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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
CONTINUING CONNECTED TRANSACTIONS

CONTINUING CONNECTED TRANSACTIONS

On September 15, 2025, LBM AP (an indirect non-wholly owned subsidiary of the Company) entered into the Procurement Cooperation Agreement with CATL, pursuant to which the LBM AP Group shall provide LFP cathode material to CATL from the second quarter of 2026 to December 31, 2031.

IMPLICATIONS UNDER THE LISTING RULES

As CATL directly wholly owns Yichun Times and Yichun Times is the substantial shareholder of Lopal Times (a non-wholly owned subsidiary of the Company), CATL is a connected person of the Company at the subsidiary level. Accordingly, the Procurement Cooperation Agreement and the transactions contemplated thereunder constitute continuing connected transaction of the Company pursuant to Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.101 of the Listing Rules, since (i) CATL is a connected person of the Company at the subsidiary level; (ii) the transactions contemplated under the Procurement Cooperation Agreement are entered into on normal commercial terms; and (iii) the Board (including independent non-executive Directors) have approved the Procurement Cooperation Agreement and the transactions contemplated thereunder, and confirmed that such transactions are entered into on normal commercial terms, are fair and reasonable and are in the interest of the Company and Shareholders as a whole, the transactions contemplated under the Procurement Cooperation Agreement are subject to the reporting, annual review and announcement requirements but are exempt from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.52 of the Listing Rules, as the term of the Procurement Cooperation Agreement exceeds three years, the Company has appointed Rainbow Capital to explain why a term longer than three years is required and to confirm that it is normal business practice for agreements of this type to be of such duration. The opinion of the Independent Financial Adviser is set out in the section headed "OPINION OF THE INDEPENDENT FINANCIAL ADVISER" in this announcement.

PROCUREMENT COOPERATION AGREEMENT

On September 15, 2025, LBM AP (an indirect non-wholly owned subsidiary of the Company) entered into the Procurement Cooperation Agreement with CATL, pursuant to which the LBM AP Group shall, among others, provide LFP cathode material to CATL from the second quarter of 2026 to December 31, 2031. The principal terms of the Procurement Cooperation Agreement are set out below:

Date:	September 15, 2025
Parties:	(i) LBM AP (an indirect non-wholly owned subsidiary of the Company); and (ii) CATL
Term:	June 30, 2025 to December 31, 2031
Subject matter:	*Business Cooperation* LBM AP Group will, as a supplier of CATL, participate in the development of CATL's overseas projects. CATL will prioritize cooperation with LBM AP in its project development and supply of lithium iron phosphate cathode materials. CATL and LBM AP Group will maintain and enhance communication with each other in areas including industry policies, product development, customers' demand, technological support and cooperation, certification of LBM AP's production lines.

Sale of LFP cathode materials to CATL
LBM AP Group shall provide LFP cathode material to CATL for its overseas project, in compliance with CATL's specified technical requirements and standards (including applicable industry standards) as required under the Procurement Cooperation Agreement.

The expected total amount of LFP cathode active materials to be supplied to CATL's overseas project from 2026 to 2031 is 157,500 tons.

The specific quantities, product specifications and prices shall be fixed by the individual purchase orders to be entered into by the parties.

Pricing policy: The price of the LFP cathode materials to be supplied by the Group to CATL shall be determined on normal commercial terms and on an arm's length basis. The Group shall take into account (i) the prevailing market price of the relevant materials posted on the SMM, the PRC government, any relevant government or other industry recognized organizations and (ii) the production costs of the LFP cathode material.

