high compaction, safety, and low-temperature fast-charging performance; Range 1 (續航1號), addressing range anxiety, low-temperature efficiency, and fast-charging challenges; Recycled 1 (再生1號), enabling resource recovery from spent battery electrodes; the fourth generation high-voltage lithium iron phosphate materials adopting breakthrough 'single-sintering' process technology to prepare, which simplifies traditional multi-stage sintering processes into single precision temperature-controlled molding compared to dual-sintering process, while ensuring product particle gradation effectiveness at the same time, significantly reduces production energy consumption and cycle; and the Solid-State Battery Precursor D392 featuring excellent cycling performance, extended battery life and stable power output. Solid-State Battery Precursor D392 developed by Jiangsu Sanjin Lithium Technology Co., Ltd. ("**Sanjin Lithium**"), a wholly-owned subsidiary of the Company, is a high-nickel ternary precursor material specifically engineered for solid-state

batteries. This advanced product incorporates optimized elemental doping and structural modifications to enhance stability, safety and longevity, effectively addressing critical challenges in solid-state batteries including cathode material cracking and high-temperature decomposition. The continuous introduction of such innovative products demonstrates the Company's strong technological capabilities in R&D and further strengthens its leading position in the new energy materials sector.

In terms of automotive specialty chemical business, the Company has continuously improved its product formulations through R&D testing to gain competitive advantages in the dynamic market. During the Reporting Period, by closely following industry standards, the Company successfully upgraded its flagship product "Lopal No.1 automobile lubricant (龍蟠1號)" with significantly enhancement in its anti-wear performance and fuel economy performance, establishing it as a technological benchmark for domestic high-end lubricants. For supporting products, the Company has launched low-conductivity coolants for new energy applications, particularly its third-generation low-conductivity coolant. This coolant possesses metal anti-corrosion protection capability exceeding the Chinese National Standard by fivefold; its unique corrosion inhibition formulation provides excellent anti-corrosion protection for metals within power battery cooling systems. Relying on the "New Energy Coolant Research Key Laboratory of Lopal," the Company continuously strengthens its technological advantages.

Furthermore, in the hydrogen energy sector, the Company has focused on achieving breakthroughs in fuel cell catalysts, with sales volume further expanding. Its products are now widely applied in fields including fuel cell vehicles, hydrogen-powered two-wheelers, hydrogen-powered drones, and fuel cell power generation systems.

(IV) Multi-channel Financing to Provide Adequate Fund Security

Successful issuance of H Shares provided a broader international capital platform for the Company's internalization, and subsequent fundraising therefore will no longer be limited within a single market, expanding fundraising channels and methods. During the Reporting Period, the Company continued to optimize financial structure by leveraging diversified fundraising channels. The Company completed the placement of 20,000,000 new H Shares on June 12, 2025 with net proceeds of approximately HKD120 million. Meanwhile, the Company actively introduced strategic investors at the subsidiary level. Specifically, the Company successfully introduced investors, i.e. PT AKASYA INVESTASI INDONESIA and AISIS ALLIANCE L.P. to LBM New Energy (AP) Pte. Ltd. ("LBM New Energy"), a holding subsidiary, and the subscription of shares completed in February 2025 with proceeds of USD200 million raised. Besides, the Group recently completed the capital increase and share expansion of its third-tier subsidiary, Liyuan (Indonesia) (鋰源 (印尼)), and finalized the transaction of introducing LG Energy Solution, Ltd. as an investor, with proceeds of USD15,970,911.12 raised. Fully leveraging capital

markets and multi-channel fundraising, the Company mitigated fund pressures, optimized assets and debts structure and provide adequate fund security for production capability expansion and business development, thereby facilitating high-quality and sustainable development.

(V) Cost Reduction and Efficiency Enhancement to Improve Operational Efficiency

In terms of supply chain, the Company has continued to strengthen its management capabilities by promoting the transition from traditional procurement to strategic sourcing, and by establishing long-term strategic partnerships with key suppliers to jointly explore cost-saving and technological innovation initiatives. The Company also formulates proactive procurement strategies for critical components through forward-looking market analysis. Through the use of ERP and WMS systems, the Smart Operations Department dynamically and continuously monitors inventory levels to ensure production and delivery needs are met, while flexibly adjusting stock levels based on fluctuations in raw material prices and customer order volumes to accelerate inventory turnover.

