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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)

**(1) DISCLOSEABLE AND CONNECTED TRANSACTION
CAPITAL INCREASE AGREEMENT;
(2) PROPOSED EXTENSION OF BOOK CLOSURE PERIOD;
(3) AMENDMENTS TO THE ARTICLES OF ASSOCIATION;
AND
(4) NOTICE OF 2026 FIFTH
EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser to the Independent Board Committee and
the Independent Shareholders**



RAINBOW CAPITAL (HK) LIMITED
流博資本有限公司

A letter from the Board is set out on pages 7 to 36 of this circular.

A notice convening the 2026 fifth extraordinary general meeting (the “EGM”) to be held at 2nd Floor, Large Conference Room, No. 6 Hengtong Avenue, Nanjing Economic and Technological Development Zone, Nanjing, Jiangsu Province, PRC on Thursday, September 3, 2026 at 2 p.m. is set out on pages EGM-1 to EGM-3 of this circular.

Whether or not you intend to attend the EGM, you are advised to complete and return the enclosed proxy form in respect of the EGM in accordance with the instructions printed thereon as soon as possible and in any event, not less than 24 hours prior to the commencement of such meeting or any adjournments thereof, (i.e., not later than on Wednesday, September 2, 2026 at 2 p.m. (Hong Kong time)). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so wish.

August 18, 2026

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“A Share(s)”	ordinary share(s) issued by the Company, with a nominal value of RMB1.00 each, which is/are listed on the Shanghai Stock Exchange and traded in RMB
“A Shareholder(s)”	holder(s) of the A Share(s)
“Articles of Association”	the articles of association of the Company, as amended from time to time
“associate(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Board”	the board of Directors of the Company
“BTR New Material”	BTR New Material Group Co., Ltd. (貝特瑞新材料集團股份有限公司), a joint stock company established in the PRC, the shares of which are listed on the Beijing Stock Exchange (stock code: 920185)
“Business Day(s)”	any day (other than a Saturday, Sunday and statutory holiday) which is a working day in the PRC and Hong Kong
“Capital Increase”	the capital contribution to Changzhou Liyuan by the Company in the sum of RMB1,400 million according to the Capital Increase Agreement
“Capital Increase Agreement”	the capital increase agreement entered into on August 18, 2026 among the Company, Changzhou Liyuan (a non-wholly owned subsidiary of the Company) and Changzhou Liyuan’s Shareholders
“CATL”	Contemporary Amperex Technology Co., Limited* (寧德時代新能源科技股份有限公司), a joint stock company established in the PRC on December 16, 2011, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 300750) and the Hong Kong Stock Exchange (stock code: 3750), which was an indirect shareholder controlling (i) 30% equity interest in Lopal Times, through Yichun Times, and (ii) 5.14% equity interest in Changzhou Liyuan through its wholly-owned subsidiary Ningbo Meishan as of the Latest Practicable Date
“CATL CP Group”	comprising CATL, its subsidiary(ies) and 30%-controlled company(ies) (excluding Lopal Times)

DEFINITIONS

“Changzhou Jintan Hongyuan”	Changzhou Jintan Hongyuan Venture Capital Partnership (Limited Partnership) (常州金壇泓遠創業投資合夥企業(有限合夥)), a limited partnership established in the PRC
“Changzhou Liyuan”	Changzhou Liyuan New Energy Technology Group Co., Ltd. (常州鋰源新能源科技集團有限公司) (formerly known as Changzhou Liyuan New Energy Technology Co., Ltd. (常州鋰源新能源科技有限公司)), a limited liability company established in the PRC on May 12, 2021 and a direct non-wholly owned subsidiary of the Company which is owned as to approximately 61.88% by the Company as of the Latest Practicable Date
“Changzhou Liyuan’s Shareholders”	the other existing shareholders of Changzhou Liyuan apart from the Company, including Kunlun Gongrong, Jianxin Financial Asset Investment, Ningbo Meishan, Fujian Times Mindong, BTR New Material, Changzhou Youbeili, Nanjing Jinbeili, Changzhou Jintan Hongyuan, Nanjing Chaoli and Jinsha Industrial Investment
“Changzhou Youbeili”	Changzhou Youbeili Venture Capital Center (Limited Partnership) (常州優貝利創業投資中心(有限合夥)), a limited partnership established in the PRC
“Company”	Jiangsu Lopal Tech. Group Co., Ltd. (江蘇龍蟠科技集團股份有限公司), a joint stock company incorporated in the PRC with limited liability whose A Shares are listed on the Shanghai Stock Exchange (stock code: 603906) and H Shares are listed on the Hong Kong Stock Exchange (stock code: 2465)
“connected Director(s)”	any Director who is considered to have a material interest in the transaction contemplated under the Capital Increase Agreement
“connected person”	has the meaning ascribed to it under the Hong Kong Listing Rules
“connected transaction”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Controlling Shareholders”	has the meaning ascribed thereto in the Hong Kong Listing Rules
“Director(s)”	director(s) of the Company

DEFINITIONS

“EGM”	the 2026 fifth extraordinary general meeting of the Company to be convened on Thursday, September 3, 2026 to consider and, if thought fit, to approve, among other things, the Capital Increase Agreement and the transactions contemplated thereunder, the proposed extension of the book closure period and the proposed amendments to the Articles of Association
“Fujian Times Mindong”	Fujian Times Mindong New Energy Industry Equity Investment Partnership (Limited Partnership) (福建時代閩東新能源產業股權投資合夥企業(有限合夥)), a limited partnership established in the PRC
“Group”	the Company and its subsidiaries
“H Share(s)”	ordinary share(s) issued by the Company, with a nominal value of RMB1.00 each, which is/are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Hubei Liyuan”	Hubei Liyuan New Energy Technology Co., Ltd.* (湖北鋰源新能源科技有限公司), a limited liability company established in the PRC on December 2, 2021 and a direct wholly owned subsidiary of Changzhou Liyuan as of the Latest Practicable Date
“Independent Board Committee”	the independent committee of the Board, comprising all independent non-executive Directors, namely Ms. Geng Chengxuan, Mr. Hong Kam Le, Mr. Zhang Jinlong and Mr. Lu Jian to consider whether the terms of the Capital Increase Agreement are on normal commercial terms, fair and reasonable and in the interest of the Company and Shareholders as a whole and to offer advice to the Independent Shareholders in this regard