Liabilities for Breach: If LBM AP breaches the Procurement Cooperation Agreement, LBM AP shall assume the liability arising out of the breach and shall be subject to a penalty payable to CATL for each occurrence of breach. If such penalty is insufficient to cover the damages suffered by CATL, LBM AP shall compensate CATL for its losses.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The entering into of the Procurement Cooperation Agreement with CATL will enable the Group to ensure the stable demand of LFP cathode materials. The transactions contemplated under the Procurement Cooperation Agreement are beneficial for the growth of the Group's business, as we shall be the supplier of LFP cathode materials for CATL's overseas project and can secure a strong customer base to expand our production capabilities by leveraging CATL's sizable scale, reputation and purchasing power. Given the established relationship between the Company and CATL, the Directors are of the view that CATL is capable of maintaining a stable product demand and can provide competitive prices of the LFP cathode materials as compared to the Independent Third Parties in respect of materials of similar specification, model, type and quality, and it is in the interests of the Group and the Shareholders to enter into the Procurement Cooperation Agreement.

In view of the above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Procurement Cooperation Agreement and the transactions contemplated thereunder (including the annual cap) are fair and reasonable, and that the transactions under the Procurement Cooperation Agreement are on normal commercial terms or better, in the ordinary and usual course of business of the Group, and in the interests of the Company and the Shareholders as a whole.

Historical transaction amounts:

For each of the years ended December 31, 2022, 2023 and 2024, the aggregate transaction amount of the LFP cathode materials payable by CATL CP Group to the Group within the PRC was approximately RMB7,797 million, RMB3,494 million and RMB3,084 million, respectively. The Group did not previously supply LFP cathode materials to CATL CP Group overseas.

Proposed annual cap:

The proposed annual caps set for the transaction amount payable by CATL to the Group in relation to the supply of LFP cathode materials from the Group to CATL's overseas project under the Procurement Cooperation Agreement are as follows:

	For the years ending December 31,					
	2026	**2027**	**2028**	**2029**	**2030**	**2031**
			RMB'000,000			
Annual caps	2,200	2,200	2,200	2,200	2,200	2,200

Basis of annual cap:

The proposed annual caps above are determined after taking into account the following factors: (i) the expected development schedule of CATL's overseas project; (ii) the estimated procurement quantity of the LFP cathode materials that have been or may be purchased by CATL from the Group, including but without limitation the estimated tons of LFP cathode materials required by CATL from the Group for the years ending December 31, 2026 to 2031 and (iii) the historical transaction amount paid by CATL CP Group to the Group.

As of the date of this announcement, the Group has not sold, and does not expect any sale of, LFP cathode materials to CATL pursuant to the Procurement Cooperation Agreement during the year ending December 31, 2025. Accordingly, no annual cap is set for the year ending December 31, 2025. In the event there will be any sale of LFP cathode materials by the Group to CATL during the year ending December 31, 2025, they will be governed and covered by the New CATL Purchase Framework Agreement, details of which are set out in the announcement of the Company dated January 17, 2025.

The Company currently expects to continue supply of products including but without limitation LFP cathode materials to CATL CP Group within the PRC after the expiry of the New CATL Purchase Framework Agreement. In the event that agreement(s) for the renewal of the New CATL Purchase Framework Agreement will be entered into by the Group and CATL CP Group, the Company will comply with the applicable requirements under the Listing Rules and make further announcement(s) as and when appropriate and required.

OPINION OF THE INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 14A.52 of the Listing Rules, as the term of the Procurement Cooperation Agreement exceeds three years, the Company has appointed Rainbow Capital to explain why a term longer than three years is required and to confirm that it is normal business practice for agreements of this type to be of such duration.

Reasons for the Procurement Cooperation Agreement having a term exceeding three years

In assessing the reasons why the duration of the Procurement Cooperation Agreement should be longer than three years, Rainbow Capital has considered the following factors based on the information provided by the management of the Group as well as the publicly available information:

(i) the Procurement Cooperation Agreement enhances stable sales of LFP cathode materials in the ordinary course of business of the Company and strengthens the market share of the Company, which are in line with the development strategy of the Group;

