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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)

**PRELIMINARY ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

The board (the “**Board**”) of directors (the “**Directors**”) of Jiangsu Lopal Tech. Group Co., Ltd. (the “**Company**” or “**Lopal**”) is pleased to announce the unaudited consolidated annual results of the Company and its subsidiaries (collectively, the “**Group**”, “**our Group**”, “**we**” or “**us**”) for the year ended December 31, 2025 (the “**Reporting Period**”), the unaudited annual results in this announcement have been reviewed and confirmed by the audit committee of the Company. The comparative figures for the year ended December 31, 2024 are as follows:

FINANCIAL HIGHLIGHTS

For the Reporting Period:

- Revenue from lithium carbonate processing is supporting the Group’s profits, which increased by approximately 722.3% to RMB575.6 million in the year ended December 31, 2025, as compared to that of RMB70.0 million (restated) in the year ended December 31, 2024;
- Gross profit margins for cathode materials have improved, and profitability is recovering, which increased to 8.1% in the year ended December 31, 2025, as compared to that of 0.01% in the year ended December 31, 2024;
- Performance in automotive specialty chemicals remains stable. Revenue from automotive specialty chemicals amounted to RMB1,971.0 million in the year ended December 31, 2025 as compared to that of RMB1,835.9 million (restated) in the year ended December 31, 2024.

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2025

	<i>Notes</i>	2025 RMB'000	2024 RMB'000 (restated)
REVENUE	4	8,937,777	7,677,046
Cost of sales		<u>(7,802,178)</u>	<u>(7,178,578)</u>
Gross profit		1,135,599	498,468
Other income, gains and losses	5	257,740	185,649
Selling and distribution expenses		(175,957)	(163,764)
Administrative expenses		(389,326)	(473,563)
Research and development expenses		(460,921)	(484,565)
(Impairment losses on)/reversal of impairment losses on financial assets, net		(34,955)	29,306
Fair value losses/(gains) on financial instruments:			
Financial liabilities at fair value through profit or loss		(178,093)	(41,342)
Derivatives		(74,381)	32,840
Financial assets at fair value through profit or loss		10,035	(25,269)
Finance costs	6	(299,093)	(258,804)
Share of results of associates		<u>(12,244)</u>	<u>(28,747)</u>
LOSS BEFORE TAX		(221,596)	(729,791)
Income tax credit/(expense)	7	<u>72,372</u>	<u>(75,879)</u>
LOSS FOR THE YEAR		<u>(149,224)</u>	<u>(805,670)</u>
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods, after tax:			
Exchange differences arising on translation of foreign operations		(14,126)	(5,087)
Change in the fair value on hedging instruments designated as cash flow hedges		<u>2,641</u>	<u>1,946</u>
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods, after tax:			
Changes in fair value on equity investment designated at fair value through other comprehensive loss		<u>(14,129)</u>	<u>—</u>
Other comprehensive loss for the year, net of tax		<u>(25,614)</u>	<u>(3,141)</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>(174,838)</u>	<u>(808,811)</u>

	2025	2024
<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i> (restated)
LOSS FOR THE YEAR ATTRIBUTABLE TO:		
Owners of the Company	(170,578)	(642,342)
Non-controlling interests	<u>21,354</u>	<u>(163,328)</u>
	<u>(149,224)</u>	<u>(805,670)</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO:		
Owners of the Company	(194,553)	(644,690)
Non-controlling interests	<u>19,715</u>	<u>(164,121)</u>
	<u>(174,838)</u>	<u>(808,811)</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY		
Basic (<i>RMB</i>)	(0.25)	(1.11)
Diluted (<i>RMB</i>)	<u>(0.28)</u>	<u>(1.11)</u>

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2025

	31 December	31 December
	2025	2024
<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i> (restated)
NON-CURRENT ASSETS		
Property, plant and equipment	6,769,200	6,787,868
Right-of-use assets	1,360,085	1,239,640
Goodwill	214,173	214,173
Other intangible assets	48,195	49,488
Investments in associates	36,555	47,659
Equity investments at fair value through other comprehensive income	126,845	141,450
Deferred tax assets	466,417	344,332
Other non-current assets	47,977	32,291
	<hr/>	<hr/>
Total non-current assets	9,069,447	8,856,901
CURRENT ASSETS		
Inventories	1,597,498	1,392,470
Trade and bills receivables	2,246,477	1,460,645
Prepayments, other receivables and other assets	944,199	757,798
Tax recoverable	5,852	9,630
Financial assets at fair value through profit or loss	502,198	505,364
Debt investments at fair value through other comprehensive income	517,618	296,752
Derivative financial instruments	1,286	68
Pledged deposits	519,531	265,957
Cash and cash equivalents	3,267,740	2,509,603
	<hr/>	<hr/>
Total current assets	9,602,399	7,198,287
CURRENT LIABILITIES		
Trade and other payables	2,750,608	1,997,116
Financial liabilities at fair value through profit or loss	2,461,872	878,019
Derivative financial instruments	84,610	878
Interest-bearing bank and other borrowings	5,286,665	5,600,783
Contract liabilities	90,431	92,296
Lease liabilities	124,593	58,203
Tax payable	25,964	5,325
	<hr/>	<hr/>
Total current liabilities	10,824,743	8,632,620

		31 December 2025	31 December 2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i> (restated)
NET CURRENT LIABILITIES		<u>(1,222,344)</u>	<u>(1,434,333)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,847,103</u>	<u>7,422,568</u>
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	<i>12</i>	2,859,655	2,417,605
Financial liabilities at fair value through profit or loss	<i>13</i>	114,040	—
Lease liabilities		827,869	800,265
Deferred tax liabilities		12,391	6,646
Deferred income		206,676	175,078
Provision		49,220	—
Total non-current liabilities		<u>4,069,851</u>	<u>3,399,594</u>
Net assets		<u><u>3,777,252</u></u>	<u><u>4,022,974</u></u>
EQUITY			
Share capital		685,079	665,079
Reserves		2,142,775	2,504,669
Equity attributable to owners of the parent		2,827,854	3,169,748
Non-controlling interests		949,398	853,226
Total equity		<u><u>3,777,252</u></u>	<u><u>4,022,974</u></u>

1. CORPORATE AND GROUP INFORMATION

Jiangsu Lopal Tech. Group Co., Ltd. (the “**Company**”, formerly known as Jiangsu Lopal Tech. Co., Ltd.) is a joint stock company with limited liability established in the People’s Republic of China (hereafter, the “**PRC**”) on 11 March 2003. With the approval of the China Securities Regulatory Commission, the Company completed its initial public offering and the Company’s shares were listed on the Shanghai Stock Exchange (stock code: 603906.SH) on 10 April 2017. On 30 October 2024, the Company’s H shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited. The registered address and principal place of business of the office of the Company is 6 Hengtong Avenue, Nanjing Economic and Technological Development Zone, Nanjing, Jiangsu Province.

The Company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in the production and sales of lithium iron phosphate (“**LFP**”) cathode materials and automotive specialty chemicals.

In the opinion of the directors, the Controlling Shareholders are Mr. Shi Junfeng, Ms. Zhu Xianglan, Lopal International Holding Co., Ltd. and Nanjing Bailey Venture Capital Center (Limited Partnership).

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board (the “**IASB**”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss, derivative financial instruments, financial liabilities at fair value through profit or loss and financial assets which have been measured at fair value through other comprehensive income. These financial statements are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand except when otherwise indicated.

Going concern

As at 31 December 2025, the Group’s current liabilities exceeded its current assets by approximately RMB1,222 million (2024: RMB1,434 million). The net current liabilities primarily arose from the convertible redeemable preferred shares of a subsidiary amounting to RMB1,406 million as at 31 December 2025, which is classified as current liabilities due to the holders of preferred shares being able to exercise the right to convert the preferred shares into ordinary shares of the subsidiary at any time.

The directors of the Company have considered the Group’s continuous available net cash flows from operations, current sources of funds, unutilised banking facilities, and other sources of financing from banks and other financial institutions given the Group’s credit history. The directors of the Company believe that the Group has adequate resources to continue operations for the foreseeable future of not less than 12 months from 31 December 2025. Accordingly, the directors of the Company are of the opinion that it is appropriate to adopt the going concern basis in preparing the unaudited consolidated financial statements.

Adoption of merger accounting and restatement

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

The net assets of the combining entity 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 unaudited consolidated statement of profit or loss and other comprehensive income, unaudited consolidated statement of changes in equity and unaudited consolidated statement of cash flows of the Group include the results and cash flows of each of the combining entity from the earliest date presented or since the date when the combining entity 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 unaudited consolidated financial statements are restated as if the entity 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 unaudited consolidated financial information.