DEFINITIONS

“Independent Financial Adviser”	Rainbow Capital (HK) Limited, a licensed corporation to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), which has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the Capital Increase Agreement and the transactions contemplated thereunder
“Independent Shareholder(s)”	Shareholders other than those (namely, Mr. Shi Junfeng and his spouse Ms. Zhu Xianglan, Mr. Shen Zhiyong, Mr. Zhang Yi and their associate(s)) who are required to abstain from voting on the resolution to be proposed by the Company at the EGM to consider and approve the Capital Increase Agreement and the transactions contemplated thereunder
“Independent Third Party(ies)”	third parties independent of and not connected (as defined under the Hong Kong Listing Rules) with the Company and its connected person(s)
“Issuance of A Shares to Specific Targets”	the issuance of 93,115,403 A Shares by the Company to 18 specific targets at an issuance price of RMB20.19 per Share and the procedures for registration, custody and restrictions on sale was completed on May 11, 2026
“Jianxin Financial Asset Investment”	Jianxin Financial Asset Investment Co., Ltd.* (建信金融資產投資有限公司), a limited liability company established in the PRC
“Jinsha Industrial Investment”	Changzhou Jinsha Industrial Investment Partnership Enterprise (Limited Partnership) (常州金沙產業投資合夥企業(有限合夥)), a limited partnership established in the PRC
“Kunlun Gongrong”	Kunlun Gongrong Green (Beijing) New Industry Investment Fund Partnership (Limited Partnership) (昆侖工融綠色(北京)新興產業投資基金合夥企業(有限合夥)), a limited partnership established in the PRC
“Latest Practicable Date”	August 17, 2026, being the latest practicable date prior to the despatch of this circular for ascertaining certain information referred to in this circular

DEFINITIONS

“Lopal International”	Lopal International Holdings Co., Ltd. (龍蟠國際控股有限公司), previously known as Nanjing Meiduo Investment Management Co., Ltd. (南京美多投資管理有限公司), a limited company established in the PRC on October 17, 2013, the general partner of Nanjing Bailey and was owned as to 90% by Mr. Shi Junfeng and as to 10% by Ms. Zhu Xianglan as of the Latest Practicable Date. Lopal International is one of the Controlling Shareholders
“Lopal Times”	Yichun Lopal Times Lithium Industry Technology Co., Ltd. (宜春龍蟠時代鋰業科技有限公司), a limited liability company established in the PRC and a direct non-wholly owned subsidiary of the Company which is owned as to 70% by the Company and 30% by Yichun Times as of the Latest Practicable Date
“Nanjing Bailey”	Nanjing Bailey Venture Capital Center (Limited Partnership) (南京貝利創業投資中心(有限合夥)), a limited partnership established in the PRC on October 25, 2013 and one of the Controlling Shareholders
“Nanjing Chaoli”	Nanjing Chaoli Venture Capital Center (Limited Partnership) (南京超利創業投資中心(有限合夥)), a limited partnership established in the PRC
“Nanjing Jinbeili”	Nanjing Jinbeili Venture Capital Center (Limited Partnership) (南京金貝利創業投資中心(有限合夥)), a limited partnership established in the PRC
“Ningbo Meishan”	Ningbo Meishan Baoshuigang District Wending Investment Co., Ltd. (寧波梅山保稅港區問鼎投資有限公司), a limited liability company established in the PRC
“PRC”	the People’s Republic of China excluding, for the purpose of this circular, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Previous Capital Contribution”	the capital contribution by Changzhou Jinsha Industrial Investment Partnership Enterprise (Limited Partnership) (常州金沙產業投資合夥企業(有限合夥)) of RMB440.00 million in cash to Changzhou Liyuan to subscribe for approximately RMB61.17 million of Changzhou Liyuan’s registered capital, as announced by the Company in the Series B Announcement
“Reporting Accountant”	Moore CPA Limited, the reporting accountant engaged by the Company to report on the calculation of the discounted cash flows used in the valuation report

DEFINITIONS

“RMB”	Renminbi, the lawful currency of the PRC
“Securities Law”	the Securities Law of the People’s Republic of China, as amended, supplemented or otherwise modified from time to time
“Series B Announcement”	the announcement issued by the Company dated May 11, 2026 in relation to the Previous Capital Contribution
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shandong Liyuan”	Shandong Liyuan Technology Co., Ltd.* (山東鋰源科技有限公司), a limited liability company established in the PRC on September 10, 2021 and a direct wholly owned subsidiary of Changzhou Liyuan as of the Latest Practicable Date
“Shanghai Listing Rules”	the Rules Governing the Listing of Securities on Shanghai Stock Exchange
“Shanghai Stock Exchange”	the Shanghai Stock Exchange (上海證券交易所)
“Share(s)”	ordinary share(s) in the capital of the Company with nominal value of RMB1.00 each
“Shareholder(s)”	the holder(s) of the Share(s)
“subsidiary” or “subsidiaries”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Valuer”	Beijing Zhongtianhe Assets Appraisal Co., Ltd. (北京中天和資產評估有限公司), an independent professional valuer which complies with the requirements of Securities Law
“Yichun Times”	Yichun Times New Energy Resources Co., Ltd.* (宜春時代新能源資源有限公司), a limited liability company established in the PRC on November 23, 2021 and a direct wholly owned subsidiary of CATL as of the Latest Practicable Date
“%”	per cent

* *The Chinese name(s) of the PRC entities have been translated into English in this circular for reference only. In the event of any discrepancies between the Chinese names of the PRC entities and their respective English translations, the Chinese version shall prevail.*



Lopal
龙蟠科技

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)

Executive Directors:

Shi Junfeng
Lu Zhenya
Qin Jian
Shen Zhiyong
Zhang Yi

Registered Office:

No. 6 Hengtong Avenue
Nanjing Economic and Technological
Development Zone
PRC

Non-executive Director:

Zhu Xianglan

Principal Place of Business in Hong Kong:

46/F, Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

Independent Non-executive Directors:

Geng Chengxuan
Hong Kam Le
Zhang Jinlong
Lu Jian

August 18, 2026

To the Shareholders

Dear Sir/Madam,

**(1) DISCLOSEABLE AND CONNECTED TRANSACTION
CAPITAL INCREASE AGREEMENT;
(2) PROPOSED EXTENSION OF BOOK CLOSURE PERIOD;
(3) AMENDMENTS TO THE ARTICLES OF ASSOCIATION;
AND
(4) NOTICE OF 2026 FIFTH
EXTRAORDINARY GENERAL MEETING**

I. INTRODUCTION

Reference is made to the announcement of the Company dated August 18, 2026 in respect of, among others, the Capital Increase Agreement.

LETTER FROM THE BOARD

The purpose of the circular is to provide you with the relevant information for making informed decisions in respect of the resolutions at the EGM in respect of, among other things, (i) the discloseable and connected transaction in relation to the Capital Increase Agreement and the transactions contemplated thereunder; (ii) the proposed extension of book closure period; (iii) the proposed amendments to the Articles of Association; (iv) the recommendation from the Independent Board Committee to the Independent Shareholders; (v) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (vi) the notice of the 2026 fifth extraordinary general meeting.

The Independent Board Committee, comprising Ms. Geng Chengxuan, Mr. Hong Kam Le, Mr. Zhang Jinlong and Mr. Lu Jian, all of whom are independent non-executive Directors, has been formed to advise the independent Shareholders in respect of the Capital Increase Agreement and the transactions contemplated thereunder. The letter from the Independent Board Committee setting out its recommendations to the Independent Shareholders on the Capital Increase Agreement and the transactions contemplated thereunder is set on pages 37 to 38 of this circular.

