*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

# 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
## (1) CHANGE IN THE USE OF PROCEEDS FROM THE GLOBAL OFFERING; AND
## (2) SUPPLEMENTAL INFORMATION IN RELATION TO THE SIGNING OF A COOPERATION AGREEMENT AND INVESTMENT IN THE CONSTRUCTION OF A HIGH-PERFORMANCE LITHIUM BATTERY CATHODE MATERIAL PROJECT

References are made to (i) the prospectus of Jiangsu Lopal Tech. Group Co., Ltd. (the "**Company**") dated October 22, 2024 (the "**Prospectus**"), in relation to the global offering (the "**Global Offering**") of the Company; (ii) the interim report of the Company for the six months ended June 30, 2025 (the "**2025 Interim Report**"), in relation to, among other things, the status of the use of net proceeds as of June 30, 2025; and (iii) the announcement and circular of the Company both dated January 4, 2026 (collectively, the "**Jintan Cooperation Agreement and Investment Announcement and Circular**") in relation to, among other things, signing of a cooperation agreement and investment in the construction of a high-performance lithium battery cathode material project. Unless otherwise defined, terms used in this announcement shall have the same meaning as defined in the Prospectus.

## THE PROPOSED CHANGE IN USE OF PROCEEDS

The Board announces that upon the conclusion of the 49th meeting of the fourth session of the Board and the 24th meeting of the audit committee of the fourth session of the Board convened on January 15, 2026, the Board approved the resolution regarding the change in the use of proceeds from the Global Offering to change the intended use of the allocated amount of HK$198.0 million of net proceeds from the Global Offering from constructing new lithium manganese iron phosphate ("**LMFP**") production lines at Xiangyang Plant in Hubei Province to the high-performance lithium battery cathode material project in Jintan, Jiangsu Province (the "**Jintan Project**", and the said proposed change is hereinafter referred to as the "**Proposed Change**"), in view of enhancing the efficiency of the use of proceeds. For further details of the high-performance lithium battery cathode material project in Jintan, Jiangsu Province, please refer to the Jintan Cooperation Agreement and Investment Announcement and Circular.

## SUPPLEMENTAL INFORMATION IN RELATION TO THE SIGNING OF A COOPERATION AGREEMENT AND INVESTMENT IN THE CONSTRUCTION OF A HIGH-PERFORMANCE LITHIUM BATTERY CATHODE MATERIAL PROJECT

As disclosed in the Jintan Cooperation Agreement and Investment Announcement and Circular, (i) an ordinary resolution will be proposed to Shareholders to consider and approve, among other things, the signing of a cooperation agreement and investment in the construction of a high-performance lithium battery cathode material project involving the Jintan Project and (ii) the funding source for the project investment was the Company's own funds and self-raised funds.

Subject to the approval by the Shareholders approving the signing of a cooperation agreement and investment in the construction of a high-performance lithium battery cathode material project involving the Jintan Project, the funding source of the project investment will be the proceeds from the Global Offering.

Accordingly, the Proposed Change is subject to the approval by way of ordinary resolution by the Shareholders at the general meetings of the Company approving (i) the signing of a cooperation agreement and investment in the construction of a high-performance lithium battery cathode material project involving the Jintan Project and (ii) the Proposed Change.

Save as disclosed above, all information disclosed in the Jintan Cooperation Agreement and Investment Announcement and Circular, the notice of the 2026 first extraordinary general meeting of the Company dated January 4, 2026 (the "**2026 First EGM**") and the proxy form in relation to the 2026 First EGM (the "**Proxy Form**") remains unchanged. The Proxy Form remains valid.

## THE STATUS OF THE USE OF NET PROCEEDS FROM THE GLOBAL OFFERING

As disclosed in the 2025 Interim Report, the Company's net proceeds from the Global Offering were approximately HK$495.0 million. As of the date of this announcement, net proceeds of approximately HK$297.0 million have been utilized, and approximately HK$198.0 million remains unutilized.

Details of the allocation of net proceeds, the net proceeds utilized and unutilized as of the date of this announcement before and after the Proposed Change and the expected timeline for the use of the remaining unutilized net proceeds are set out in the following table:

| **Intended use of net proceeds** | **Percentage of intended use of net proceeds as disclosed in the Prospectus and prior to the Proposed Change** *(%)* | **Net proceeds from the Global Offering as disclosed in the Prospectus and prior to the Proposed Change** *(HK$ millions)* | **Amount utilized as of the date of this announcement** *(HK$ millions)* | **Amount unutilized as of the date of this announcement before the Proposed Change** *(HK$ millions)* | **Amount unutilized as of the date of this announcement after the Proposed Change** *(HK$ millions)* | **Expected timeline of full utilization of the net proceeds after the Proposed Change** |
|---|---|---|---|---|---|---|
| **Payment for partial expenses for the phase II of the Indonesia Plant** | **40.0** | **198.0** | **198.0** | **0.0** | **0.0** | **N/A** |
| Construction expenses of the Plant | 20.0 | 99.0 | 99.0 | 0.0 | 0.0 | N/A |
| Purchase and installation of major production machineries and equipment | 20.0 | 99.0 | 99.0 | 0.0 | 0.0 | N/A |
| **New LMFP production lines at Xiangyang Plant in Hubei Province** | **40.0** | **198.0** | **0.0** | **198.0** | **0.0** | **N/A** |
| **High-performance lithium battery cathode material project in Jintan, Jiangsu Province** | **—** | **—** | **—** | **—** | **198.0** | **By the end of 2026** |
| **Repay certain interest-bearing bank borrowings** | **10.0** | **49.5** | **49.5** | **0.0** | **0.0** | **N/A** |