Basis of consolidation

The unaudited consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to IAS 21 Lack of Exchangeability for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

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 in and the functional currencies of overseas subsidiaries, joint ventures and associates for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

4. REVENUE AND SEGMENT INFORMATION

(a) Disaggregated revenue information

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (restated)
Revenue from contracts with customers within the scope of IFRS 15		
Sales of LFP cathode materials	6,195,177	5,618,865
Sales of automotive specialty chemicals	1,970,968	1,835,861
Processing income from lithium carbonate	575,634	70,000
Others	195,998	152,320
	<u>8,937,777</u>	<u>7,677,046</u>
Total revenue	<u>8,937,777</u>	<u>7,677,046</u>
Timing of revenue recognition within the scope of IFRS 15		
At a point in time	<u>8,937,777</u>	<u>7,677,046</u>

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

	2025	2024
	RMB'000	RMB'000
		(restated)
Customer A	2,785,057	2,751,703
Customer B	1,432,076	N/A
Customer C	976,092	N/A
Customer D	N/A	975,561

- (i) The revenue contributed by Customer A and B is mainly from sales of LFP cathode materials.
- (ii) The revenue contributed by Customer B and C less than 10% of the total revenue for 2024.
- (iii) The revenue contributed by Customer D less than 10% of the total revenue for 2025.

(b) 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 Chinese mainland, 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, fair value losses/(gains) on financial instruments, share of results of associates, finance costs and income tax (credit)/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.

For the year ended 31 December 2025

	Sales of LFP cathode material business <i>RMB'000</i>	Sales of automotive specialty chemicals business <i>RMB'000</i>	Processing for lithium carbonate and raw materials <i>RMB'000</i>	Other business <i>RMB'000</i>	Eliminations <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue						
Sales to external customers	6,265,492	1,999,392	586,301	86,592	—	8,937,777
Recognised at a point in time	<u>6,265,492</u>	<u>1,999,392</u>	<u>586,301</u>	<u>86,592</u>	<u>—</u>	<u>8,937,777</u>
Inter-segment sales	22,764	302,658	1,556,323	159,594	(2,041,339)	—
Total segment revenue	<u>6,288,256</u>	<u>2,302,050</u>	<u>2,142,624</u>	<u>246,186</u>	<u>(2,041,339)</u>	<u>8,937,777</u>
Segment profit/(loss)	(94,831)	265,187	96,671	(192,587)	—	74,440
Other income, gains and losses						257,740
Fair value losses/(gains) on financial instruments:						
Financial liabilities at fair value through profit or loss						(178,093)
Derivatives						(74,381)
Financial assets at fair value through profit or loss						10,035
Finance costs						(299,093)
Share of results of associates						<u>(12,244)</u>
Loss before tax						(221,596)
Income tax credit						<u>72,372</u>
Loss for the year						<u><u>(149,224)</u></u>

For the year ended 31 December 2024

	Sales of LFP cathode material business <i>RMB'000</i>	Sales of automotive specialty chemicals business <i>RMB'000</i>	Processing for lithium carbonate and raw materials <i>RMB'000</i>	Other business <i>RMB'000</i>	Eliminations <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue						
Sales to external customers	5,643,448	1,930,529	89,928	13,141	—	7,677,046
Recognised at a point in time	5,643,448	1,930,529	89,928	13,141	—	7,677,046
Inter-segment sales	1,774	59,372	1,032,111	20,186	(1,113,443)	—
Total segment revenue	<u>5,645,222</u>	<u>1,989,901</u>	<u>1,122,039</u>	<u>33,327</u>	<u>(1,113,443)</u>	<u>7,677,046</u>
Segment profit/(loss)	(678,004)	140,901	(4,647)	(38,973)	—	(580,723)
Other income, gains and losses						185,649
Fair value losses/(gains) on financial instruments:						
Financial liabilities at fair value through profit or loss						(41,342)
Derivatives						32,840
Financial assets at fair value through profit or loss						(25,269)
Finance costs						(258,804)
Listing expenses						(13,395)
Share of results of associates						<u>(28,747)</u>
Loss before tax						(729,791)
Income tax expense						<u>(75,879)</u>
Loss for the year						<u><u>(805,670)</u></u>

5. OTHER INCOME AND GAINS

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (restated)
Interest income	50,091	21,074
Government grants*	170,597	153,274
Gain/(loss) on disposal of property, plant and equipment	7,319	(582)
Loss on early termination of leases	—	(12,131)
Investment income from financial assets at fair value through profit or loss	24,947	24,860
Investment income from derivatives	9,218	1,768
Others	(4,432)	(2,614)
Total	<u>257,740</u>	<u>185,649</u>

* During the year ended 31 December 2025, government grants amounting to RMB30,583,000 (2024: RMB17,884,000) were released from deferred income.

6. FINANCE COSTS

An analysis of finance costs is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (restated)
Interest expenses on:		
— bank and other borrowings	229,276	252,252
— lease liabilities	43,666	34,149
Transaction costs related to financial liabilities at FVTPL	26,835	—
Increase in discounted amounts of provisions arising from the passage of time	608	—
	<u>300,385</u>	<u>286,401</u>
Less: interest capitalised	(1,292)	(27,597)
Total	<u>299,093</u>	<u>258,804</u>

7. INCOME TAX (CREDIT)/EXPENSE

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (restated)
Current income tax — Chinese mainland		
— Charge for the year	38,618	28,885
— Under provision in prior years	2,036	1,305
Current income tax — Elsewhere	2,838	—
Deferred income tax	<u>(115,864)</u>	<u>45,689</u>
Total	<u><u>(72,372)</u></u>	<u><u>75,879</u></u>

8. DIVIDENDS

No dividend was declared or proposed by the Company in respect of the year ended 31 December 2025 and 2024.

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

The calculation of the basic loss per share amounts is based on the loss for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 671,747,000 (2024: 580,210,000) outstanding during the year, as adjusted to reflect the rights issue during the year.

The calculation of the diluted loss per share amounts is based on the loss for the year attributable to ordinary equity holders of the Company, adjusted to reflect the dilutive effect of financial instruments with conversion feature issued or entered into by a subsidiary.

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (restated)
Losses		
Loss for the year attributable to ordinary equity holders of the Company for the purpose of basic loss per share	<u>(170,578)</u>	<u>(642,342)</u>
Less: dilutive effect of financial instruments with conversion feature issued or entered into by a subsidiary	<u>17,528</u>	<u>—</u>
Adjusted loss attributable to ordinary equity holders of the Company for the period	<u><u>(188,106)</u></u>	<u><u>(642,342)</u></u>
Shares	2025	2024
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share ('000)	<u><u>671,747</u></u>	<u><u>580,210</u></u>

10. TRADE AND BILLS RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (restated)
Trade receivables	2,338,840	1,527,821
Bills receivable	30,382	22,458
Impairment	<u>(122,745)</u>	<u>(89,634)</u>
Net carrying amount	<u><u>2,246,477</u></u>	<u><u>1,460,645</u></u>

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (restated)
Within 1 year	2,210,486	1,425,687
1 year to 2 years	15,457	33,191
Over 2 years	<u>20,534</u>	<u>1,767</u>
Total	<u><u>2,246,477</u></u>	<u><u>1,460,645</u></u>

11. TRADE AND OTHER PAYABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (restated)
Trade payables for materials	1,352,417	948,092
Bills payable	555,318	98,747
Payables for purchase of property, plant and equipment	608,590	808,756
Deposits	106,212	23,371
Salary payables	71,873	63,384
Payable of various taxes	38,647	23,409
Other payables and accruals	<u>17,551</u>	<u>31,357</u>
Total	<u><u>2,750,608</u></u>	<u><u>1,997,116</u></u>

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

	2025 RMB'000	2024 RMB'000 (restated)
Within 1 year	1,294,526	778,929
1 year to 2 years	13,307	125,320
2 years to 3 years	43,507	39,541
Over 3 years	1,077	4,302
Total	<u>1,352,417</u>	<u>948,092</u>

The trade payables for materials are non-interest-bearing and are normally settled on terms range from 30 to 60 days.

The bills payable are guaranteed by banks in the PRC and have maturities of 1 month to 1 year.