Rainbow Capital (HK) Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Capital Increase Agreement and the transactions contemplated thereunder. The letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the Capital Increase Agreement and the transactions contemplated thereunder is set out on pages 39 to 51 of this circular.

II. CAPITAL INCREASE AGREEMENT

(i) Terms of Capital Increase Agreement

On August 18, 2026, the Company, Changzhou Liyuan (a non-wholly owned subsidiary of the Company) and Changzhou Liyuan's Shareholders entered into the Capital Increase Agreement. The principal terms of which are set out below:

Date	August 18, 2026
Parties	(1) The Company; (2) Changzhou Liyuan (a non-wholly owned subsidiary of the Company); and (3) Changzhou Liyuan's Shareholders.

LETTER FROM THE BOARD

Subject matter	Pursuant to the Capital Increase Agreement, the Company has agreed to make a capital contribution in the sum of RMB1,400 million to Changzhou Liyuan to subscribe for approximately RMB194.63 million of Changzhou Liyuan's newly increased registered capital, which represents approximately 17.86% of Changzhou Liyuan's total registered capital as enlarged by the Capital Increase, and the remaining part will be booked in the capital reserve of Changzhou Liyuan, and Changzhou Liyuan's Shareholders agreed to waive their pre-emptive rights in respect of the Capital Increase.
Payment schedule and filings with regulatory authorities	The Company shall pay the amount of the capital contribution to Changzhou Liyuan in cash within three (3) business days after (i) signing the Capital Increase Agreement and (ii) the completion of all internal resolutions (including the Board resolution and the Shareholders' approval) and information disclosure procedures. All parties shall procure Changzhou Liyuan to complete the necessary industrial and commercial change and filings with the relevant authorities within one (1) month after the effective date of the Capital Increase Agreement. The Capital Increase Agreement will become effective after the Capital Increase Agreement has been executed by all the parties thereto and all approval procedures have been completed.

LETTER FROM THE BOARD

(ii) Shareholding Structure of Changzhou Liyuan

The amounts of registered capital contributed by, and the shareholding ratios of, each shareholder of Changzhou Liyuan immediately prior to and after the completion of the Capital Increase are set out below (assuming no other changes to the registered capital of Changzhou Liyuan as of the Latest Practicable Date and up to the date immediately prior to the completion of the Capital Increase):

Name of Shareholders	Registered capital as of the Latest Practicable Date and prior to the completion of the Capital Increase (RMB'0,000)	Shareholding ratio as of the Latest Practicable Date and prior to the completion of the Capital Increase	Newly-added amount in the registered capital (RMB'0,000)	Registered capital after the completion of the Capital Increase (RMB'0,000)	Shareholding ratio after the completion of the Capital Increase
Company	55,403.1398	61.8825%	19,462.9770	74,866.1168	68.6892%
Jinsha Industrial Investment	6,116.9356	6.8323%	—	6,116.9356	5.6122%
Fujian Times Mindong	5,020.3125	5.6074%	—	5,020.3125	4.6061%
Ningbo Meishan	4,601.9531	5.1401%	—	4,601.9531	4.2222%
Kunlun Gongrong	4,285.8091	4.7870%	—	4,285.8091	3.9322%
Changzhou Youbeili	3,500.0000	3.9093%	—	3,500.0000	3.2112%
Changzhou Jintan Hongyuan	3,500.0000	3.9093%	—	3,500.0000	3.2112%
BTR New Material	3,150.0000	3.5184%	—	3,150.0000	2.8901%
Nanjing Jinbeili	1,750.0000	1.9547%	—	1,750.0000	1.6056%
Jianxin Financial Asset Investment	1,501.5440	1.6771%	—	1,501.5440	1.3776%
Nanjing Chaoli	700.0000	0.7819%	—	700.0000	0.6423%
Total	89,529.6941	100.0000%	19,462.9770	108,992.6711	100.0000%

Note: Any discrepancies between totals and sums of the percentage figures of individual shareholders listed hereinabove are due to rounding adjustments.

Upon completion of the Capital Increase, after taking into account the dilution effect on the Company's existing shareholding in Changzhou Liyuan, the net change in the shareholding ratio of the Company in Changzhou Liyuan is approximately 6.81%, and such shareholding ratio will thus increase from approximately 61.88% to 68.69%. Accordingly, Changzhou Liyuan will continue to be a subsidiary of the Company upon completion of the Capital Increase and its financial results will continue to be consolidated into the financial statements of the Company.

LETTER FROM THE BOARD

(iii) Basis for Determination of the Amount of the Capital Contribution

Reference is made to the Series B Announcement.

The total amount of the capital contribution to be made by the Company was determined after arm's length negotiation among the parties to the Capital Increase Agreement with reference to the appraised value of the entire equity interests of Changzhou Liyuan of RMB6,100,000,000 as of November 30, 2025 pursuant to the valuation of Changzhou Liyuan carried out by the Valuer, which all parties to the Capital Increase Agreement agreed to adopt given that (i) there were no material adverse changes in market conditions, business circumstances or other relevant factors which may have affected the valuation of Changzhou Liyuan's entire equity interest between (a) November 30, 2025, being the appraisal date of the valuation report and (b) August 18, 2026, being the date the Capital Increase Agreement was entered into; and (ii) the valuation report on Changzhou Liyuan's entire equity interest as of November 30, 2025 remains within its validity period for reference for the Capital Increase.

Taking into further consideration (i) minor adjustments (a discount of RMB100,000,000) to the valuation of Changzhou Liyuan's entire equity interest which were agreed by the parties to the Capital Increase Agreement upon arm's length negotiations and considered by the Board as commercially justifiable to reflect minor non-material changes in market conditions since the Previous Capital Contribution, and pursuant to which the parties agreed to adopt the same valuation basis (RMB6,000,000,000) for the Capital Increase, which was mutually agreed upon by all relevant parties after arm's length negotiations in the Previous Capital Contribution, which allows the Company to obtain a larger proportion of shares in Changzhou Liyuan with the same capital contribution, and is in the interests of the Company and the Shareholders as a whole, and (ii) the amount of the Previous Capital Contribution, the ex-ante valuation of Changzhou Liyuan's entire equity interest prior to the Capital Increase, upon which the Capital Increase was based and as agreed with by the parties to the Capital Increase Agreement, is RMB6,440,000,000, and the Directors (including the independent non-executive Directors), having taken the abovementioned factors into account, considered the contribution amount of the Capital Increase as fair and reasonable.

In the valuation report, the Valuer adopted the discounted cash flow method under the income approach and the market comparables method under the market approach in valuation of Changzhou Liyuan. Given the use of the income approach, the valuation constitutes a profit forecast under Rule 14.61 of the Hong Kong Listing Rules and the Company published an announcement dated August 18, 2026 in compliance with Rule 14.60A of the Hong Kong Listing Rules. Further details of the valuation report are set out in Appendix I to this circular.

