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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 ON THE IMPAIRMENT PROVISION FOR THE FIRST HALF OF 2025

This announcement is made pursuant to Rule 13.09(2) and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Jiangsu Lopal Tech. Group Co., Ltd. (the "**Company**") convened the 41st meeting of the fourth session of the board (the "**Board**") of directors on August 20, 2025, at which the resolution on impairment provision for the first half of 2025 was considered and approved. The details are announced as follows:

I. OVERVIEW OF THE IMPAIRMENT PROVISION

In accordance with the "Accounting Standards for Business Enterprises", "Accounting Regulatory Risk Warning No. 8 – Goodwill Impairment" issued by China Securities Regulatory Commission and "Accounting Standards for Business Enterprises No. 8 – Asset Impairment" issued by the Ministry of Finance and the relevant regulation of Company's accounting policies, and adhering to the principle of prudence, the Company and its subsidiaries have conducted a comprehensive and thorough review and impairment tests on assets (including but not limited to goodwill, bills receivable, accounts receivable, other receivables and inventories) that may exhibit indications of impairment as at balance sheet date to truthfully and

accurately reflect the Company's assets and financial positions as of June 30, 2025. The Company made a total provision for asset impairment of approximately RMB77,859,200 for the first half of 2025, resulting in a decrease of RMB77,859,200 of the total profit in the consolidated financial statements of the Company for the first half of 2025. The details are as follows:

Unit: RMB0'000

Item	Impairment provision for the first half of 2025 (reversals indicated by negative amounts)
Credit impairment	1,108.09
Inventory write-down	6,677.83
Total	7,785.92

II. SPECIFIC DETAILS OF PROVISION FOR IMPAIRMENT

(1) Provision for credit impairment losses

1. Basis of provision for credit impairment losses

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

2. Specific details of provision for credit impairment losses

Unit: RMB0'000

Item	Opening balance	Accrual in current period	Reversal in current period	Charge-offs in current period	Closing balance
Bad debt provision for bill receivables	112.29	–74.14			38.15
Bad debt provision for account receivables	8,851.06	5,170.66	4,018.59		10,003.13
Bad debt provision for other receivables	2,326.18	101.13	70.97	11.18	2,345.16
Total	11,289.53	5,197.65	4,089.56	11.18	12,386.44

(2) Provision for impairment loss on assets

1. Basis of provision for impairment loss on assets

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

In view of the impact of the market environment in the first half 2025, the price of lithium carbonate (the main raw material of the Company's lithium iron phosphate products) continued to decline and fluctuate significantly. The Company has adopted a prudent approach and provision for inventory impairment of RMB66,778,300 was recognized for the inventories as of June 30, 2025.

2. Specific details of provision for impairment

Unit: RMB0'000

Item	Opening balance	Accrual in current period	Charge-offs in current period	Closing balance
Provision for inventory impairment	11,501.05	6,677.83	–6,607.08	11,571.80
Total	11,501.05	6,677.83	–6,607.08	11,571.80

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

In the first half of 2025, the Company made impairment provisions totaling RMB77,859,200, resulting in a decrease of RMB77,859,200 in the total profit of the Company's consolidated financial statements for the first half of 2025. The provision for impairment complies with accounting standards and relevant accounting policies, and does not prejudice the interests of the Company or its shareholders, particularly minority shareholders.

IV. DECISION-MAKING PROCESS AND RELATED OPINIONS

(1) Opinion of the Board

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

(2) Opinion of the Audit Committee

The provision for impairment has been considered and approved at the 41st meeting of the fourth session of the Board and the 20th meeting of the audit committee of the fourth session of the Board.

Opinion of the audit committee: The provision for impairment made by the Company complies with and conforms to the Accounting Standards for Business Enterprises and the Company's relevant accounting policies. The basis for the impairment provision is adequate and aligns with the current status of the Company's assets. Based on the prudence principle, the provision for impairment contributes to a fairer reflection of the Company's financial position, asset value, and operating results as at June 30, 2025, thereby enhancing the reasonability of the Company's accounting information.

The relevant financial data of this announcement is based on PRC accounting standards and has not been audited by the auditor of the Company.

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

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

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