12. INTEREST-BEARING BANK AND OTHER BORROWINGS

	<u>2025</u>			<u>2024</u>		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Current						
Bank loans — unsecured	2.20–2.65	2026	1,552,701	2.65–3.05	2025	1,616,138
Bank loans — secured	2.15–3.20	2026	2,535,000	2.65–3.30	2025	2,362,870
Current portion of long term bank loans — unsecured	2.25–3.20	2026	298,790	2.65	2025	200,000
Current portion of long term bank loans — secured	2.20–3.40	2026	777,658	2.65–3.65	2025	1,251,640
Sale-leasebacks	3.50–6.30	2026	118,754	3.50–6.30	2025	163,391
Interest payable	—	—	3,762	—	—	6,744
Total — current			<u>5,286,665</u>			<u>5,600,783</u>
Non-current						
Bank loans — unsecured	2.30–3.20	2027	89,750	—	—	—
Bank loans — secured	2.20–3.40	2027–2035	2,705,833	2.65–3.65	2027–2035	2,204,015
Sale-leasebacks	3.50–6.30	2027	64,072	3.50–6.30	2027	213,590
Total — non-current			<u>2,859,655</u>			<u>2,417,605</u>
Total			<u>8,146,320</u>			<u>8,018,388</u>

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (restated)
Analysed into:		
Bank loans repayable:		
Within one year or on demand	5,167,911	5,437,392
In the second year	1,153,764	479,934
In the third to fifth years, inclusive	<u>1,641,819</u>	<u>1,724,081</u>
Subtotal	<u>7,963,494</u>	<u>7,641,407</u>
Other borrowings repayable:		
Within one year	118,754	163,391
In the second year	64,072	209,098
In the third to fifth years, inclusive	<u>—</u>	<u>4,492</u>
Subtotal	<u>182,826</u>	<u>376,981</u>
Total	<u><u>8,146,320</u></u>	<u><u>8,018,388</u></u>

13. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (restated)
Current		
Financial liabilities at fair value through profit or loss:		
Convertible, redeemable preferred shares	1,405,760	—
Redemption liabilities on non-controlling interests	<u>1,056,112</u>	<u>878,019</u>
Total — current	<u><u>2,461,872</u></u>	<u><u>878,019</u></u>
Non-current		
Redemption liabilities on non-controlling interests	<u>114,040</u>	—
Total — non-current	<u><u>114,040</u></u>	<u><u>—</u></u>

14. BUSINESS COMBINATIONS UNDER COMMON CONTROL AND RESTATEMENTS

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 shareholders of the Company. The Group adopts merger accounting for common control combinations in respect of the transaction.

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 <i>RMB'000</i>	31 December 2024 Book value <i>RMB'000</i>
Non-current assets	213,919	213,694
Current assets	53,041	32,526
Current liabilities	(86,683)	(87,655)
Non-current liabilities	(83,341)	(69,066)
Net assets	96,936	89,499
Cash consideration	100,539	

BUSINESS REVIEW AND OUTLOOK

Business Review

In 2025, the Company remains a major global manufacturer of LFP cathode materials and a renowned Chinese manufacturer of automotive specialty chemicals. Notably, during the year, the Company completed construction and commenced operations of the world's first overseas LFP production base with an annual capacity exceeding 10,000 tonnes, successfully establishing a global supply system for LFP cathode materials. This also marked key breakthroughs in its internationalization expansion and successfully secured the long-term demand of leading overseas customers for the next five years. On the other hand, the Company firmly practises the “vertical integration” development strategy. During the Reporting Period, it successfully completed the acquisition of Shandong Meiduo, a company engaged in the recycling and cascade utilization of waste batteries from new energy vehicles, thereby establishing a complete industry closed loop of “lithium carbonate — lithium iron phosphate — lithium battery materials recycling”.

In 2025, the Company achieved an operating revenue of RMB8,937.8 million and a net loss attributable to owners of the Company of RMB170.6 million, with the loss narrowed significantly year on year, indicating a steady improvement in its operating performance.

A. *LFP Cathode Materials*

Against the backdrop of a profound global energy transition and the rapid rise of the new energy industry, lithium iron phosphate (LFP) materials have emerged as a key strategic material driving the transformation of the new energy sector and have been extensively applied in core areas such as new energy vehicles and energy storage. According to data from EVTank, China's cathode material shipments reached approximately 4.987 million tonnes in 2025, representing a year-on-year increase of 51.5%, of which, LFP material shipments amounted to approximately 3.944 million tonnes, up by 62.5% year on year, accounting for nearly 79.1% of total cathode material shipments.

Benefiting from robust industry demand, continuous technological iteration and upgrading, as well as strong support from government and industrial policies, our LFP cathode material sales reached 202,115 tonnes, representing an increase of 13.4% compared to 178,287 tonnes in 2024. In addition, the Company actively conducted product research and development to secure market share. In 2025, the Company launched its fourth-generation high-compaction lithium iron phosphate cathode material developed by a “single-sintering” process technology, and recently introduced a cathode material specifically designed for dry electrode processes compliant with the stringent requirements of dry battery technology, fully demonstrating the Company's robust independent R&D capabilities in the LFP sector.

Currently, the Company has established long-term, and stable cooperative relationships with the world's leading lithium battery manufacturers. Its domestic clientele covers major battery enterprises such as CATL, REPT BATTERO, Sunwoda, and Chu Neng New Energy. While consolidating its advantages in the domestic market, the Company's internationalization strategy has yielded significant results. Regarding overseas expansion, the Company has completed the construction of the world's first overseas production base for LFP cathode materials with an annual capacity exceeding 10,000 tonnes, successfully establishing a global supply system for these materials. Furthermore, the construction of phase II of its Indonesia project with 90,000 tonnes of LFP cathode materials capacity is progressing steadily. In terms of international market development, the Company has entered into long-term supply agreements with world-class battery manufacturers, including LGES, Blue Oval, Eve Energy (Malaysia), CATL, and Sunwoda (Thailand), thereby securing core medium and long-term overseas orders.

B. Automotive specialty chemicals

In terms of automotive specialty chemicals, the Company is committed to establishing a leading position in China's automotive specialty chemicals. Powered by our strong brand portfolio — Lopal, Kelas (可蘭素) and Teec (迪克) — we offer automotive and industrial lubricants, diesel engine exhaust treatment fluids, coolants, and a variety of automotive maintenance products.

During the Reporting Period, the Company followed the industry standards closely and successfully upgraded its flagship product, “Lopal No.1” (龍蟠1號) automobile lubricant, achieving significant improvements in anti-wear performance and fuel economy, establishing itself as a technological benchmark for domestically produced high-end lubricants. In terms of supporting products, in 2025, the Company launched its third-generation low-conductivity coolant, which delivers anti-corrosion protection for metals five times higher than the national standard. Its unique corrosion inhibition system provides effective anti-corrosion protection for metals used in power battery cooling systems. Leveraging the technical advantages of the “New Energy Coolant Research Key Laboratory of Lopal”, the Company recently launched its fourth-generation low-conductivity coolant with more comprehensive anti-corrosion properties, which is fully aligned with the higher safety standards of batteries, motors and electric control systems of new energy vehicle. Apart from the automotive coolants applied in the automotive sector, the Company has also leveraged its R&D platform to launch coolant products for computing centers, expanding the application scenarios of its coolant offerings and creating a new growth driver for its specialty chemicals business.

In 2025, we have won the honor of LubTop “Top 10 Lubricant Brand of China 2025”, marking the 12th consecutive year the Company has earned this honor — a testament to the stable market performance and sustained growth potential of our lubricant products. Recently, at the Automotive Supply Chain Ecosystem Partner Conference (汽車供應鏈生態夥伴大會), the Company was honored with the “Technology Innovation Ecosystem Partner Award” (技術創新生態夥伴獎), reflecting the industry’s high recognition of our technological innovation capabilities. Additionally, at the 5th Data Center Liquid Cooling Industry Conference, we won the “Annual Outstanding Application Award in the Vertical Liquid Cooling Industry” (年度液冷垂直行業卓越應用獎), demonstrating that the Company’s technological strength and product application effectiveness in the liquid cooling field have gained extensive industry recognition, with our brand influence continuing to grow.

Outlook

Guided by its mission of “Powering a better life globally with core materials for green new energy,” and driven by technological innovation and market demand, the Company has established its LFP cathode material business as its “core” and its automotive environmental specialty chemicals business as its “cornerstone.” In these segments, the Company continues to expand its global market presence, continuously optimizes its production capacity, and enhances supply chain resilience to reinforce its market position. It is committed to providing innovative and diversified portfolios of core and base products to adapt to industry development trends.

In the future, the Company will continue to promote the coordinated expansion of its domestic and international businesses. It will strive to increase market share, strengthen global brand influence, and enhance both capital strength and overall competitiveness, thereby achieving high-quality development.