LETTER FROM THE BOARD

The Reporting Accountant has reported in respect of the calculations of discounted future cash flow estimates adopted in the valuation of Changzhou Liyuan, and the Board has confirmed that the profit forecast of the valuation of Changzhou Liyuan has been made after due and careful enquiry.

The Reporting Accountant confirmed that they have made inquiries of the Company's management, considered the analyses and assumptions on which the discounted future estimated cash flows are based and checking the arithmetic accuracy of the compilation of the discounted future estimated cash flows. The Reporting Accountant is of the opinion that, as the result of their procedures performed, the calculations are concerned, the discounted future cash flows have been properly compiled in all material respects in accordance with the bases and assumptions determined by the Directors and as set out in this circular.

The letter from the Independent Financial Adviser and the report of the Reporting Accountant in relation to the valuation are set out on pages 39 to 51 of this circular and in Appendix II to this circular, respectively.

Further, the letter from the Board in relation to the valuation is set out in Appendix III to this circular in accordance with Rule 14.60A(3) of the Listing Rules.

(iv) Basis of Using the Income Approach and the Market Approach

Income Approach

According to the Valuer, in terms of the conditions for the applicability of the income approach, given that the enterprise has independent profit-generating capacity and that the management of the entity being valued has provided profit forecasts for the coming years, the future profitability of the enterprise can be reasonably estimated based on its historical operating data and internal and external operating environment, and the risks associated with future earnings can be reasonably quantified, with sufficient valuation data available. In light of the valuation purpose, the implementation of the economic transaction will not affect the going-concern status or the established profit model of the enterprise. Given the industry characteristics of the entity being valued, the enterprise possesses the foundation and conditions for continued operations, with a relatively stable corresponding relationship between operations and earnings, and its future earnings and risks are both predictable and quantifiable, the Valuer considers that the basic conditions for applying the income approach to valuation are satisfied and thus the income approach is appropriate for adoption in this valuation exercise.

Market Approach

According to the Valuer, as there are a number of listed companies in the capital market that operate in the same or similar industries as the entity being valued, the comparable operating and financial data are sufficiently available and reliable, and their market pricing can serve as a reference for the market value of

LETTER FROM THE BOARD

the entity being valued. Although there are certain differences among the enterprises in terms of scale, products and other factors, the differences between the valuation object and the comparable companies can be properly quantified through the scientific and reasonable selection of relevant comparative parameters. Having undergone over two decades of development, China's capital market has essentially established its basic market functions. Moreover, in both domestic and international property rights transaction markets, investors tend to favour the market approach for valuation purposes. Therefore, the Valuer considers that the basic conditions for applying the market approach are satisfied and the application of the market approach in this valuation is feasible.

However, given (i) the challenges in applying the market approach to accurately evaluate the value of the assessed enterprise due to difficulties in quantifying and assessing the similarities between comparable listed companies and appraised entities in China, (ii) deviations of market value of the assessed enterprise from its intrinsic value due to inherent market uncertainties; and (iii) the failure of the market approach in reflecting the revenue contribution arising from future changes in the product mix and considering the impact of periodic fluctuations in the market, whereas the income approach can better reflect the overall profitability and growth of the assessed enterprise by incorporating factors reflected outside of the statement of financial position, the Valuer considers that (1) the market approach is adopted solely for the purpose of validating the valuation results and (2) only the valuation result under the income approach has been adopted as the final valuation conclusion. For further details, please refer to the valuation report summary as set out in Appendix I to this circular.

(v) Income Approach and the Market Approach

Based on the current status and development prospects of the industry in which Changzhou Liyuan operates, Changzhou Liyuan's operational conditions, and interviews with the management of Changzhou Liyuan, no significant factors were identified that would cause Changzhou Liyuan to cease operations or affect its going concern in the foreseeable future. Therefore, the valuation assumes that Changzhou Liyuan's income period is indefinite. The Valuer adopted the segmented method to forecast Changzhou Liyuan's incomes, dividing future incomes into those during the detailed forecast period and those after the detailed forecast period.

Set forth below the assumptions adopted in the valuation:

(A) General assumptions

(1) Transaction assumption

It is assumed that all appraised assets are in the process of transaction, and the valuation is conducted within the markets simulated based on the transaction conditions of the appraised assets and other factors.

LETTER FROM THE BOARD

(2) Open market assumption

It is assumed that the appraised assets are traded in open market to realize their market value. The market value of assets is subject to the market mechanism and determined by the market conditions, instead of being determined by individual transactions. The aforementioned open market refers to a competitive market with willing buyers and sellers under fully developed and perfect market conditions. In this market, the buyers and sellers share an equal standing. Both parties have the chance and time to obtain sufficient market information. The transactions between the buyers and sellers are conducted on a voluntary and rational basis without forced or unlimited conditions.

(3) Corporation going concern assumption

This assumption is made on the basis that the overall assets of corporations are treated as the target of valuation. In other words, the corporations are the operation entities that will continue to operate going forward under the current external environment and according to the operation goals. The operators of the corporations are responsible for and capable of the responsibilities. The corporations operate legally and are able to obtain appropriate profit to maintain their ability of continual operation.

(B) Special assumptions

- (1) The current laws, regulations and policies of the PRC and the macroeconomic situation of the PRC do not change significantly. The political, economical and social environment of the regions domiciled by the parties of this transaction do not change significantly;
- (2) It is assumed that the operator of the corporation is responsible and the management of the corporation are capable of performing their duties;
- (3) Unless otherwise stated, it is assumed that the corporation fully complies with all relevant laws and regulations;
- (4) It is assumed that the accounting policies that the corporation will adopt in the future and the accounting policies adopted when preparing this report are basically the same in material aspects;
- (5) It is assumed that the scope and method of business operation of the corporation stay consistent with the current direction on the basis of the current management method and management level of the corporation;
- (6) It is assumed that interest rates, exchange rates, tax base and tax rates, policy-based fees and levies and other factors do not undergo significant changes;