During the Reporting Period, to mitigate the impact of sharp price fluctuations of raw materials on operating performance, the management of the Company actively implemented countermeasures, strengthened procurement price control, and explored new sourcing channels to achieve cost control from multiple dimensions and drive overall cost reduction and efficiency enhancement. The Company also engaged in hedging activities using financial instruments including but not limited to futures and options, covering commodities such as urea, ethylene glycol, lithium carbonate, and crude oil, which helped reduce the adverse impact of raw material price volatility on the Company's profitability.

(VI) Introducing High-end Talents, with Equal Emphasis on Training and Introduction

During the Reporting Period, the Company continued to deepen its talent strategy and supported global development and business transformation through systematic initiatives. By fully advancing the “Tenglong Program”, a large-scale management trainee project, the Company aimed to attract and cultivate outstanding graduates through all-round training in corporate culture, business processes and management skills. For the core management, the Company launched the “Excellent Leadership Training Program”, with senior management members personally involved in course design and delivery, covering modules such as strategic interpretation and performance management, which successfully cultivated numerous core cadres and facilitated the implementation of strategies. In addition, the Company focused on building an international talent echelon to expand overseas markets. The Company has developed courses such as “Introduction to Life in Indonesia”, combining online and offline resources to improve employees' cross-cultural adaptability. As a result, a number of key personnel were trained to support overseas operations. In terms of language ability building, the Company offered language training courses in English,

Korean, Indonesian, etc. for all employees to lay a solid foundation for international operations. At the same time, the Company built a digital learning system through Cloud platform, which enabled integration of curriculum resources, promotion of reading activities for all employees, and sharing of reading notes, hereby advancing the construction of a learning organization. These initiatives not only optimized the talent structure, but also provided a solid human resource base for the Company's global development and technological breakthroughs.

(VII) Industry Recognition and Honors

Due to its outstanding contributions in the fields of automotive environmental protection and green new energy core materials, as well as its exceptional product quality and service, the Company has received numerous industry honors: its lubricant products have been recognized as one of the “Top Ten Lubricant Brands in China” (中國潤滑油十大品牌) for consecutive years, highlighting the Company's market position and brand influence in the field of automotive environmental-friendly specialty chemicals sector; in May 2025, Lopal Lubricants was honored as the decade-long “Through Thick and Thin” Partner Award by Leapmotor; at the 2025 Automotive Supply Chain New Ecosystem Conference (2025年汽車供應鏈新生態大會), the Company was honored as the “Technology Innovation Ecosystem Partner Award” (技術創新生態夥伴獎); at the “2025 Gaogong New Energy & New Materials Industry Conference (2025高工新能源新材料產業大會)”, Changzhou Liyuan New Energy Technology Co., Ltd. (“**Changzhou Liyuan**”) was honored as the “2025 New Energy & New Materials Innovation Enterprise (2025新能源新材料創新企業)”; additionally, the Company was awarded the “2025 Outstanding Employer” title by 51job. These achievements underscore the Company's continuously growing comprehensive competitiveness in the fields of green chemistry and new energy materials.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

The Group recorded revenue of RMB3,621.9 million for the six months ended June 30, 2025, representing an increase of approximately 1.5% from RMB3,568.6 million for the same period in 2024, primarily due to an increase in lithium carbonate business.

The table below sets out the breakdown of the revenue for the periods indicated:

	For the six months ended June 30,			
	2025		2024	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Types of products				
LFP cathode materials	2,313,631	63.9	2,475,580	69.4
Without procurement of lithium carbonate and raw materials from customers	1,324,187	36.6	1,696,977	47.6
With procurement of lithium carbonate and raw materials from customers ⁽¹⁾	989,444	27.3	778,603	21.8
Automotive specialty chemicals	981,468	27.1	970,147	27.2
Diesel exhaust fluid	255,811	7.1	306,607	8.6
Automobile and industrial lubricant	378,471	10.4	367,623	10.3
Coolant	274,304	7.6	248,948	7.0
Car maintenance products	52,297	1.4	36,988	1.0
Other products ⁽²⁾	20,585	0.6	9,981	0.3
Lithium carbonate products	286,786	7.9	42,685	1.2
Others⁽³⁾	39,995	1.1	80,200	2.2
Total	3,621,880	100.0	3,568,612	100.0

Notes:

- (1) Revenue from sales of LFP cathode materials with procurement of lithium carbonate and raw materials from customers is recognized on a net basis, excluding cost of lithium carbonate and raw materials procured from customers.
- (2) Mainly comprising revenue from sales of filling equipment and packaging containers, etc. for automotive specialty chemical products.
- (3) Mainly comprising revenue from sales of iron phosphate by-product, daily chemical products and unfinished products as well as revenue from the emerging hydrogen energy business.