In the future, the Company will focus on implementing and further advancing the following strategies:

1. Strengthening R&D Investment and Enhancing R&D Capabilities

The Company will continue to increase its R&D investment, closely follow changes in market demand, continuously introduce innovations, deepen product iteration and upgrades, and actively expand its new product matrix. By leveraging technological innovation to build differentiated competitiveness, the Company aims to enhance customer loyalty, strengthen its pricing power, mitigate industry cyclical fluctuations, and promote sustainable development. At the same time, the Company will intensify efforts in the recruitment and deployment of scientific research talents, and will continue to accelerate the enhancement of its technological R&D capabilities through measures such as bringing in high-caliber talents, increasing investment in R&D facilities, and developing university-enterprise collaborations.

2. *Accelerating Overseas Capacity Release to Fortify a Global Edge*

Due to the current scarcity of overseas production capacity, the early establishment of overseas factories will help boost the Company's profitability. The Company will continue to accelerate the expansion of its overseas business presence, expand its market share in international markets, strengthen its global brand image, and further enhance its capital strength and overall competitiveness.

3. *Improving Cash Flow and Optimizing Asset-Liability Structure*

The Company will adhere to a prudent management philosophy, pursue high-quality development as its focus, and systematically optimize its capital structure and asset operation efficiency. Looking into the future, the Company will focus on enhancing quality and efficiency as key priorities, and continuously strengthen its self-sustaining capabilities by leveraging the advantages of technological upgrades in its core businesses and industrial chain synergy. By deepening lean management, accelerating capital turnover, and optimizing resource allocation, the Company aims to comprehensively improve the quality of asset operations and its value creating capabilities. At the capital operation level, the Company will fully leverage the synergies between domestic and overseas capital markets, actively expand equity financing channels, and utilize its Hong Kong listing platform for the exploration for overseas financing means. Focused on strategic positioning in emerging industries, the Company will implement a targeted investment strategy, strengthen full-cycle risk management for projects, and focus on cultivating high-value-added, high-turnover quality assets, enhancing asset returns through technological empowerment. The Company is committed to building a more resilient financial system, continuously improving cash flow, and delivering sustainable value returns to shareholders.

4. *Deepening Brand Promotion and Facelifting Corporate Brand Image*

Brand value enhancement goes throughout the entire lifecycle of corporate development. The Company will continue to strengthen its brand investment, and by leveraging the development of its category-specific brands including Liyuan, Lopal, Kelas, and Teec Chemical, maintain the competitive advantages of its products of each category, ensure sustained growth in product sales, and consistently project the corporate brand image of being a "Global Leader in Core Materials for Green New Energy."

5. *Enhancing Managerial Capabilities and Consolidating Corporate Soft Power*

With the fast expansion of the Company's operating scale, talent reserves and management capabilities have become key factors affecting the pace of corporate development. In terms of management, the Company will comprehensively elevate its management capabilities by optimizing its management structure, improving management efficiency, remedying management weaknesses, strengthening operational functions, gathering internal development momentum, and leveraging external high-quality resources. In terms of talents, the Company will promote continuous improvement and innovation within the organization, identify grassroots talents, break down organizational rigidity, and establish platforms where frontline employees can showcase their abilities and build pathways for career promotion. The Company aims to enhance employee capabilities, improve the talent structure, and create diversified career development paths, provide broad platforms, expand their growth opportunities and achieve continuous promotion of the employees' own values while creating value for the Company by integrating its training resources, setting up a professional team of instructors, designing and developing diverse learning formats, and conducting various types of trainings.

6. *Accelerating the Development of Emerging Production Forces and Adhering to the Path of Green Development*

Lopal Technology will continue to uphold its core strategic philosophy of "Responsibility-First, Innovation-Driven" by increasing investment in technology research and development, deepening industry-university-research collaboration, and enhancing technological innovation capabilities; optimizing its talent development system, attracting high-end talents while strengthening internal training, and building a high-quality employee team; actively promoting industrial upgrades and transformation, driving the shift of the industry toward high-end development, and increasing added values of the products; placing emphasis on corporate culture development, fostering a positive innovation environment, and stimulating employee creativity; and deepening its market positioning and precisely aligning with market demands to ensure the close integration of technological innovation with market needs, laying a solid foundation for sustainable corporate development.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

The Group recorded revenue of RMB8,937.8 million in 2025, representing an increase of approximately 16.4% from RMB7,677.0 million (restated) in 2024, primarily due to the increase in revenue from sales of LFP cathode materials and processing income from lithium carbonate.

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

	For the years ended December 31,			
	2025		2024	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i> <i>(restated)</i>	<i>%</i>
Types of products				
LFP cathode materials	6,195,177	69.3	5,618,865	73.2
Automotive specialty chemicals	1,970,968	22.1	1,835,861	23.9
Processing income from lithium carbonate	575,634	6.4	70,000	0.9
Others⁽¹⁾	195,998	2.2	152,320	2.0
Total	<u>8,937,777</u>	<u>100.0</u>	<u>7,677,046</u>	<u>100.0</u>

Note:

- (1) Mainly comprising revenue from sales of filling equipment and packaging containers, etc. for automotive specialty chemical products, sales of iron phosphate by-product, daily chemical products and unfinished products as well as revenue from the Company's emerging hydrogen energy business.

Revenue from LFP cathode materials increased by 10.3% from approximately RMB5,618.9 million (restated) in 2024 to RMB6,195.2 million in 2025, primarily due to the growing demand in the electric vehicle and energy storage markets.

Revenue from automotive specialty chemicals increased by 7.4% from approximately RMB1,835.9 million (restated) in 2024 to RMB1,971.0 million in 2025, primarily due to the boom in the new energy vehicle market, the Company has established supply partnerships with several leading new energy vehicle manufacturers in the areas of coolant and automotive maintenance products.

Revenue from processing income from lithium carbonate increased by 722.3% from RMB70.0 million (restated) in 2024 to RMB575.6 million in 2025, primarily due to the expansion of business operations, the introduction of in-house mining operations, the processing of lithium carbonate, and the resulting growth in production and sales volumes.

Revenue from others increased by 28.7% from RMB152.3 million (restated) in 2024 to RMB196.0 million in 2025, primarily due to the growth in ternary cathode materials and related by-products.

Cost of Sales

Cost of sales of the Group increased by approximately 8.7% from RMB7,178.6 million (restated) in 2024 to RMB7,802.2 million in 2025, the increase was primarily due to the an increase in sales of cathode materials.

Gross Profit and Gross Profit Margin

Our Group recorded a gross profit of RMB1,135.6 million in 2025, representing an increase of approximately 127.8% from a gross profit of RMB498.5 million (restated) in 2024. Such increase was primarily attributable to an increase in the gross profit margin of the LFP cathode materials business. Such gross profit and gross profit margin were calculated based on the cost of sales, which has taken into account impairment on inventories.

The gross profit of the Group's LFP cathode materials increased from approximately RMB0.6 million (restated) in 2024 to RMB502.8 million in 2025. The gross profit margin of the Group's LFP cathode materials increased from 0.01% in 2024 to 8.1% in 2025. Excluding the impact of inventory impairment, the gross profit margin of the Group's LFP cathode materials increased from 2.4% in 2024 to 9.1% in 2025. Such increase was primarily due to the decline in the price of major raw material, lithium carbonate, in 2025 as well as the increase in the proportion of sales of LFP cathode materials with procurement of lithium carbonate and raw materials from customers.

The gross profit of automotive specialty chemicals business increased from approximately RMB524.6 million (restated) in 2024 to RMB562.9 million in 2025. The gross profit margin of the Group's automotive specialty chemicals business increased from 27.8% in 2024 to 28.6% in 2025, primarily due to a fall in the prices of certain raw materials and an increase in sales of new coolant products.

The gross profit margin of the Group's lithium carbonate processing services increased to 15.8% in 2025.

Other Income, Gains and Losses

In 2025, the other income, gains and losses of the Group increased by approximately 38.8% from approximately RMB185.6 million (restated) in 2024 to RMB257.7 million in 2025, primarily attributable to the increase of interest income on bank deposit and government grants.

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

We incurred impairment losses on financial assets of RMB35.0 million in 2025, and a reversal of impairment losses on financial assets of RMB29.3 million (restated) in 2024. Such change was primarily attributable to fluctuations in accounts receivable balances.

Selling and Distribution Expenses

Selling and distribution expenses increased by approximately 7.4% from approximately RMB163.8 million in 2024 (restated) to RMB176.0 million in 2025, primarily attributable to an increase in commissions relating to e-commerce operations.