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- (7) It is assumed that there are no other factors of force majeure and unforeseen factors that cause material and adverse impact on the corporation;
- (8) It is assumed that the core management personnel, technical personnel, sales force in the future is stable, and the enterprise can maintain the existing management level, research and development level, sales channels and steadily expanding market share in the future operation;
- (9) It is assumed that the management of the assessed entity will perform their due diligence during the future operating period, and the assessed entity will continue its operations in accordance with the business plan objectives formulated by the assessed entity and its management. The business scale, business composition, sales strategies and cost control during the future forecast period will be implemented as scheduled in line with the plans of the assessed entity and its management;
- (10) It is assumed that the acquisition and utilisation of the production and business premises of the enterprise are consistent with that as at the valuation benchmark date without change;
- (11) It is assumed that the asset under valuation has been valued on the basis of the actual inventory as at the valuation benchmark date, and the current market value of the relevant asset is based on the effective domestic prices as at the valuation benchmark date;
- (12) It is assumed that the ownership certificates, financial and accounting information and other information provided by the consignor and the enterprise under valuation in connection with the Valuation are true, complete and lawful; the scope of the Valuation is based solely on the valuation declaration form provided by the consignor and the enterprise under valuation and does not take into account contingent asset and contingent liabilities that may exist in addition to the list confirmed and provided by the consignor and the enterprise under valuation;
- (13) It is assumed that after the valuation benchmark date, the cash inflows and cash outflows of the assessed entity will occur evenly on average;
- (14) It is assumed that as of the valuation benchmark date, Liyuan (Jiangsu) Technology Co., Ltd.* (鋰源(江蘇)科技有限公司) is a high and new technology enterprise with certificate number GR202532006733, and is entitled to pay corporate income tax at the preferential rate of 15%. In this valuation, it is assumed that, absent any material changes to the qualification criteria and policies for High and New Technology Enterprises, the assessed entity will be able to continuously maintain its High and New Technology Enterprise status and enjoy the relevant tax benefits, and the projections have been prepared based on the corporate income tax rate of 15%;

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- (15) It is assumed that subsequent to the valuation benchmark date, Tianjin Liyuan Technology Co., Ltd.* (鋰源(天津)科技有限公司) holds the status of High and New Technology Enterprise (HNTE) under certificate number GR202312002316, and is subject to a preferential enterprise income tax (EIT) rate of 15%. For the purpose of this valuation, it is assumed that no material changes will occur to HNTE qualification criteria and supporting policies, and that the subject entity will continuously qualify for HNTE status and retain the corresponding tax benefits. Accordingly, a 15% EIT rate is applied in the financial projections;
- (16) It is assumed that subsequent to the valuation benchmark date, Shandong Liyuan Technology Co., Ltd.* (山東鋰源科技有限公司) holds HNTE status under certificate number GR202437002797, and is subject to a preferential EIT rate of 15%. For the purpose of this valuation, it is assumed that no material changes will occur to HNTE qualification criteria and supporting policies, and that the subject entity will continuously qualify for HNTE status and retain the corresponding tax benefits. Accordingly, a 15% EIT rate is applied in the financial projections;
- (17) It is assumed that pursuant to the Announcement on the Continuation of the Corporate Income Tax Policy for the Large-scale Development of the Western Regions (Announcement No. 23 of the Ministry of Finance in 2020) jointly issued by the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission, enterprises engaged in encouraged industries located in western China are eligible for a reduced EIT rate of 15%. The core product of Sichuan Liyuan New Energy Co., Ltd. (四川鋰源新能源有限公司), LFP cathode materials, falls under the encouraged industry categories specified in the Guiding Catalogue for Industrial Restructuring (2019 Edition) (Order of NDRC 2019 No. 29). The company is entitled to the 15% preferential EIT rate from January 1, 2021 to December 31, 2030. Given that this preferential tax policy under the Western Development Strategy has historically been extended multiple times for lengthy periods upon expiry, it is assumed that Sichuan Liyuan New Energy Co., Ltd. (四川鋰源新能源有限公司) will continue to apply the 15% EIT rate after the current policy term concludes;
- (18) PT. LBM ENERGI BARU INDONESIA, an indirect overseas subsidiary of the assessed entity established in Indonesia, has obtained a 20-year preferential corporate income tax rate of 0% starting from 2025 in accordance with relevant regulations including the Decision of the Minister of Finance of the Republic of Indonesia No. 333/MK/PJ/2025 — Implementation of the Income Tax Reduction Policy for Entities in the Kendal Special Economic Zone, and pays

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corporate income tax at the 0% tax rate for the 2025 fiscal year. Based on the management's estimation, it is assumed that the 0% preferential income tax rate can be continuously extended after the expiration of the current preferential policy;

(19) It is assumed that the signed contract orders of the assessed entity can be effectively implemented within the validity period of the contracts, with no modification or termination occurring; and

(20) It is assumed that this valuation does not factor in the impact of contingent matters such as mortgages, pledges and guarantees on the valuation conclusion.

The valuation conclusion of the valuation report as of the valuation benchmark date is based on the above assumptions. In the event of a substantial change in the above assumptions, the asset appraiser and the appraisal organization shall not be responsible for the derivation of a different valuation conclusion as a result of the change in the assumptions.

The key inputs under the income approach and market approach are as follows.

(A) Key inputs under the income approach

As also set out in the valuation report summary in Appendix I to this circular, the valuation formulae under the income approach are as follows:

$$E = B - D - F$$

Where: E — value of the entire shareholders' interest attributable to the parent company on a consolidated basis

D — value of interest-bearing debts

B — enterprise value on a consolidated basis

F — value of minority interests

$$B = P + C_1 + C_2$$

Where: C_1 — value of surplus assets existing as of the valuation benchmark date

C_2 — value of non-operating assets (liabilities) existing as of the valuation benchmark date

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P — value of operating asset:

$$P = \sum_{t=1}^n \left[R_t \times (1 + r)^{-t} \right] + \frac{R_{n+1}}{(r - g)} \times (1 + r)^{-n}$$

Where: R_i — expected income (free cash flow for the corporate) in the year in the future

r — discount rate

g — perpetual growth rate

n — future forecast period of the valuation subject

Based on the above valuation formulae, the key inputs under the income approach are as follows:

Key input	Value
Operating revenue	The actual operating revenue for the eleven-month period ended November 30, 2025 is RMB5,629,460,714.38. As the valuation benchmark date is November 30, 2025, the forecast period in preparing the discounted cash flow valuation under the income approach starts from December 2025. The actual operating revenue for the one month of December 2025 was RMB924,488,206.72.
Net loss after tax	Net loss of RMB169,170,297.13 and RMB106,294,162.66 for the eleven months ended November 30, 2025 and for the year December 31, 2025.
Discount rate	11.52% , which is calculated using the weighted average cost of capital (WACC) method.
Perpetual growth rate	0% , a nil perpetual growth rate is assumed in the valuation of Changzhou Liyuan's enterprise value under the income approach.
Future forecast period of the valuation subject	Indefinite , given that no significant factors were identified that would cause Changzhou Liyuan to cease operations or affect its going concern in the foreseeable future.

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Key input	Value
Value of surplus assets and non-operating assets (liabilities) existing as of the valuation benchmark date	– RMB1,231.5120 million , being the appraised net value of surplus and non-operating assets and liabilities of Changzhou Liyuan as of November 30, 2025.
Interest-bearing debts	RMB3,552.0154 million , being the amount of interest-bearing debts of Changzhou Liyuan as of November 30, 2025.
Total equity value of minority interests	RMB146.0000 million , being the appraised value of minority equity interests of Changzhou Liyuan under the income approach as of November 30, 2025.