Revenue from LFP cathode materials decreased by approximately 6.5% from RMB2,475.6 million for the six months ended June 30, 2024 to RMB2,313.6 million for the same period in 2025, primarily due the decrease in the average selling price of LFP cathode materials of the Group following the decline in the market price of lithium carbonate, a key raw material for LFP cathode materials.

Revenue from automotive specialty chemicals increased by approximately 1.8% from RMB970.1 million for the six months ended June 30, 2024 to RMB981.5 million for the same period in 2025, primarily due to an increase in sales revenue from coolants.

Revenue from lithium carbonate products increased by approximately 571.7% from RMB42.7 million for the six months ended June 30, 2024 to RMB286.8 million for the same period in 2025, primarily due to an increase in sales of lithium carbonate.

Revenue from others decreased by approximately 50.1% from RMB80.2 million for the six months ended June 30, 2024 to RMB40.0 million for the same period in 2025, primarily due to a decline in trading-related income.

Cost of Sales

Cost of sales of the Group decreased by approximately 3.2% from RMB3,224.6 million for the six months ended June 30, 2024 to RMB3,120.7 million for the same period in 2025. The decrease was primarily due to the decrease in market prices of key raw materials, including base oil, urea, and lithium carbonate.

Gross Profit/(Loss) and Gross Profit/(Loss) Margin

The Group recorded a gross profit of RMB501.2 million for the six months ended June 30, 2025, representing an 45.7% increase from a gross profit of RMB344.0 million for the same period in 2024. Such increase was primarily attributable to a reduced gross loss in the LFP cathode materials business.

Other Income, Gains and Losses

For the six months ended June 30, 2025, the other income, gains and losses of the Group decreased by approximately 27.7% from RMB134.1 million for the six months ended June 30, 2024 to RMB96.9 million for the same period in 2025. This decrease was primarily attributable to the loss from changes in fair value of financial liabilities at FVTPL and reduced government grants.

Reversal of Impairment Losses/(Impairment Losses) on Financial Assets

The Group recorded impairment losses on financial assets of RMB11.1 million for the six months ended June 30, 2025, as compared to a reversal of impairment loss on financial assets of RMB30.5 million for the same period in 2024, mainly due to fluctuations in accounts receivable balances.

Selling and Distribution Expenses

Selling and distribution expenses decreased by approximately 13.8% from RMB80.7 million for the six months ended June 30, 2024 to RMB69.6 million for the same period in 2025, primarily attributable to reduced business promotion expenses.

Administrative Expenses

Administrative expenses of the Group remained relative stable at RMB275.6 million for the six months ended June 30, 2024 and RMB274.7 million for the same period in 2025.

Research and Development Expenses

Research and development expenses of the Group decreased by approximately 7.3% from RMB205.0 million for the six months ended June 30, 2024 to RMB190.1 million for the same period in 2025, primarily attributable to streamlined research and development efforts of the Group.

Share of Results of Associate

The share of results of associate represents the profits attributable to us from the equity interest in an associate. The Group recorded a loss on share of results of associate of RMB11.9 million for the six months ended June 30, 2024 and RMB8.9 million for the same period in 2025, primarily because decrease in loss by the associate.

Finance Costs

Finance costs of the Group increased by approximately 8.2% from RMB130.4 million for the six months ended June 30, 2024 to RMB141.1 million for the same period in 2025, primarily attributable to the increase in interest on bank and other borrowings due to the addition of bank loans.

Income Tax

The Group recorded income tax expense of RMB66.7 million for the six months ended June 30, 2024 while it recorded income tax expense of RMB11.8 million for the same period in 2025, primarily attributable to deferred income tax adjustments.