(ii) the establishment of stable customer relationships is important to the development of the Group, particularly in the highly competitive market in which the Group operates. The Procurement Cooperation Agreement serves to secure customer demand of CATL, one of the globally leading manufacturers and sales of batteries products for energy vehicles, in respect of the LFP cathode materials which is expected to generate stable demand for the Company;

(iii) the LFP cathode materials are one of the main materials for CATL to produce batteries products for their customers. Correspondingly, CATL could also benefit from the comparatively long duration of the Procurement Cooperation Agreement to secure smooth access to the LFP cathode materials for the manufacture of batteries products to their customers; and

(iv) a comparatively long duration of the Procurement Cooperation Agreement will extend the period of income to be generated from the Group's business and facilitate the Group to formulate a long-term strategy in relation to the Group's business.

Whether a term exceeding three years is normal business practice

In considering whether it is normal business practice for contracts of a similar nature to the Procurement Cooperation Agreement to have a term of such duration, Rainbow Capital has:

(i) referred to the duration of the existing procurement agreements of LFP cathode materials (the "**Existing Procurement Agreements**") entered into between (a) the Company and/or its subsidiaries as supplier on one hand; and (b) independent third party customers on the other hand for the supply of LFP cathode materials in lithium-ion batteries. Rainbow Capital notes that the duration of the Procurement Cooperation Agreement of 5 to 6 years is broadly comparable to the duration of the Existing Procurement Agreements of 4 to 5 years;

(ii) reviewed the principal terms of the supply framework agreements of batteries products (the "**CATL Supply Agreements**") entered into between (a) CATL as supplier on one hand; and (b) independent third party customers of CATL on the other hand for the supply of batteries products by CATL. The principal terms of such transactions are publicly disclosed on the website of the Hong Kong Stock Exchange, Shenzhen Stock Exchange or Shanghai Stock Exchange. Rainbow Capital notes that the duration of the Procurement Cooperation Agreement of 5 to 6 years falls in the range of the duration of the CATL Supply Agreements of 4 to 6 years; and

(iii) reviewed the principal terms of comparable transactions (the "**Comparable Transactions**") involving the procurement of chemicals for batteries products up to the date of this announcement. The Comparable Transactions have been selected by Rainbow Capital based on the following criteria: (a) one of the parties (or its direct or indirect holding companies) to such transactions is listed in Hong Kong or China, and is principally engaged in the procurement of chemicals for batteries products; and (b) the principal terms of such transactions are publicly disclosed on the website of the Hong Kong Stock Exchange, Shenzhen Stock Exchange or Shanghai Stock Exchange. Rainbow Capital notes that the duration of the Procurement Cooperation Agreement of 5 to 6 years is broadly comparable of the duration of the Comparable Transactions of 5 years.

Based on the above considerations, Rainbow Capital is of the opinion that (i) a term of longer than three years is required for the Procurement Cooperation Agreement; and (ii) it is normal business practice of contracts of this type to be of such duration.

INTERNAL CONTROL PROCEDURES OF THE GROUP

In addition to the annual review by the auditor and independent non-executive Directors pursuant to the requirements of Chapter 14A of the Listing Rules, as part of the Group's internal controls systems to ensure that the transactions between the Group and its connected persons are conducted in accordance with the pricing policy under the Procurement Cooperation Agreement, the Company will implement the following internal control measures:

(a) Before the Group enter into transactions under the Procurement Cooperation Agreement, the business department of the Group will obtain relevant prices on SMM or other industry recognized organizations and compare with the price offered by the Group, and ensure that the terms of the transactions are on normal commercial terms, and are fair and reasonable.

(b) The finance department of the Company will cross check the pricing of transactions under the Procurement Cooperation Agreement to ensure that the continuing connected transactions under the Procurement Cooperation Agreement are conducted in accordance with the pricing terms thereof, including reviewing the transaction records of the Company for the sale of similar goods or services to Independent Third Parties, as the case may be.

(c) The legal and risk management department of the Company will regularly convene relevant functional departments to hold meetings to discuss issues in the transactions under the Procurement Cooperation Agreement and recommendations for improvement.