Based on the above key inputs and the valuation formula, the valuation under the income approach is RMB6,100,000,000.

(B) Key inputs under the market approach

Under the market approach, comparable companies have been selected based on the following selection criteria:

- 1) **Risk warning exclusion:** comparable companies shall be market entities with normal operations and sound financial conditions. Listed companies that have been subject to delisting risk warning (*ST) or other risk warning (ST) by the stock exchange prior to the valuation benchmark date are excluded, as their share prices are difficult to reflect a normal fair market value due to issues such as uncertainty in going-concern capability, abnormal financial indicators, restricted trading mechanisms, or the risk of compulsory delisting;
- 2) **Listed for at least 2 years:** in accordance with the Asset Valuation Practice Standards — Business Valuation, which require that comparable companies selected under the market approach be characterized by “active public trading, reliable data, and the ability to reflect fair market value”, and taking into account prevailing industry practice, companies listed for less than one year are generally excluded because their share prices are more susceptible to IPO premiums, limited free float, and market sentiment, resulting in an underdeveloped price discovery mechanism. During the period from one to two years after listing, the release of restricted shares may create supply-side shocks that distort valuation multiples. After two years of listing, share prices have generally undergone multiple rounds of earnings validation and

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investor expectation adjustments, enabling market trading to better reflect the company's long-term equilibrium value. Accordingly, this valuation selected comparable listed companies that had been listed for at least two years as of the valuation benchmark date;

- 3) **No trading suspension, major asset restructuring or unusual price movements:** comparable companies should have maintained normal trading status during the 12 months preceding the valuation benchmark date, without prolonged trading suspension due to material asset restructuring, changes in control, significant litigation or arbitration, or other major events. In addition, their share prices should not have experienced abnormal fluctuations detached from business fundamentals (such as consecutive daily price limits or unusually sharp increases in trading volume), so as to ensure that the share price data observed during the review period genuinely reflects the market's continuous and stable pricing of their intrinsic value;
- 4) **Similar industry or principal business:** in selecting comparable companies, this valuation first adhered to the fundamental principle that the companies should have the same or similar principal business and operate in comparable markets. Listed companies primarily engaged in battery chemicals were initially identified based on the Level-3 industry classification under the Shenwan (SW) Industry Classification System. On this basis, companies whose principal business included substantial operations in alternative technology routes, such as anode materials or lithium cobalt oxide products, were further excluded. Ultimately, only listed companies whose principal business is centered on cathode materials and whose revenue from cathode material products accounted for more than 60% of total product revenue in the most recent fiscal year as of the valuation benchmark date were retained as comparable companies;
- 5) **Similar business structure and model:** based on the initial screening by principal business and market scope, this valuation further follows the principle of "similar business structure and operating model," focusing on whether the value creation approach of the comparable companies aligns with that of the assessed entity. The entity being valued adopts an asset-heavy operating model featuring "independent R&D + in-house production + direct sales delivery," with core profits derived from technological premiums and cost advantages under scaled production capacity. Accordingly, we have excluded candidate companies that adopt asset-light OEM models, rely mainly on distribution channels, or have significant unrelated diversified businesses, ultimately retaining comparable companies that are highly consistent with the entity being valued in terms of business structure, profit drivers, and key resource endowments, ensuring that the valuation multiples reflect the market pricing logic under the same operating model; and

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- 6) **T-test on beta coefficients:** lastly, a T-test on the beta coefficients shall be conducted for the selected companies. The beta coefficient is an evaluation tool used to measure the volatility of a security or a portfolio relative to the overall market. The T-test is based on stock indices and measures the original Beta and Beta standard deviation as of the most recent valuation benchmark date, reflecting the degree of dispersion of recent stock prices. Only listed companies that pass the T-test can have their beta coefficients recognised as indicators for measuring individual and overall volatility levels. The criterion for passing the T-test is: original beta/beta standard deviation > 2 .

The Board has enquired the Valuer and was given to understand that in selecting comparable companies under the market approach, the candidates were screened based on the selection criteria set out above, and only those companies that satisfied all of the criteria were included as comparable companies. The Valuer confirmed that any candidate company that failed to align closely with the business nature of Changzhou Liyuan or did not meet the quantitative benchmarks was excluded from the list. The Valuer further confirmed that no company that satisfied all of the selection criteria was deliberately excluded from the list. Accordingly, the five comparable companies set out in the table below form an exhaustive list of all companies that satisfied the selection criteria. The Board has reviewed the business operations and financial information of the selected comparable companies and concurred with the Valuer's view that the list of comparable companies selected by the Valuer forms an exhaustive list based on the selection criteria.

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Based on the above, below sets out the comparable companies which are selected and included under the market approach in the valuation report:

Name of the Company	Stock Code	Date of Listing	Principal Business and Principal Products	Revenue Contribution from Principal Products (Latest Fiscal Year) ¹	EV/ EBITDA Multiples
Guizhou Anda ENERGY Technology Co., Ltd. (貴州安達科技能源股份有限公司)	920809.BJ	March 23, 2023	A company with the primary focus on the research and development, production and operation of iron phosphate, lithium iron phosphate and lithium-ion batteries, which are mainly used in power batteries for new energy vehicles.	99.78%	8.03
Ningbo Ronbay New Energy Technology Co., Ltd. (寧波容百新能源科技股份有限公司)	688005.SH	July 22, 2019	A high-tech new energy materials multinational enterprise specialising in the research and development and operation of lithium battery cathode materials.	96.51%	11.97
Hunan Yuneng New Energy Battery Material Co., Ltd. (湖南裕能新能源電池材料股份有限公司)	301358.SZ	February 9, 2023	A company principally engaged in supplying lithium-ion battery cathode materials, specializing in the research, development, production, and conducting sales of lithium-ion battery cathode materials such as lithium iron phosphate, which are mainly used in the manufacturing of lithium-ion batteries ultimately applied in fields such as new energy vehicles and energy storage.	97.94%	7.26

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Name of the Company	Stock Code	Date of Listing	Principal Business and Principal Products	Revenue Contribution from Principal Products (Latest Fiscal Year) ¹	EV/ EBITDA Multiples
Shenzhen Dynanonic Co., Ltd. (深圳市德方纳米科技股份有限公司)	300769.SZ	April 15, 2019	A company principally engaged in the development and industrialization of nanomaterials, integrating the research and development, production, and sales of nanomaterials and their applied products.	98.25%	6.74
Beijing Easpring Material Technology Co., Ltd. (北京当升材料科技股份有限公司)	300073.SZ	April 27, 2010	A specialized developer, manufacturer, and supplier of advanced energy materials, primarily focusing on cathode active materials for lithium-ion and sodium-ion batteries.	97.29%	16.99

Note: The revenue contribution percentages are sourced from the audited annual reports of the respective listed companies for their most recent fiscal year ended December 31, 2025.