Loss for the Period

As a result of the foregoing, the Group recorded loss of RMB109.1 for the six months ended June 30, 2025, as compared to a loss of RMB261.6 million for the same period in 2024.

Inventories

The inventories primarily consist of raw materials, such as lithium carbonate, iron phosphate, base oil, ethylene glycol, urea and lubricant additives, work in progress and finished goods. The inventories decreased by approximately 4.7% from RMB1,392.5 million as of December 31, 2024 to RMB1,327.6 million as of June 30, 2025, primarily attributable to reduce in prices of key raw materials, including lithium carbonate.

Trade and Bills Receivables

The trade and bills receivables, where bills receivables are mainly value added tax recoverable, prepayments for purchases of non-current assets, prepayments to suppliers and prepayments for advertising and marketing expenses, increased by 6.3% from RMB1,460.6 million as of December 31, 2024 to RMB1,552.5 million as of June 30, 2025, primarily due to increase in receivables.

Property, Plant and Equipment

The property, plant and equipment consist of construction in progress, buildings, plant and machinery, motor vehicles, other equipment and leasehold improvement. Property, plant and equipment of the Group remained relatively stable at RMB6,787.9 million as of December 31, 2024 and RMB6,597.7 million as of June 30, 2025.

Goodwill

The goodwill remained stable at RMB214.2 million as of December 31, 2024 and RMB214.2 million as of June 30, 2025, respectively.

Right-of-use Assets

The Group recorded right-of-use assets of RMB1,239.6 million and RMB1,199.4 million as of December 31, 2024 and June 30, 2025, respectively. Such decrease was primarily due to depreciation of the leased properties.

Trade and Other Payables

The trade and other payables, where other payables mainly consist of payroll, other tax payables, payables for equipment and constructions, etc., decreased by approximately 6.1% from RMB1,997.1 million as of December 31, 2024 to RMB1,874.6 million as of June 30, 2025, primarily attributable to the decrease in bills payable as a result of a reduction in bank acceptance bills issued.

Financial Assets at Fair Value through Profit or Loss (“FVTPL”)

The financial assets at FVTPL held by the Group mainly comprise of the investments in listed and unlisted equity, unlisted funds and wealth management products. The financial assets at FVTOCI/FVTPL amounted to RMB505.4 million and RMB1,573.8 million as of December 31, 2024 and June 30, 2025, respectively. Such increase was primarily attributable to increased purchases of wealth management products. The investment in wealth management products and invest in other types of financial assets is to maximize the capital utilization efficiency.

Contract Liabilities

As of December 31, 2024 and June 30, 2025, the contract liabilities were RMB92.3 million and RMB41.7 million, respectively. Such decrease was primarily due to a decrease in advance payments received for orders.

Capital Structure

The total assets of the Group increased from RMB16,055.2 million as of December 31, 2024 to RMB17,844.5 million as of June 30, 2025. The total liabilities of the Group increased from RMB12,032.2 million as of December 31, 2024 to RMB13,991.4 million as of June 30, 2025. Liabilities-to-assets ratio increased from approximately 74.9% as of December 31, 2024 to approximately 78.4% as of June 30, 2025. The current ratio of the Group, being current assets divided by current liabilities as of the respective date, remains stable at 0.8 times as of December 31, 2024 and as of June 30, 2025.

Liquidity, Financial Resources and Gearing Ratio

The Group adopts a prudent funding and treasury policy with a view to optimize its financial position. The Group regularly monitors its funding requirements to support its business operations and perform ongoing liquidity review. The primary uses of cash are to satisfy its working capital, capital expenditure and investment needs. For the Reporting Period, the Group financed its operations primarily through cash and cash equivalents, cash flows from operating activities, available bank loans and banking facilities, and net proceeds from the global offering of the H Shares, details of which were disclosed in the Prospectus. The Group mainly used Renminbi and U.S. Dollar to make borrowings and loans and to hold cash and cash equivalents. Cash and cash equivalents of the Group increased by approximately 6.1% from RMB2,509.6 million as of December 31, 2024 to RMB2,663.9 million as of June 30, 2025, primarily attributable to capital injection from preferred shareholders of a subsidiary. During the Reporting Period, the Group did not use any financial instrument for hedging purpose and did not have any outstanding hedging instruments to manage the liquidity and capital resources as of June 30, 2025.