Administrative Expenses

Administrative expenses of the Group decreased by approximately 17.8% from approximately RMB473.6 million (restated) in 2024 to RMB389.3 million in 2025, primarily attributable to a decrease in goodwill impairment losses and amortisation of intangible assets.

Research and Development Expenses

Research and development expenses decreased by approximately 4.9% from approximately RMB484.6 million (restated) in 2024 to RMB460.9 million in 2025, primarily attributable to streamlined research and development efforts of the Group.

Share of Results of Associates

Our share of results of associates represents the profits attributable to it from its equity interest in its associate. Share of results of associates of the Group decreased by approximately 57.5% from RMB28.7 million (restated) in 2024 to RMB12.2 million in 2025, primarily due to the decrease in loss by the associate.

Finance Costs

Finance costs of the Group increased by approximately 15.6% from RMB258.8 million (restated) in 2024 to RMB299.1 million in 2025, primarily due to the costs incurred from the subscription of shares by PT Akasya Investasi Indonesia and Aisis Alliance L.P. in LBM New Energy (AP) Pte. Ltd. in 2025 and no such cost was incurred in 2024.

Income Tax Credit/(Expense)

Our Group recorded income tax credit of approximately RMB72.4 million in 2025 as compared to the income tax expense of approximately RMB75.9 million (restated) in 2024, primarily attributable to the increase in recognised deferred tax assets.

Loss for the Year

As a result of the foregoing, the Group recorded loss for the year of RMB149.2 million in 2025, as compared to a loss for the year of RMB805.7 million (restated) in 2024.

Inventories

The Group's 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 Group's inventories increased by approximately 14.7% from approximately RMB1,392.5 million (restated) as of December 31, 2024 to RMB1,597.5 million as of December 31, 2025, primarily attributable to the increase in end-of-term orders, which leads to a corresponding rise in the procurement of raw materials such as lithium carbonate and production.

Trade and Bills Receivables

The Group's trade and bills receivables increased by approximately 53.8% from RMB1,460.6 million (restated) as of December 31, 2024 to RMB2,246.5 million as of December 31, 2025, primarily due to an increase in the balance of accounts receivable resulting from increase in sales volumes and selling price of cathode materials in the fourth quarter.

Property, Plant and Equipment

The Group's 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 (restated) as of December 31, 2024 to RMB6,769.2 million as of December 31, 2025.

Goodwill

The goodwill remained stable at RMB214.2 million (restated) and RMB214.2 million as of December 31, 2024 and 2025, respectively.

Right-of-use assets

The Group recorded right-of-use assets of RMB1,239.6 million (restated) and RMB1,360.1 million as of December 31, 2024 and 2025, respectively. Such increase was primarily due to the new lease in relation to Phase III of the Indonesia Plant.

Trade and Other Payables

The Group's trade and other payables, where other payables mainly consist of payroll, other tax payables, payables for equipment and constructions, etc., increased by approximately 37.7% from RMB1,997.1 million (restated) as of December 31, 2024 to RMB2,750.6 million as of December 31, 2025, primarily attributable to an increase in the settlement of bills issued.

Financial Assets at Fair Value through Other Comprehensive Income/Profit or Loss (“FVTOCI/FVTPL”)

The financial assets at FVTPL held by the Group mainly comprise of the Group's investments in unlisted funds and wealth management products, and the unlisted equity is classified as equity investments at fair value through other comprehensive income in non-current assets. The financial assets at FVTPL remained stable at RMB505.4 million as of December 31, 2024 and RMB502.2 million as of December 31, 2025, while the debt investment at FVTOCI increased by approximately 74.4% from approximately RMB296.8 million (restated) as of December 31, 2024 to RMB517.6 million as of December 31, 2025, primarily attributable to the increase of bills receivable. The equity investments at FVTOCI decreased by approximately 10.4% from approximately RMB141.5 million (restated) as of December 31, 2024 to approximately RMB126.8 million as of December 31, 2025, primarily due to the change in fair value of the equity investments. The purpose of the Group's investment in wealth management products and other types of financial assets is to maximize the Group's capital utilization efficiency.

Contract Liabilities

As of December 31, 2024 and 2025, the Group contract liabilities were RMB92.3 million (restated) and RMB90.4 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 approximately RMB16,055.2 million (restated) as of December 31, 2024 to RMB18,671.8 million as of December 31, 2025. The total liabilities of the Group increased from approximately RMB12,032.2 million (restated) as of December 31, 2024 to RMB14,894.6 million as of December 31, 2025. Liabilities-to-assets ratio increased slightly from 74.9% as of December 31, 2024 to 79.8% as of December 31, 2025. The current ratio of the Group, being current assets divided by current liabilities as of the respective date, increased from 0.83 times as of December 31, 2024 to 0.89 times as of December 31, 2025.

Liquidity and Capital Resources

The Group adopts a prudent funding and treasury policy with a view to optimizing its financial position. The Group regularly monitors its funding requirements to support its business operations and perform ongoing liquidity review. Our primary uses of cash are to satisfy its working capital, capital expenditure and investment needs. During 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. The Group mainly used Renminbi and U.S. Dollar (“USD”) to make borrowings and loans and to hold cash and cash equivalents. Cash and cash equivalents of the Group increased by approximately 30.2% from approximately RMB2,509.6 million (restated) as of December 31, 2024 to RMB3,267.7 million as of December 31, 2025, primarily attributable to capital injection from preferred shareholders of a subsidiary. During the Reporting Period, the Company used financial instruments such as commodity futures and options for hedging purpose from time to time to manage our liquidity and capital resources and some of them remain outstanding as of December 31, 2025.

To mitigate the price fluctuations of key raw materials such as lithium carbonate, the Group has leveraged the futures contracts for key raw materials such as lithium carbonate traded on futures exchanges through our future hedging risk management working group (the “**Working Group**”). The Working Group is responsible for applying and reviewing 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, and reporting to senior management of the Company and the Board 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 299.1% as of December 31, 2024 to 394.3% as of December 31, 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 December 31, 2025, the Group had interest-bearing bank and other borrowings of RMB8,146.3 million, representing an increase of 1.6% as compared to RMB8,018.4 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 December 31, 2025:

	As of December 31, 2025			As of December 31, 2024		
	RMB'000			RMB'000		
	Fixed-rate bank borrowings	Endorse bills	Other Borrowings	Fixed-rate bank borrowings	Endorse bills	Other Borrowings
Within 1 year	4,445,339	722,572	118,754	4,779,143	658,249	163,391
1 to 2 years	1,153,764	—	64,072	479,934	—	209,098
2 to 5 years	1,641,819	—	—	1,724,081	—	4,492

As of December 31, 2025, banking facilities of the Group totaling RMB13,039.5 million (as of December 31, 2024: RMB9,625.0 million) were utilized to the extent of RMB8,587.4 million (as of December 31, 2024: RMB7,306.0 million).

Our other borrowings decreased by approximately 51.5% from RMB377.0 million (restated) in 2024 to RMB182.8 million in 2025, primarily due to the repayment of lease back.

Lease liabilities

Our lease liabilities amounted to RMB858.5 million and RMB952.5 million as of December 31, 2024 and 2025, respectively. Such increase was primarily due to the new lease of land use right in relation to the Phase III of the Indonesia Plant.

Capital Expenditures

The Group's capital expenditures are primarily cash used to purchase property, plant and equipment and other intangible assets. The capital expenditures increased by approximately 57.5% from approximately RMB613.3 million (restated) in 2024 to RMB966.1 million in 2025 primarily due to the commencement of the 90,000-ton LFP cathode materials project in Indonesia, which amounts for approximately 324.0 million. 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 and Indonesia with most of the transactions settled in Renminbi and USD. 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 Hong Kong Dollar ("HKD").

As at 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 December 31, 2025, the Group had 4,617 employees, as compared with 4,150 employees as of December 31, 2024. Total staff costs (including Directors, chief executive, and former supervisors), including but not limited to wages, salaries and bonuses, retirement benefit expense, social security costs, housing benefits and other employee benefits, were RMB653.4 million in 2025, representing a slight decrease from RMB668.9 million in 2024. Such decrease was primarily due to the lower labor cost in Indonesia.

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 has adopted the 2023 Share Option Scheme, providing share options to eligible employees as incentives. 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.

Contingent liabilities

As of December 31, 2025, Jiangsu Sanjin Lithium Technology Co., Ltd. (江蘇三金鋰電科技有限公司), one of the subsidiaries of the Group, was named defendant in a lawsuit as of December 31, 2025 with a maximum compensation amount of approximately RMB84.9 million. The management of the Company believed there was no additional liabilities required to accrue as of December 31, 2025, considering the risk of losing the lawsuit is low. Save as disclosed above, 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 Group's business, financial condition or results of operations.