As also set out in the valuation report summary in Appendix I to this circular, the valuation formula under the market approach is as follows:

$$P = (\text{Adjusted Average EV/EBITDA of Comparable Companies} \times \text{Forecast Average EBITDA of the Assessed Entity} - \text{Interest-Bearing Debts}) \times (1 - \text{Discount for Lack of Marketability}) + \text{Net Value of Surplus and Non-Operating Assets and Liabilities} - \text{Total Equity Value of Minority Interests}$$

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Based on the above valuation formula, the key inputs under the market approach are as follows:

Key input	Value
Adjusted average EV/ EBITDA of comparable companies	9.07 , being the product of (i) the average EV/ EBITDA multiples of comparable companies at 10.19 and (ii) the adjustment multiple of 0.89, which is the average adjustment factor across the comparable companies, each of which is evaluated after incorporating a total of nine factors including transaction timing, transaction circumstances, transaction progress, others, profitability, operating growth, asset quality, debt repayment capability and operation scale. After incorporating the nine factors, the adjustment coefficients for the above five comparable companies, in the order listed above, were 0.92, 0.90, 0.87, 0.90 and 0.87, respectively.
Forecast average EBITDA of the assessed entity	RMB1,607.1718 million , being the forecasted average EBITDA of Changzhou Liyuan over the three financial years ending December 31, 2028.
Interest-bearing debts	RMB3,552.0154 million , being the amount of interest-bearing debts of Changzhou Liyuan as of November 30, 2025.
Discount for lack of marketability	29.78% , being the average discount in profits-to-earnings ratio for non-listed companies in the manufacturing industry to which Changzhou Liyuan belongs as compared to listed companies of the same industry in the year 2025.
Net value of surplus and non-operating assets and liabilities	–RMB1,231.5120 million , being the appraised net value of surplus and non-operating assets and liabilities of Changzhou Liyuan as of November 30, 2025.
Total equity value of minority interests	RMB151.0000 million , being the appraised value of minority equity interests of Changzhou Liyuan under the market approach as of November 30, 2025.

For further details of the computation process under each approach, please refer to the valuation report summary as set out in Appendix I to this circular.

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The Directors have assessed the qualifications and experience of the Valuer; and have learned that the Valuer, with more than 15 years of experience in conducting valuation and appraisal exercises, is one of the appraisal institutions approved by the National State-owned Assets Management Bureau and the CSRC to possess the relevant qualifications in the PRC to practice asset appraisals for securities-related businesses. The Directors consider that the Valuer is qualified, experienced and competent in performing the valuation of the entire equity interest of Changzhou Liyuan.

Furthermore, to the best knowledge, information and belief of the Directors after having made all reasonable enquiries, the Directors are not aware of any relationships or interests between the Valuer and any members of the Group, or any of their respective substantial shareholders, directors or chief executives, or of their respective associates that could reasonably be regarded as relevant to the independence of the Valuer. Save for the normal professional fees payable to the Valuer in connection with the valuation of Changzhou Liyuan's entire equity interest, no arrangement exists under which the Valuer would receive any fees or benefits from any members of the Group, or any of their respective substantial shareholders, directors or chief executives, or of their respective associates. The Directors are not aware of the existence of or change in any circumstances which would affect the Valuer's independence. The Valuer has confirmed to the Company of its independence. Accordingly, the Directors considered that the Valuer is eligible to independently perform the valuation of Changzhou Liyuan's entire equity interest.

Based on the above and having considered (i) that the valuation report is prepared by a qualified professional independent Valuer and in accordance with the relevant standards and legal and regulatory requirements in the PRC; (ii) that the Valuer has in prior reviewed relevant financial information, operational information and other data relevant to the valuation relevant to Changzhou Liyuan and the valuation of its entire equity interest in the valuation report (such as the leases, registrations, permits and licences) and thereafter performed the valuation of Changzhou Liyuan's entire equity interest in accordance with the relevant standards and legal and regulatory requirements in the PRC, and the Board has also reviewed the assumptions (including the quantitative assumptions) and inputs used in the valuation report, in particular by comparing the quantitative assumptions and inputs with the actual financials of Changzhou Liyuan on its records whereby there was no indication which otherwise suggested that the assumptions or inputs used in the valuation report were unfair or unreasonable; (iii) the reasons for the Valuer to adopt the valuation result under the income approach and not under other valuation approaches; (iv) the advice from the Independent Financial Adviser; and (v) the reasons as set out in the sub-section headed "reasons for and benefits of entering into the Capital Increase Agreement" below, the Directors consider that (a) the valuation results in the valuation report are fair and reasonable and reflected the value of the entire equity interest in Changzhou Liyuan and (b) the Capital Increase, including the amount of capital contribution to be made by the Company to Changzhou

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Liyuan, which is determined upon having made reference to the valuation results, is fair and reasonable, on ordinary commercial terms and in the interests of the Company and the Shareholders as a whole.

(vi) Reasons for and Benefits of Entering into the Capital Increase Agreement

As disclosed in the announcements of the Company dated August 20, 2025, January 23, 2026, February 26, 2026, April 1, 2026 and May 12, 2026 and the circular of the Company dated August 29, 2025 (the “**Announcements and Circular**”), approximately 43.1% (or RMB800.0 million) and 32.3% (or RMB600.0 million) of the net proceeds from the Issuance of A Shares to Specific Targets is expected to be used for the 110,000-ton high-performance phosphate iron-based positive electrode material project (the “**110,000-ton Electrode Project**”) and for the 85,000-ton high-performance phosphate iron-based positive electrode material project (the “**85,000-ton Electrode Project**”). In order to implement these projects via Changzhou Liyuan, a total RMB1,400 million of the net proceeds from the Issuance of A Shares to Specific Targets will therefore be applied to fund the Capital Increase, of which (i) RMB800 million will be injected by Changzhou Liyuan into its wholly-owned subsidiary Shandong Liyuan, and (ii) RMB600 million will be injected by Changzhou Liyuan into its wholly-owned subsidiary Hubei Liyuan.

On the basis of the foregoing Capital Increase, the Company intends to provide an interest-bearing loan to Changzhou Liyuan (“**Changzhou Liyuan Loan**”) in an amount equal to all the interest income and returns from the wealth management products (the actual amount to be determined on the date of withdrawal) derived from the net proceeds of RMB1,400 million from the Issuance of A Shares to Specific Targets during the period when such proceeds were deposited in the Company’s designated bank account. The loan will bear interest at a rate of no more than the one-year Loan Prime Rate (LPR) announced by the People’s Bank of China on the date of drawdown plus 150 basis points, with a term of one year and renewable upon maturity.