To mitigate the price fluctuations of lithium carbonate, the Group has leveraged the lithium carbonate futures contracts traded on the Guangzhou Futures Exchange through the future hedging risk management working group (“**Working Group**”). The Working Group is responsible for applying and review the Futures and Derivatives Hedging Business Management System (期貨和衍生品套期保值業務管理制度) and the Internal Management Measures for Futures Hedging Operations (期貨套期保值業務內部控制管理辦法) issued by the Company and the relevant rules and guidelines of the Shanghai Stock Exchange on the disclosure of information managing and approving transactions accounts, monitoring risks, reporting to senior management of the Company and the Board of Directors for hedging activities.

Gearing ratio is calculated by total debt, comprising total bank and other borrowings and divided by total equity as of the same date and multiplied by 100%. The gearing ratio of the Group increased from 299.09% as of December 31, 2024 to 363.12% as of June 30, 2025, which was primarily due to the increased financial liabilities at fair value through profit or loss as a result of the issue of convertible redeemable preferred shares of LBM New Energy to its minority shareholders.

Indebtedness

Bank and other borrowings

As of June 30, 2025, the Group had interest-bearing bank and other borrowings of RMB9,526.8 million, representing an increase of 7.2% as compared to RMB8,883.3 million as of December 31, 2024. All of the borrowings of the Group are denominated in Renminbi. The following table sets forth the maturity structure of the bank and other borrowings of the Group as of December 31, 2024 and June 30, 2025:

	As of June 30, 2025			As of December 31, 2024		
	<i>RMB'000</i>			<i>RMB'000</i>		
	Fixed-rate bank borrowings	Endorse bills	Other Borrowings	Fixed-rate bank borrowings	Endorse bills	Other Borrowings
Within 1 year	5,522,089	571,535	893,438	4,929,432	658,249	878,019
1 to 2 years	1,141,841	—	—	495,375	—	—
2 to 5 years	1,397,866	—	—	1,922,230	—	—

As of June 30, 2025, banking facilities of the Group totaling RMB10,515.19 million (as of December 31, 2024: RMB9,625.0 million) were utilized to the extent of RMB8,934.38 million (as of December 31, 2024: RMB7,306.0 million).

As of December 31, 2024 and June 30, 2025, the other borrowings amounted to RMB878.0 million and RMB893.4 million, respectively. Other borrowings derived from the repurchase rights granted to certain new investors of Changzhou Liyuan in connection with its capital increases in October 2021, February 2024 and May 2024.

Lease liabilities

The lease liabilities amounted to RMB871.6 million and RMB836.8 million as of December 31, 2024 and June 30, 2025, respectively. Such decrease was primarily due to the Group's rent payments.

Capital Expenditures

The capital expenditures are primarily cash used to purchase property, plant and equipment and other intangible assets. The capital expenditures increased by approximately 169.47% from RMB562.5 million for the six months ended December 31, 2024 to RMB1,515.78 million for six months ended June 30, 2025, primarily due to the commencement of the 90,000-ton LFP cathode materials project in Indonesia. The Group finances its capital expenditures through cash generated from operations, bank loans and the net proceeds from the Global Offering.

Foreign Exchange Risk and Hedging

The Group operates in the PRC with most of the transactions settled in Renminbi. Foreign currency risk arises when commercial transactions or recognized assets or liabilities are denominated in a currency other than the entities' functional currency. The Group is exposed to foreign currency risk primarily with respect to USD and HKD.

As of the date of this announcement, the Group does not use any derivative contracts to hedge against its exposure to foreign currency exchange risks but has closely managed its foreign currency risk by performing regular reviews of its net foreign currency exposures and may enter into currency forward contracts, when necessary, to manage its foreign exchange exposure.

Employee and Remuneration

As of June 30, 2025, the Group had 3,953 employees, as compared with 4,354 employees as of June 30, 2024. Total staff costs (including Directors, chief executives, and supervisors of the Company (the “**Supervisors**”)), including but not limited to wages, salaries and bonuses, retirement benefit expense, social security costs, housing benefits and other employee benefits, were RMB324.3 million for the Reporting Period (for the six months ended June 30, 2024: RMB321.7 million).