(d) The finance department of the Company will summarize the transaction amounts incurred under the Procurement Cooperation Agreement regularly on a monthly basis and submit reports to the management of the Company. The management and the relevant departments of the Company can be informed of the status of the continuing connected transactions in a timely manner such that the transactions can be conducted within the annual caps.

(e) The business department of the Company will inform the securities department of the Company before introducing any material change in business arrangement with CATL in respect of transactions contemplated under the Procurement Cooperation Agreement so as to enable the Company to take necessary actions and comply with applicable requirements under the Listing Rules before implementation of such change.

The Directors are of the view that the above methods and procedures can ensure that the pricing and other contract terms for the Group's continuing connected transaction are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders and that the continuing connected transaction is conducted as agreed in the Procurement Cooperation Agreement and in compliance with Chapter 14A of the Listing Rules.

INFORMATION OF THE PARTIES

The Company is a joint stock company established in the PRC, the A shares of which are listed on the Shanghai Stock Exchange (SSE: 603906) and the H shares of which are listed on the Main Board of the Stock Exchange (HKEX: 2465). LBM AP is a private company limited by shares incorporated in Singapore on September 28, 2018, an indirect non-wholly owned subsidiary of the Company. The Group is principally engaged in the production and sale of LFP cathode materials and automotive specialty chemicals.

CATL is a joint stock company established in the PRC, the A shares of which are listed on the Shenzhen Stock Exchange (stock code: 300750) and the H shares of which are listed on the Hong Kong Stock Exchange (stock code: 3750). CATL is a leading electrical machinery and equipment manufacturer in mainland China, located in Ningde, Fujian Province, and is primarily engaged in the research and development, manufacturing and sale of lithium-ion batteries, lithium polymer batteries, fuel cell, power batteries, extra large capacity ESS batteries and other equipment and instrument, and other related businesses.

IMPLICATIONS UNDER THE LISTING RULES

As CATL directly wholly owns Yichun Times and Yichun Times is the substantial shareholder of Lopal Times (a non-wholly owned subsidiary of the Company), CATL is a connected person of the Company at the subsidiary level. Accordingly, the Procurement Cooperation Agreement and the transactions contemplated thereunder constitute continuing connected transaction of the Company pursuant to Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.101 of the Listing Rules, since (i) CATL is a connected person of the Company at the subsidiary level; (ii) the transactions contemplated under the Procurement Cooperation Agreement are entered into on normal commercial terms; and (iii) the Board (including independent non-executive Directors) have approved the Procurement Cooperation Agreement and the transactions contemplated thereunder, and confirmed that such transactions are entered into on normal commercial terms, are fair and reasonable and are in the interest of the Company and Shareholders as a whole, the Procurement Cooperation Agreement and the transactions contemplated thereunder are subject to the reporting, annual review and announcement requirements but are exempt from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.52 of the Listing Rules, as the term of the Procurement Cooperation Agreement exceeds three years, the Company has appointed the Independent Financial Adviser to explain why a term longer than three years is required and to confirm that it is normal business practice for agreements of this type to be of such duration. The opinion of the Independent Financial Adviser is set out in the section headed "OPINION OF THE INDEPENDENT FINANCIAL ADVISER" in this announcement.

None of the Directors has any material interest in the Procurement Cooperation Agreement and the transactions contemplated thereunder, and hence no Director was required to abstain from voting on the relevant board resolutions approving the Procurement Cooperation Agreement and the transactions contemplated thereunder.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