Pledge of Assets

As of December 31, 2025, the Group had the following pledge of assets: the property, plant and equipment and right-of-use assets of the Group with carrying amounts of RMB1,291.0 million and RMB57.0 million (as of December 31, 2024: approximately RMB1,178.6 million and RMB58.2 million, restated) were pledged, the bank deposits of the Group in the amount of RMB519.5 million (as of December 31, 2024: RMB266.0 million, restated) were pledged, RMB999.4 million of the Group's trade and other receivables (as of December 31, 2024: nil) were pledged, equity interest of subsidiaries with carrying amount of investments in subsidiaries of RMB1,307.4 million (as of December 31, 2024: RMB844.4 million, restated) were pledged.

Save as disclosed above, the Group had no other pledged assets as of December 31, 2025.

Significant Investment, Acquisitions and Disposal of Subsidiaries and Associated Companies

PT LBM Deemed Disposal

The Company, PT LBM Energi Baru Indonesia (an indirect non-wholly owned subsidiary of the Company) ("**PT LBM**"), Changzhou Liyuan New Energy Technology Co., Ltd., (常州鋰源新能源科技有限公司) (a direct non-wholly owned subsidiary of the Company) ("**Existing Shareholder**"), and PT Akasya Investasi Indonesia ("**INA**") and Aisis Alliance L.P. ("**Aisis**", together with INA, the "**Investors**") entered into a subscription agreement on December 20, 2024, pursuant to which the Investors have conditionally agreed to subscribe for, and the PT LBM has conditionally agreed to allot and issue to the Investors, 5,310,959 shares in PT LBM at the total subscription price of USD200,000,000 ("**PT LBM Deemed Disposal**"). Following completion of the PT LBM Deemed Disposal, PT LBM was owned as to 54.7% by the Existing Shareholder, 34.0% by INA and 11.3% by Aisis. Further details are set out in the announcements of the Company dated December 20, 2024 and February 10, 2025, as well as circular of the Company dated January 8, 2025.

LG Subscription

On February 21, 2025, LBM New Energy (AP) Pte. Ltd. (formerly known as Lopal Tech Singapore Pte. Ltd., an indirect non-wholly owned subsidiary of the Company) (“**LBM New Energy**”), PT LBM Energi Baru Indonesia (an indirect non-wholly owned subsidiary of the Company) (“**PT LBM**”) and LG Energy Solution, Ltd. (“**LG**”) entered into a subscription agreement (“**LG Subscription Agreement**”) and the shareholders agreement; and the Company, Changzhou Liyuan New Energy Technology Co., Ltd. (常州鋰源新能源科技有限公司) (a direct non-wholly owned subsidiary of 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 (“**LG Subscription**”). Further details are set out in the announcement of the Company dated February 21, 2025 and circular of the Company dated March 27, 2025.

Capital Increase

On May 29, 2025, the Company entered into the capital increase agreement with Changzhou Liyuan and Changzhou Liyuan’s shareholders in relation to, among others, the capital contribution by the Company in the sum of RMB369.71 million to Changzhou Liyuan to subscribe for approximately RMB55.51 million of Changzhou Liyuan’s registered capital (“**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.

Wealth Management Products and Unlisted Funds Investment

The financial assets that the Group invested include investments in wealth management products and unlisted funds investment. The exact returns on all of these wealth management products and unlisted funds investment are not guaranteed, hence their contractual cash flow does not qualify for solely payments of principal and interests. Therefore, they are measured at fair value through profit or loss. As of December 31, 2025, the aggregated outstanding principal and interest amount of the Group’s wealth management products and unlisted funds investment was RMB501.2 million, and the wealth management products and unlisted funds investment measured at FVTPL was RMB501.2 million, constituting 2.68% to the Group’s total asset. As of December 31, 2025, there were no outstanding wealth management products and unlisted funds investment (in aggregate) subscribed from any single licensed bank that exceed 5% of the Group’s total assets.

Save for the subscriptions of the wealth management products from ICBC announced by the Company on January 8, 2025 and March 10, 2025 and the subscriptions of the wealth management products from BOC announced by the Company on May 26, 2025, June 17, 2025, June 24, 2025 and July 24, 2025, the wealth management products subscribed by the Group during the Reporting Period did not constitute notifiable transactions under Chapter 14 of the Listing Rules.

The Directors are of the view that the subscriptions of wealth management products will enable the Group to use its temporary idle funds with relatively low risk exposure and will enable the Group to enhance the utilization of capital and increasing income from idle funds of the Group and increase income of the Group. The Directors consider that the subscriptions of wealth management products are on normal commercial terms which are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

As at December 31, 2025, the Group did not hold any significant investment with a value of 5% or more of the Group's total assets as at December 31, 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.

USE OF PROCEEDS

The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on October 30, 2024 (the "**Listing Date**"). The net proceeds from the global offering (the "**Global Offering**") of the Company amounted to approximately HKD495.0 million. The Company intended to use the net proceeds in the same matter and proportion as set out in the section headed "Future Plans and Use of Proceeds" of the prospectus of the Company dated October 22, 2024, in relation to the Global Offering.

However, as disclosed in the announcements of the Company dated January 15, 2026 and February 13, 2026 and the circular of the Company dated January 26, 2026, the Board and the relevant Shareholders 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.

Details of (i) the net proceeds from the Global Offering as disclosed in the Prospectus prior to the Proposed Change, (ii) the net proceeds utilized and unutilized as of December 31, 2025, (iii) the net proceeds unutilized before and after the Proposed Change, and (iv) 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 (HKD millions)	Amount utilized as of December 31, 2025 (HKD millions)	Amount unutilized as of December 31, 2025 (HKD millions)	Amount unutilized as of January 15, 2026 before the Proposed Change (HKD millions)	Amount unutilized as of January 15, 2026 after the Proposed Change (HKD millions)	Expected timeline of full utilization of the net proceeds after the Proposed Change
Payment for partial expenses for phase II of the Indonesia Plant	40.0	198.0	198.0	0.0	0.0	0.0	—
Construction expenses of the Plant	20.0	99.0	99.0	0.0	0.0	0.0	—
Purchase and installation of major production machineries and equipment	20.0	99.0	99.0	0.0	0.0	0.0	—
New LMFP production lines at Xiangyang Plant in Hubei Province	40.0	198.0	0.0	198.0	198.0	0.0	—
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	0.0	—
Repay borrowings from Bank of Nanjing (南京銀行)	6.6	32.7	32.7	0.0	0.0	0.0	—
Repay borrowings from Agricultural Bank of China (中國農業銀行)	3.4	16.8	16.8	0.0	0.0	0.0	—
Working capital and other general corporate purposes	10.0	49.5	49.5	0.0	0.0	0.0	—
Total	100.0	495.0	297.0	198.0	198.0	198.0	

PT LBM Subscription

Reference is made to the announcements of the Company dated December 20, 2024 and February 10, 2025 and the circular of the Company dated January 8, 2025. On December 20, 2024, the Company, LBM New Energy (AP) Pte. Ltd. (“LBM”) (an indirect non-wholly owned subsidiary of the Company), Changzhou Liyuan, PT Akasya Investasi Indonesia and Aisis Alliance L.P. entered in a subscription agreement, pursuant to which PT Akasya Investasi Indonesia and Aisis Alliance L.P. conditionally agreed to subscribe for the shares of LBM, representing approximately 34.01% and 11.34% of the enlarged share capital of LBM upon completion at the subscription price of USD150,000,000 and USD50,000,000 respectively. The subscription has been completed on February 10, 2025. LBM shall apply no less than 85% of the proceeds of the subscription for the capital and operational expenses for the development of the Indonesia Phase 2 Plant, with funds to be gradually utilized in accordance with the progress of its development. Provided that the funding required for the development of the Indonesia Phase 2 Plant remains unaffected, such proceeds may also be utilized for the operational expenses incurred in the ordinary course of business of the Indonesia Phase 1 Plant and/or the operational expenses incurred in the ordinary course of business of LBM but in any event such utilization of the proceeds shall not exceed 15% of the total proceeds from the subscription. As of the date of this announcement, part of the proceeds from the subscription has been utilised. Furthermore, as of the date of this announcement, the Company has no intention to change its intended use of the proceeds from the subscription. Details of the utilisation of the proceeds as at December 31, 2025 are as follows:

Intended purpose	Proceeds allocated for intended purpose	Utilised proceeds as at December 31, 2025 (approximate %)	Unutilised proceeds as at December 31, 2025 (approximate %)	Expected timeline of utilising the remaining proceeds
Capital and operational expenses for the development of the Indonesia Phase 2 Plant (Provided that the funding required for the development of the Indonesia Phase 2 Plant remains unaffected)	No less than 85%, i.e. USD170,000,000	Approximately USD47,727,000 (23.86%)	Approximately USD122,273,000 (61.14%)	By the end of 2026
Operational expenses incurred in the ordinary course of business of the Indonesia Phase 1 Plant and/or the operational expenses incurred in the ordinary course of business of LBM	Not exceeding 15%, i.e. USD30,000,000	Approximately USD15,672,600 (7.84%)	Approximately USD14,327,400 (7.16%)	By the end of 2026

LG Subscription

Reference is made to the announcement of the Company dated February 21, 2025 and circular of the Company dated March 27, 2025. On February 21, 2025, LBM, PT LBM and LG entered into a subscription agreement and the shareholders agreement; and the Company, Changzhou Liyuan, LBM, PT LBM and LG entered into a side letter agreement. Under the 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. It was originally intended that PT LBM should apply approximately half of the proceeds from the subscription for the settlement of the final payment to the contractors for the construction of the Indonesia Phase 1 Plant, and the remaining half for the purchase of relevant facilities and equipment for the operation of the Indonesia Phase 1 Plant. The closing of the subscription took place on August 11, 2025. Due to the timing of receipt of funds from LG, certain payments for construction and purchase of facilities and equipment had been due and payable before the proceeds from the subscription were available for use, and thus they were settled by the Group's own funds. As such, the proportion of proceeds from the subscription allocated for the respective intended purposes has been revised to apply the proceeds towards the same intended purposes, i.e. construction and purchase of facilities and equipment of the Indonesia Phase 1 Plant, according to the relevant payment needs and schedule from time to time after the proceeds from the subscription became available for use. Details of the allocation and utilisation of the proceeds as at December 31, 2025 are as follows:

Intended purpose	Proceeds allocated for intended purpose	Revised allocation of proceeds for intended purpose (approximate%)	Utilised proceeds as at December 31, 2025 (approximate%)	Unutilised proceeds as at December 31, 2025 (approximate%)	Expected timeline of utilising the remaining proceeds
Settlement of the final payment to the contractors for the construction of the Indonesia Phase 1 Plant	Approximately USD7,985,455.56 (50%)	Approximately USD3,070,000 (19.22%)	Approximately USD311,200 (1.95%)	Approximately USD2,758,400 (17.27%)	By the end of the second quarter of 2026
Purchase of relevant facilities and equipment for the operation of the Indonesia Phase 1 Plant	Approximately USD7,985,455.56 (50%)	Approximately USD12,901,000 (80.78%)	Approximately USD9,156,400 (57.33%)	Approximately USD3,744,900 (23.45%)	By the end of the second quarter of 2026

On March 31, 2026, the Board has resolved to change the use of an aggregate of approximately USD3,460,600 of the unutilized proceeds from the (i) settlement of the final payment to the contractors for the construction of the Indonesia Phase 1 Plant and (ii) purchase of relevant facilities and equipment for the operation of the Indonesia Phase 1 Plant into the general working capital in relation to the Indonesia Phase 1 Plant. Details of which are set out in the announcement on March 31, 2026.

June Placing

Reference is made to the announcements of the Company dated June 4, 2025 and June 12, 2025. On June 4, 2025, the Company entered into the placing agreement (the “**Placing Agreement**”) with the placing agent, namely Guotai Junan Securities (Hong Kong) Limited (the “**Placing Agent**”), pursuant to which the Company has agreed to appoint the placing agent, and the Placing Agent has conditionally agreed, as the Company’s placing agent, to procure, on a best effort basis, not less than six places, who are and whose ultimate beneficial owners are third parties independent of and not connected (as defined under the Listing Rules) with the Company and its connected person(s), to purchase up to an aggregate of 20,000,000 new H Shares at the placing price of HK\$6.00 per H Shares (the “**June Placing**”). Completion of the June Placing took place on June 12, 2025 in accordance with the terms and conditions of the Placing Agreement. The net proceeds of approximately HK\$116.89 million from the June Placing are intended to be used for (i) general working capital and repaying the Group’s outstanding debts; and (ii) transformation of the low conductivity coolant production line. It was intended that the proceeds would be fully utilised by the end of 2025, among which approximately 17.11% of the proceeds is intended to be used for the transformation of the low conductivity coolant production line (“**Production Line Transformation**”). Due to extra time incurred for more cautious and prepared initial planning and equipment selection, the implementation of the Production Line Transformation was delayed, which affected the timing of utilisation of such proportion of the proceeds. Saved as the aforesaid delay in expected timeline, as of the date of this announcement, there are no other changes in the use of proceeds, and the Company has no intention to change its intended use of the proceeds from the subscription. Details of the utilisation of the proceeds as at December 31, 2025 are as follows:

Intended purpose	Proceeds allocated for intended purpose	Utilised proceeds as at December 31, 2025 (approximate %)	Unutilised proceeds as at December 31, 2025 (approximate %)	Expected timeline of utilising the remaining proceeds
General working capital	HK\$56,890,000 (48.67%)	HK\$56,890,000 (48.67%)	—	Fully utilised
— Purchase of raw materials, including base oil, ethylene glycol and urea, etc.	HK\$40,000,000 (34.22%)	HK\$40,000,000 (34.22%)	—	Fully utilised
— Staff wages and compensation	HK\$15,000,000 (12.83%)	HK\$15,000,000 (12.83%)	—	Fully utilised
— Utilities and taxes	HK\$1,890,000 (1.62%)	HK\$1,890,000 (1.62%)	—	Fully utilised
Repaying the Group’s outstanding debts ⁽¹⁾	HK\$40,000,000 (34.22%)	HK\$40,000,000 (34.22%)	—	Fully utilised
Transformation of the low conductivity coolant production line	HK\$20,000,000 (17.11%)	Approximately HKD1,868,973.84 (1.60%)	Approximately HKD18,131,026.16 (15.51%)	By the end of the second quarter of 2026

- (1) HK\$40 million of the net proceeds from the June Placing is expected to be used to partially repay the outstanding bank loan of RMB100 million from the Industrial and Commercial Bank of China with an interest rate of 2.8% per annum and maturity date on September 11, 2025. The remainder of the outstanding bank loan is expected to be repaid with the Group's existing funds. As disclosed in the annual report of the Company for the year ended December 31, 2024 under the section headed "Use of Proceeds", the intended net proceeds from the Global Offering for the repayment of bank borrowings from Bank of Nanjing and Agricultural Bank of China have been fully utilized and these bank borrowings have been fully repaid. The use of net proceeds from the June Placing in relation to the repayment of the Group's outstanding debts does not overlap with that of the intended net proceeds from the Global Offering for the repayment of bank borrowings from Bank of Nanjing and Agricultural Bank of China.

The Directors consider that the June Placing represents an opportunity to strengthen the financial position of the Group by reducing the Group's liabilities and providing additional working capital to the Group to meet any future development and obligations, and to broaden the Shareholder base of the Company. The June Placing can also facilitate the transformation of the low conductivity coolant production line, enhancing production efficiency. The Directors have explored various options to raise capital and considered that the Placing represents the most suitable and efficient financing option for the Company to raise further funding to support the Group's continuous development and business growth, which is in the interest of the Company and its Shareholders as a whole.

The current expected timeframe for utilizing the remaining unutilized net proceeds in full is based on the best estimation by the Directors barring any unforeseen circumstances, and may be subject to change based on the Group's operating conditions and prevailing and future development of market conditions. The Directors will assess the plans for the use of the unutilized net proceeds on an ongoing basis and may revise or modify such plans where necessary to respond to the changing market conditions with a view to promoting a better growth and development of the Group. The Group will continue to evaluate the use of the unutilized net proceeds cautiously and monitor the market conditions closely to adjust the use of the unutilized net proceeds from the fundraising activities by the Group where necessary for the long-term development of the Group. The Company will make appropriate announcement(s) in due course in accordance with and if required under the Hong Kong Listing Rules should there be any material change in the intended use of the unutilized net proceeds.

As of the date of this announcement, save as disclosed in the tables above, the Directors are not aware of any material change or delay to the planned use of the net proceeds.

Issuance of A Shares to Specific Targets

Reference is made to the circular of the Company dated August 29, 2025 and the announcements of the Company dated August 20, 2025, February 26, 2026 and January 23, 2026 (collectively, the "**Possible A Share Issue Announcements and Circular**").