The remuneration of employees was based on their performance, skills, knowledge, experience and market trend. The Group reviews the remuneration policies and packages on a regular basis and will make necessary adjustment commensurate with the pay level in the industry. In addition to basic salaries, employees may be offered with discretionary bonus, cash awards and share awards based on individual performance. The Group provides training periodically and across operational functions, including introductory training for new employees, technical training, product training, management training and work safety training, with a view to fostering the basic skills of new employees to perform their duties and improving the relevant skills of the existing employees as well.

For the purposes of (i) aligning the interests of the Company, the shareholders of the Company (the “**Shareholders**”) and employees, facilitating the parties’ mutual interests to focus on the long-term development of the Company; (ii) improving the corporate governance structure and the long-term and effective incentive mechanisms of the Company to ensure long-term and stable development of the Company; and (iii) incentivizing the management personnel and employees, attracting and retaining management talents and key personnel, preventing loss of talents, and enhancing cohesiveness and competitiveness of the Company, the Company adopted the 2023 Share Option Scheme under which an aggregate of options to subscribe for 5,295,000 A Shares were granted to 162 Eligible Participants (as defined in the Prospectus) at the determination of the Board (“**2023 Share Option Scheme**”) on September 22, 2023.

On May 16, 2025, upon the completion of cancellation registration for 2,920,000 options for subscribing A Shares under the 2023 Share Option Scheme, 2,375,000 options remained outstanding, among which 1,187,500 A Shares may be issued or transferred out of treasury. During the six months ended June 30, 2025, the Company did not grant any options under the 2023 Share Option Scheme. Further details of the 2023 Share Option Scheme are set out in the sections headed “Statutory and General Information — A. Further Information About Our Group — 5. 2023 Share Option Scheme” in Appendix IV to the Prospectus.

Details of the outstanding options granted to the Directors, senior management members and other connected persons of the Company under the 2023 Share Option Scheme during the six months ended June 30, 2025 are set out below:

Name of the grantees	Date of grant	Outstanding as of January 1, 2025/	Options granted		Cancelled during the Reporting Period	Lapsed during the Reporting Period	Number of A Shares underlying the outstanding options granted as of June 30, 2025	Exercise price (RMB per Share)	Vesting period	Exercise period
			during the Reporting Period	Exercised during the Reporting Period						
Director										
Qin Jian (秦建)	September 22, 2023	180,000	—	—	90,000	—	90,000	11.920	See Note (1)	See Note (2)
Lu Zhenya (呂振亞)	September 22, 2023	190,000	—	—	95,000	—	95,000	11.920	See Note (1)	See Note (2)
Shen Zhiyong (沈志勇)	September 22, 2023	690,000	—	—	345,000	—	345,000	11.920	See Note (1)	See Note (2)
Zhang Yi (張羿)	September 22, 2023	190,000	—	—	95,000	—	95,000	11.920	See Note (1)	See Note (2)
Subtotal		<u>1,250,000</u>	<u>—</u>	<u>—</u>	<u>625,000</u>	<u>—</u>	<u>625,000</u>	11.920	See Note (1)	
Five highest paid individuals										
Other employees of the Company who are the 2023 Eligible Participants	September 22, 2023	4,045,000	—	—	2,295,000	—	1,750,000	11.920	See Note (1)	See Note (2)
Total		<u>5,295,000</u>	<u>—</u>	<u>—</u>	<u>2,920,000</u>	<u>—</u>	<u>2,375,000</u>			

Notes:

- (1) The vesting periods are 12 months and 24 months commencing from the grant date of the 2023 Share Option Scheme, i.e. September 22, 2023.
- (2) The exercise periods for the relevant options are as follows: 50% of the options shall be exercisable from September 22, 2024 to September 21, 2025, and 50% of the options shall be exercisable from September 22, 2025 to September 21, 2026.

As at June 30, 2025, the total number of Shares available for issue under the 2023 Share Option Scheme was 2,375,000 A Shares (options had been granted and were outstanding), representing approximately 0.36% of the Shares in issue as at June 30, 2025.

Pursuant to the rules of the 2023 Share Option Scheme, no further share options would be granted. Hence, the number of options available for grant under the scheme mandate at the beginning and the end of the Reporting Period are both zero.

As no options and awards were granted during the Reporting Period, thus, the number of Shares that may be issued in respect of options and awards granted under all schemes of the Company during the Reporting Period divided by the weighted average number of shares of the relevant class in issue (excluding treasury shares) for the Reporting Period is not available.