"A Share(s)"	ordinary share(s) issued by our Company, with a nominal value of RMB1.00 each, which is/are subscribed for or credited as paid in Renminbi and is/are listed for trading on the Shanghai Stock Exchange
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Board"	the board of Directors
"CATL"	Contemporary Amperex Technology Co., Limited (寧德時代新能源科技股份有限公司), a joint stock company established in the PRC on December 16, 2011, the A shares of which are listed on the Shenzhen Stock Exchange (stock code: 300750) and the H shares of which are listed on the Hong Kong Stock Exchange (stock code: 3750), which was an indirect shareholder controlling (i) 30% equity interest in Lopal Times, through Yichun Times, and (ii) 5.52% equity interest in Changzhou Liyuan New Energy Technology Co., Ltd. (常州鋰源新能源科技有限公司), a subsidiary of the Company, through its wholly-owned subsidiary Ningbo Meishan Baoshuigang District Wending Investment Co., Ltd. (寧波梅山保税港區問鼎投資有限公司) as of the date of this announcement
"CATL CP Group"	CATL, its subsidiary(ies) and 30%-controlled company(ies) (excluding Lopal Times)

"Company"	Jiangsu Lopal Tech. Group Co., Ltd. (江蘇龍蟠科技集團股份有限公司), a joint stock company established in the PRC on March 11, 2003 converted from our predecessor Jiangsu Lopal Petrochemical Co., Ltd. (江蘇龍蟠石化有限公司) into a joint stock company with limited liability under the PRC Company Law on January 23, 2014, the A Shares of which are listed on the Shanghai Stock Exchange with the stock code of 603906 and the H Shares of which are listed on the Hong Kong Stock Exchange with the stock code of 2465
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"H Share(s)"	overseas listed foreign Share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which is/are to be traded in HK dollars and is/are listed for trading on the Hong Kong Stock Exchange
"HK$"	Hong Kong Dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Independent Financial Adviser" or "Rainbow Capital"	Rainbow Capital (HK) Limited, a corporation licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser appointed by the Company for the purpose of Rule 14A.52 of the Listing Rules in relation to the Procurement Cooperation Agreement
"Independent Third Party(ies)"	person(s) or company(ies) and their respective ultimate beneficial owner(s), who/which, to the best of our Directors' knowledge, information and belief, having made all reasonable enquiries, is/are not our connected persons or associates of our connected persons as defined under the Listing Rules
"LBM AP"	LBM New Energy (AP) Pte. Ltd. (formerly known as Lopal Tech Singapore Pte. Ltd.), a private company limited by shares incorporated in Singapore on September 28, 2018, an indirect non-wholly owned subsidiary of the Company

"LBM AP Group"	LBM AP and its subsidiaries
"LFP"	lithium iron phosphate ($LiFePO_4$)
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Lopal Products"	the products to be manufactured and/or processed by the Group in accordance with the specifications provided by CATL CP Group (including the products processed by the Group using raw materials provided by CATL CP Group)
"Lopal Times"	Yichun Lopal Times Lithium Industry Technology Co., Ltd. (宜春龍蟠時代鋰業科技有限公司), a limited liability company established in the PRC and a direct non-wholly owned subsidiary of the Company which is owned as to 70% by the Company and 30% by Yichun Times as of the date of this announcement
"New CATL Purchase Framework Agreement"	a continuing connected transaction agreement (purchase) dated January 17, 2025 entered into between the Company and CATL in relation to the purchase of Lopal Products by CATL CP Group from the Group
"PRC"	the People's Republic of China
"Procurement Cooperation Agreement"	a continuing connected transaction agreement dated September 15, 2025 entered into between LBM AP and CATL in relation to the supply of LFP cathode materials from the Group to CATL
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) in the capital of the Company with nominal value of RMB1.00 each
"Shareholder(s)"	the holder(s) of the Share(s)
"SMM"	Shanghai Metals Market
"subsidiary" or "subsidiaries"	shall have the meaning ascribed to it under the Listing Rules

"Yichun Times"	Yichun Times New Energy Resources Co., Ltd. (宜春時代新能源資源有限公司), a limited liability company established in the PRC on November 23, 2021 and a direct wholly owned subsidiary of CATL as of the date of this announcement
"%"	per cent

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

Nanjing, PRC
September 15, 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.