As disclosed in the Possible A Share Issue Announcements and Circular, the Company proposed to issue not more than 205,523,670 A shares of the Company (the “A Shares”) to not more than 35 specific target subscribers under the specific mandate (the “Possible A Share Issue”), which was approved by the Shareholders on September 17, 2025. As of the date of this announcement, the proceeds from the Possible A Share Issue is expected to be no more than RMB1.88 billion, details of which are set forth below:

Intended purpose	Proceeds allocated for intended purpose	Utilised proceeds as at December 31, 2025 (approximate %)	Unutilised	
			proceeds as at December 31, 2025 (approximate %)	Expected timeline of utilising the remaining proceeds
110,000-ton High-performance Phosphate Iron-Based Positive Electrode Material Project	80,000,000	—	—	—
85,000-ton High-performance Phosphate Iron-Based Positive Electrode Material Project	60,000,000	—	—	—
Supplemental Working Capital	48,000,000	—	—	—
Total	no more than RMB188,000,000	—	—	—

As of the date of this announcement, the Company has received the approval from the China Securities Regulatory Commission for its registration of issue of shares to specific targets, with a validity period of 12 months. For details, please refer to the announcement of the Company dated March 31, 2026 in relation to the Announcement on Obtaining of Approval from the China Securities Regulatory Commission in respect of the Application for Issuance of A Shares to Specific Target. As of the date of this announcement, no Shares has been issued by the Company to the specific targets. The Company will make further announcements in relation to the Possible A Share Issue as and when appropriate and required.

ROUNDING

Certain amounts and percentage figures included in this report 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, save as the June Placing and the Possible A Share Issue, 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.

As of December 31, 2025, the Company did not hold any H shares of the Company as treasury shares (as defined in the Listing Rules).

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

the Signing of a Cooperation Agreement and Investment in the Construction of a High-Performance Lithium Battery Cathode Material Project

Based on the market demand and the Company's actual conditions, and in order to further increase the capacity of high-performance LFP, Changzhou Liyuan New Energy Technology Co., Ltd. ("**Changzhou Liyuan**"), a controlled subsidiary of the Company is intended to enter into the High-performance Lithium Battery Cathode Material Project Cooperation Agreement and the Supplementary High-performance Lithium Battery Cathode Material Project Cooperation Agreement (the "**Agreement**") with Jiangsu Jintan Hualuogeng High-Tech Industrial Development Zone Administrative Committee (the "**Hualuogeng High-Tech Zone Administrative Committee**"), pursuant to which, it is intended to be invested by Liyuan (Jiangsu) Technology Co., Ltd., a wholly-owned subsidiary of Changzhou Liyuan in the construction of a research and development center and a production base for high compaction LFP with annual capacity of 240,000 tonnes in Jiangsu Jintan Hualuogeng High-Tech Industrial Development Zone (the "**Hualuogeng High-Tech Zone**") (the "**Production Base**"). The total planned investment for the Project will not exceed RMB2.0 billion, the specific amount of which is subject to actual investment. The Project will be funded by the Company's own funds or self-raised funds. The Production Base will be implemented in two phases: phase I plans to build a capacity of 120,000 tonnes, while phase II will be launched by Changzhou Liyuan in due course based on market conditions.

On January 4, 2026, the Proposal on the Signing of a Cooperation Agreement and Investment in the Construction of a High-Performance Lithium Battery Cathode Material Project was considered and approved at the 47th meeting of the fourth session of the board of directors of the Company.

2025 Share Option Incentive Scheme

On December 31, 2025, the 2025 Share Option Incentive Scheme (the "**2025 Scheme**") was approved by the extraordinary general meeting by way of special resolutions. The Board is of the view that all conditions of grant have been satisfied and on January 5, 2026, a total of 6,850,000 options were granted. These 6,850,000 options are exercisable at an exercise price of RMB15.35 per A share. On February 12, 2026, registration in relation to the grant of 6,810,000 options were completed as certain grantees resigned and thus were no longer eligible grantees as of the date of registration.

For the details of the 2025 Scheme, please refer to (i) the announcement of the Company dated October 22, 2025; (ii) the circular of the Company dated December 9, 2025; (iii) the poll results announcement of the Company dated December 31, 2025; (iv) the announcement of the Company dated January 6, 2026, in relation to, among others, the adjustment of the number of grantees under the 2025 Scheme and the grant of share options under the 2025 Scheme; and (v) the announcement of the Company dated February 12, 2026.

Change of Purpose of and Cancellation of the Repurchased Shares and Reduction of Registered Capital

As disclosed in the announcement of the Company dated March 17, 2026 and the circular of the Company dated March 17, 2026, on March 17, 2026, the Company held the 2nd meeting of the fifth session of the Board of Directors of the Company, at which the Proposal on the Change of Purpose of and Cancellation of the Repurchased Shares and Reduction of Registered Capital was considered and approved. The Company intends to change the purpose of the 2,082,400 A shares of the Company that were repurchased and remained unused as at March 24, 2023 in the dedicated securities account for repurchase from for “implementing employee stock ownership plans or equity incentives” to for “cancelling and reducing registered capital”. The proposal is subject to consideration and approval by the general meeting of the Company to be held on April 2, 2026.

Save as disclosed above, disclosed to the unaudited consolidated statement of financial position, the Group has no other material subsequent events since the end of the Reporting Period up to the date of this announcement.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this announcement, it has been confirmed that the portion of the H Shares listed on the Stock Exchange and held by the public represents no less than 5% of the Company’s total number of issued shares in the class to which the listed H Shares belong (excluding treasury Shares).

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is dedicated to upholding and fostering robust corporate governance practices. The corporate governance framework of the Company is to prioritize establishing effective internal control systems, maintaining high ethical standards, transparency, accountability, and integrity in all business activities, 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 Listing Rules during the Reporting Period.

The Company has fully complied with the code provisions set out in the CG Code during the Reporting Period, except for the deviation from the code provision C.2.1 of Part 2 of the CG Code. Mr. Shi Junfeng (“**Mr. Shi**”) is the chairman of our Board and the general manager of the Company and he has been managing our business and supervising the overall operations of the Group since its foundation in 2003. Our Directors consider that vesting the roles of the chairman of the Board and the general

manager of the Company in Mr. Shi is beneficial to the management and business development of the Group and will provide a strong and consistent leadership to the Group. The Board will continue to review and consider splitting the roles of the chairman of our Board and the general manager at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole. 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 monitor the corporate governance status of the Company.

Further information on the corporate governance practice of the Company will be set out in the corporate governance report in the annual report of the Company for the Reporting Period.

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 Listing Rules as our code of conduct regarding the Directors’ securities transactions. Having made specific enquiry of all the Directors and former supervisors, all the Directors and former supervisors confirmed that they have strictly complied with the Model Code during 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.

FINAL DIVIDEND

As of the date of this announcement, the Board has not yet declared any payment of final dividend in respect of the year ended December 31, 2025.

AUDIT COMMITTEE

As of the date of this announcement, the audit committee of the Company (the “**Audit Committee**”) comprising three independent non-executive Directors, namely Mr. Zhang Jinlong, Ms. Geng Chengxuan and Mr. Lu Jian. The Audit Committee has reviewed and confirmed the unaudited annual results for the year ended December 31, 2025. The Audit Committee and the Company’s management have also reviewed the accounting principles and practices adopted by the Group and discussed matters in relation to risk management, internal control and financial reporting.

SCOPE OF WORK OF THE COMPANY'S AUDITOR

The figures in respect of the Company's unaudited consolidated statement of profit or loss and other comprehensive income, unaudited consolidated statement of financial position and the related notes thereto for the year ended December 31, 2025 as set out in this announcement have been agreed by the Company's auditor, Ernst & Young, to the amounts set out in the Company's draft consolidated financial statements for the year.

The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on the preliminary announcement.

ANNUAL GENERAL MEETING AND CLOSURE OF THE REGISTER OF MEMBERS OF H SHARES

The date of the annual general meeting of the Company and the closure of the register of members of H shares will be announced in due course.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This announcement is published on the websites of the Stock Exchange (<http://www.hkex.com.hk>) and the Company (<https://www.lopal.cn>). The annual report of the Company for the Reporting Period containing all the information required by the Listing Rules will be sent to the Shareholders and made available for review on the same websites in due course.

The financial information contained herein in respect of the annual results of the Company have not been audited by the auditors. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Nanjing, PRC
March 31, 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 Ms. GENG Chengxuan, Mr. HONG Kam Le, Mr. ZHANG Jinlong and Mr. LU Jian as independent non-executive Directors.