Contingent Liabilities

As of June 30, 2025, the Group did not have any material contingent liabilities, guarantees any litigations or claims of material importance, pending or threatened against any member of the Group that is likely to have a material and adverse effect on the business, financial condition or results of operations.

Pledge of Assets

As of June 30, 2025, the property, plant and equipment and right-of-use assets of the Group with carrying amounts of RMB1,134.3 million and RMB57.6 million (as of December 31, 2024: RMB1,373.1 million and RMB63.4 million) respectively were pledged as collateral for the borrowings. As of June 30, 2025, the bank deposits of the Group in the amount of RMB192.8 million (as of December 31, 2024: RMB93.6 million) were pledged as security for bill payable. As of June 30, 2025, the long-term equity investments of the Group in the amount of RMB844.4 million (as of December 31, 2024: RMB844.4 million) were pledged as collateral for borrowings.

As of June 30, 2025, trade and bills receivables of the Group in the amount of RMB31.6 million (as of December 31, 2024: RMB163.4 million) were pledged as security for bill payable.

Save as disclosed above, the Group had no other pledged assets as of June 30, 2025.

Significant Investment, Material Acquisitions and Disposal of Subsidiaries, Associates and Joint Ventures

On February 21, 2025, LBM New Energy, PT LBM Energi Baru Indonesia (“**PT LBM**”) (an indirect non-wholly owned subsidiary of the Company) and LG entered into a subscription agreement (“**LG Subscription Agreement**”) and the shareholders agreement; and the Company, Changzhou Liyuan, LBM New Energy, PT LBM and LG entered into a side letter agreement. Under the LG Subscription Agreement, at the closing, PT LBM shall issue to LG, and LG shall subscribe for a total of 255,930.64 newly issued shares of PT LBM for an aggregate subscription price of USD15,970,911.12, which upon issuance will collectively represent 20% of the issued and outstanding share capital of PT LBM on a fully diluted basis (the “**LG Subscription**”). Further details are set out in the announcements of the Company dated February 21, 2025 and circular of the Company dated March 27, 2025.

On May 29, 2025, the Company entered into the capital increase agreement with Changzhou Liyuan (a direct non-wholly owned subsidiary of the Company) and Changzhou Liyuan’s shareholders in relation to, among others, the capital contribution by the Company in the sum of RMB369.7056 million to Changzhou Liyuan to subscribe for approximately RMB55.51 million of Changzhou Liyuan’s registered capital (the “**Capital Increase**”). Upon completion of the Capital Increase, the shareholding ratio of the Company in Changzhou Liyuan will increase from approximately 64.03% to 66.42%. Further details are set out in the announcements of the Company dated May 29, 2025 and June 16, 2025, as well as circular of the Company dated June 27, 2025.

Save as disclosed above, there was no significant investment, material acquisition and disposal of subsidiaries, associates and joint ventures by the Group during the Reporting Period. In addition, save for the expansion plans as disclosed in the sections headed “Business” and “Future Plans and Use of Proceeds” in the Prospectus, there were no specific plan authorized by the Board for other material investments or acquisition of capital assets as of the date of this announcement. However, the Group will continue to identify new opportunities for business development.

ROUNDING

Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments. Any discrepancies in any table between totals and sums of amounts listed therein are due to rounding.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities (including sales of treasury shares) of the Company in both the Hong Kong Stock Exchange and Shanghai Stock Exchange. As of June 30, 2025 and up to the date of this announcement, the Company did not hold any H shares of the Company as treasury shares (as defined in the Hong Kong Listing Rules).

EVENTS AFTER THE REPORTING PERIOD

(A) Completion of the LG Subscription

Reference is made to the announcements of the Company dated February 21, 2025 and April 17, 2025 and the circular of the Company dated March 27, 2025. Closing under the LG Subscription Agreement has taken place. Upon closing, the Company holds approximately 66.42% of the equity interest in the Changzhou Liyuan, which holds 56.04% of the equity interest in LBM New Energy. LBM New Energy and LBM New Energy Singapore Pte. Ltd. (a wholly-owned subsidiary of LBM New Energy) collectively hold 80% of the equity interest in PT LBM while LG holds the remaining 20% of the equity interest in PT LBM. PT LBM remains as a subsidiary of the Company and its financial results will continue to be consolidated with the Group upon closing.