| Intended use of net proceeds | Percentage of intended use of net proceeds as disclosed in the Prospectus and prior to the Proposed Change *(%)* | Net proceeds from the Global Offering as disclosed in the Prospectus and prior to the Proposed Change *(HK$ millions)* | Amount utilized as of the date of this announcement *(HK$ millions)* | Amount unutilized as of the date of this announcement before the Proposed Change *(HK$ millions)* | Amount unutilized as of the date of this announcement after the Proposed Change *(HK$ millions)* | Expected timeline of full utilization of the net proceeds after the Proposed Change |
|---|---|---|---|---|---|---|
| Repay borrowings from Bank of Nanjing (南京銀行) | 6.6 | 32.7 | 32.7 | 0.0 | 0.0 | N/A |
| Repay borrowings from Agricultural Bank of China (中國農業銀行) | 3.4 | 16.8 | 16.8 | 0.0 | 0.0 | N/A |
| **Working capital and other general corporate purposes** | **10.0** | **49.5** | **49.5** | **0.0** | **0.0** | **N/A** |
| **Total** | **100.0** | **495.0** | **297.0** | **198.0** | **198.0** | **N/A** |

*Note:* The difference between the net proceeds in the table and the estimated data disclosed in the Prospectus is due to adjustments based on the actual issuance costs.

## REASONS FOR AND BENEFITS OF THE CHANGE IN THE USE OF NET PROCEEDS FROM THE GLOBAL OFFERING

The intended use of proceeds from the Global Offering as disclosed in the Prospectus was formulated based on the Company's estimation of the then-current and future market conditions as of the date of the Prospectus. The Board assesses the plans for the use of the unutilized net proceeds on an ongoing basis and revises or modifies such plans where necessary in response to the developing trends of global and domestic economic conditions, so as to determine the most effective use of the net proceeds with a view to promoting a better growth and development of the Group.

Taking into account the market demand and the actual circumstances of the Group, for the purpose of further expanding the production capacity of high-performance lithium iron phosphate, Liyuan (Jiang-su) Technology Co., Ltd. (鋰源(江蘇)科技有限公司), being a wholly-owned subsidiary of Changzhou Liyuan New Energy Technology Co., Ltd. (常州鋰源新能源科技有限公司), a non-wholly owned subsidiary of the Group, proposed to invest in the construction of a research and development center and a high-performance lithium iron phosphate production base with an annual capacity of 240,000 tons in the Jintan Hua Luogeng High-tech Industrial Development Zone, Jiangsu Province. Phase I of this project is planned to reach an annual capacity of 120,000 tons. For detailed information, please refer to the Jintan Cooperation Agreement and Investment Announcement and Circular.

The recent shipment volume of LMFP has been much smaller relative to lithium iron phosphate ("**LFP**"), as LMFP has not yet achieved large-scale commercial application. According to EVTank, the total estimated annual shipment volume of LMFP in 2025 is 35,000 tons, which is less than 1% of the total annual production volume of LFP during the same year, being 3,920,200 tons, according to ZE Consulting.

Moreover, LFP demonstrates higher iteration speed over LMFP and continuously improving compacted density, whereas LMFP has drawbacks such as lower electrical conductivity, worse safety performance and poorer cycle life relative to LFP, despite its higher voltage and energy density and better performance at low temperatures as compared to LFP. These comparative advantages in characteristics contribute to the superior cost-effectiveness of high-performance LFP over LMFP.

Furthermore, the main production processes of these two materials are highly similar, both requiring the following steps: batching, grinding, spraying, sintering, pulverization, and magnetic separation. Given the similarity in the production process, the Company's new LFP production lines are designed with the reserved capability to produce LMFP. However, the LFP production lines must undergo conversion to enable LMFP production.

As of the date of this announcement, the Group did not commence, and had no present intention to commence, the implementation of the originally proposed construction of LMFP production lines. Given further (i) that the current development of the LMFP market has fallen short of expectations, (ii) the benefits in the characteristics of LFP over LMFP, and (iii) the flexibility of producing LMFP reserved in the new production lines in the Jintan Project, in order to improve the efficiency of capital utilization, after evaluating the specific progress of the relevant project construction and funding plan, the Company proposes to re-allocate the HK$198.0 million of the net proceeds from the Global Offering originally planned for the "new LMFP production lines at Xiangyang Plant in Hubei Province" into the "high-performance lithium battery cathode material project in Jintan, Jiangsu Province" (i.e. the Jintan Project). Such net proceeds which are re-allocated to the Jintan Project will be applied into the purchase and installation of equipment.

The Proposed Change is a prudent decision made based on the actual circumstances of the Company's project constructions, aligns better with the Company's development strategy and actual operating conditions, and is conducive to improving the efficiency of utilising the proceeds from the Global Offering.

The Board confirms that there has been no material change in the nature of the Company's business as set out in the Prospectus and considers that the Proposed Change will not have any material adverse effect on the existing business and operations of the Group. The aforesaid change in the use of net proceeds from the Global Offering is in the interest of the Company and its shareholders as a whole.

The Proposed Change shall be subject to the approval by way of an ordinary resolution of the Shareholders at an extraordinary general meeting. A circular containing, among other things, further details of the Proposed Change will be despatched to the Shareholders in due course.

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

Nanjing, PRC
January 15, 2026

*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.*