(B) Change of Company Name

Reference is made to the announcements of the Company dated July 22, 2025, August 8, 2025 and August 13, 2025 and the circular of the Company dated July 22, 2025 in relation to the change of Company name. Subsequent to the passing of the special resolution at the 2025 fourth extraordinary general meeting of the Company held on August 8, 2025, the Company completed the industrial and commercial change registration procedures, and obtained a new business license issued by Nanjing Market Supervision and Administration Bureau on August 13, 2025.

The Chinese name of the Company has been changed from “江蘇龍蟠科技股份有限公司” to “江蘇龍蟠科技集團股份有限公司”, and the English name of the Company has been changed from “Jiangsu Lopal Tech. Co., Ltd.” to “Jiangsu Lopal Tech. Group Co., Ltd.”. After the change of Company name, the Company's stock code, the Chinese stock short name and the English stock short name for trading in the shares of the Company will remain unchanged. The Company will carry out all necessary registration and/or filing procedures with the Hong Kong Companies Registry.

Save as disclosed above, the Group has no material events subsequent to June 30, 2025 which could have a material impact on the operating and financial performance of the Group as of the date of this announcement.

NO MATERIAL CHANGE

Since the publication of the Group's annual report for the year ended December 31, 2024 on April 22, 2025, there has been no material change to the Group's business.

INTERIM DIVIDEND

The Board did not recommend the payment of any interim dividend for the six months ended June 30, 2025 (for the six months ended June 30, 2024: nil).

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining and promoting stringent corporate governance. The principle of the Company's corporate governance is to promote effective internal control measures, uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of business, to ensure that its affairs are conducted in accordance with applicable laws and regulations and to enhance the transparency and accountability of the Board to all Shareholders. The Company has adopted the principles and code provisions as set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 of the Hong Kong Listing Rules.

The Board is of the view that during the Report Period and up to the date of this announcement, the Company has complied with all applicable code provisions as set out in the CG code, except for the deviation from the code provision C.2.1 of Part 2 of the CG Code. Mr. Shi Junfeng is the chairman of the Board and the general manager of the Company, and he has been managing the Group's business and supervising the overall operations of the Group since its foundation in 2003. Although deviating from the code provision C.2.1 of Part 2 of the CG Code, the Directors consider that vesting both roles in Mr. Shi Junfeng will be beneficial to the management and business development of the Group and will provide a strong and consistent leadership to our Group. For the purposes of complying with the CG Code and maintaining a high standard of corporate governance of the Company, the Board will continue to review and consider splitting the roles of the chairman of the Board and the general manager of the Company at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Hong Kong Listing Rules as the Group's code of conduct regarding the Directors' securities transactions. Having made specific enquiry of all the Directors and Supervisors, all the Directors and Supervisors confirmed that they have strictly complied with the Model Code throughout the Reporting Period.

The Board has also established written guidelines on terms no less exacting than the Model Code (the “**Guidelines**”) for securities transactions by relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of securities in the Company as referred to in code provision C.1.3 of the CG Code. No incident of non-compliance with the Guidelines by the Company’s relevant employees has been noted during the Reporting Period after making reasonable enquiry.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL INFORMATION

As of the date of this announcement, the audit committee of the Company (the “**Audit Committee**”) comprises three independent non-executive Directors, namely Ms. Geng Chengxuan, Mr. Ye Xin and Mr. Hong Kam Le. Ms. Geng Chengxuan is the chairlady of the Audit Committee who possesses appropriate professional qualifications as required by Rules 3.10(2) and 3.21 of the Hong Kong Listing Rules. The Audit Committee has reviewed the unaudited interim results of the Group for the six months ended June 30, 2025. The Audit Committee and the Company’s management have also reviewed, with no disagreement, the accounting principles and practices adopted by the Group; and discussed matters in relation to risk management, internal control and financial reporting.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (<https://www.lopal.cn/>). The interim report of the Company for the six months ended June 30, 2025 containing all the information required by the Hong Kong Listing Rules will be sent to the Shareholders (upon request) and made available for review on the same websites in due course.

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

Nanjing, PRC
August 20, 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.