Furthermore, all the interest income and returns generated (the actual amount to be determined on the date of withdrawal) during the period when the aforesaid net proceeds were deposited in the designated bank accounts will be provided by Changzhou Liyuan as interest-free loans to Hubei Liyuan and Shandong Liyuan, respectively, each with a term of one year and renewable upon maturity (collectively, the “**Further Loans**”). As the Changzhou Liyuan Loan will be provided by the Company to its subsidiary Changzhou Liyuan, and the Further Loans will be provided by Changzhou Liyuan to its subsidiaries being subsidiaries of the Group, the Changzhou Liyuan Loan and Further Loans are not transactions of the Company under Rule 14.04(1)(e)(ii) of the Listing Rules.

The Directors are of the view that the entering into of the Capital Increase Agreement aligns with the Group’s overall strategic development plan and long-term interests and will enable the Group to utilize the net proceeds from the Issuance of A Shares to Specific Targets in the manner disclosed in the Announcements and Circular.

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Upon the completion of the Capital Increase, the financial position and competitiveness of Changzhou Liyuan will be strengthened. Changzhou Liyuan will be in a better position to support the Group's business plan in relation to the development of (i) the 110,000-ton Electrode Project, which pertains to the construction of the 110,000-ton new high-performance phosphate iron-based positive electrode material production line; and (ii) the 85,000-ton Electrode Project, which pertains to the construction of the 85,000-ton new high-performance phosphate-based cathode materials production line.

The Company specialises in the core materials of green new energy and pursues a dual-track industrial layout encompassing both new energy and traditional businesses. Its principal products include automotive specialty chemicals and phosphate-based cathode materials, and the electrode material production lines will enable the Group to further enhance its production capacity and in turn allow the Group to increase its market share. Therefore, these two electrode projects are closely aligned with the Company's principal business, comply with national industrial policies, follow industry development trends and the Company's overall development strategy, and are expected to generate favourable economic and social benefits. As such, the Company's further financial support for these electrode projects in the form of the Capital Increase will be in the interests of the Company and the Shareholders as a whole. For further details on these projects, please refer to the circular of the Company dated August 29, 2025.

(vii) Directors' View

The Directors (excluding the connected Directors, but including the independent non-executive Directors) are of the view that, although the Capital Increase is not conducted in the ordinary and usual course of business of the Company, the terms of the Capital Increase Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

In reaching this view, the Directors have reviewed the valuation report prepared by the Valuer and have confirmed that (i) the Valuer's adoption of the income approach as the primary methodology and the underlying rationale for such selection are reasonable; (ii) the key inputs and assumptions used in the valuation are reasonable; and (iii) having considered the actual financial results of Changzhou Liyuan for the financial year ended December 31, 2025, a comparison of such actual financial data with the data used in the valuation as of November 30, 2025 shows no material adverse differences that would affect the valuation conclusion. The Directors have also taken into account the independent review by the Reporting Accountant and the advice of the Independent Financial Adviser.

Executive Directors, Mr. Shi Junfeng, Mr. Shen Zhiyong and Mr. Zhang Yi, being the connected Directors by virtue of their interest in Changzhou Liyuan's Shareholders, and non-executive Director Ms. Zhu Xianglan, have abstained from voting on the relevant Board resolution in respect of considering and approving the transaction contemplated under the Capital Increase Agreement at the Board meeting.

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Save as disclosed above, none of the Directors has any material interest in the transaction contemplated under the Capital Increase Agreement and was required to abstain from voting on the relevant Board resolution.

(viii) Hong Kong Listing Rules Implications

Connected Transaction

As CATL is the sole shareholder of Yichun Times and Yichun Times is the substantial shareholder of Lopal Times (a non-wholly owned subsidiary of the Company), CATL CP Group are connected persons of the Company at the subsidiary level. Ningbo Meishan, as a wholly-owned subsidiary of CATL, is therefore an associate of CATL and thus a connected person of the Company.

Mr. Shi Junfeng, being an executive Director and Controlling Shareholder, is the general partner of and owns 99.9% partnership interest in Changzhou Youbeli. As such, Changzhou Youbeli is an associate of Mr. Shi and is therefore a connected person of the Company. Moreover, Mr. Shen Zhiyong, being an executive Director, is the general partner of and the owner of 99% partnership interest in Nanjing Jinbeili. As such, Nanjing Jinbeili is an associate of Mr. Shen Zhiyong and is therefore a connected person of the Company. Accordingly, the Capital Increase Agreement and the transactions contemplated thereunder constitute connected transaction of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio in respect of the Capital Increase exceeds 5%, the Capital Increase is therefore subject to the reporting, announcement, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

Discloseable Transaction

As the highest applicable percentage ratio in respect of the Capital Increase exceeds 5% but is less than 25%, the Capital Increase Agreement and the transactions contemplated thereunder constitute a discloseable transaction of the Company pursuant to Chapter 14 of the Hong Kong Listing Rules and are subject to the reporting and announcement requirements under the Hong Kong Listing Rules.

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(ix) Information of the Company and the Parties

The Company and the Group

The Company a joint stock company established in the PRC, the A shares of which are listed on the Shanghai Stock Exchange (stock code: 603906) and the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 2465). The Group is principally engaged in the production and sale of LFP cathode materials and automotive specialty chemicals.

Changzhou Liyuan

Changzhou Liyuan is a limited liability company established in the PRC on May 12, 2021 and a direct non-wholly owned subsidiary of the Company which is owned as to approximately 61.88% by the Company as of the Latest Practicable Date. Changzhou Liyuan is principally engaged in the production and sales of LFP cathode materials.

Set out below is the financial information extracted from the audited financial statements of Changzhou Liyuan for the years ended December 31, 2024 and 2025 and the period ended April 30, 2026:

	Year ended December 31, 2024	Year ended December 31, 2025	Period ended April 30, 2026
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
	(Audited)	(Audited)	(Audited)
Operating revenue	5,941,442	6,553,949	3,791,562
Profit/(loss) before tax	(743,374)	(220,808)	259,838
Profit/(loss) after tax	(793,460)	(106,294)	257,268

As of April 30, 2026, the total asset and net asset value are approximately RMB14,704.92 million and RMB1,787.14 million, respectively. As of December 31, 2025, the total asset and net asset value are approximately RMB11,813.25 million and RMB1,550.12 million, respectively.

Changzhou Liyuan achieved a turnaround from loss to profit for the period ended April 30, 2026, which was primarily attributable to (i) the production capacity utilisation rate of Changzhou Liyuan has been continuously improving since the fourth quarter of 2025 and remains at a relatively high level during the period ended April 30, 2026, driven by a sustained increase in market demand for lithium iron phosphate cathode materials; (ii) since the fourth quarter of 2025, a number of industry players have announced price adjustments for their products, and Changzhou Liyuan has also engaged in active negotiations with its customers, resulting in improved gross profit margins; (iii) the price of lithium carbonate, a key raw material for production, has gradually increased since October 2025, which has contributed to inventory gains for Changzhou Liyuan; and (iv) the

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improvement in capacity utilisation has enabled Changzhou Liyuan to benefit from economies of scale, thereby spreading fixed production costs over a larger output and reducing the unit production cost.

Following the completion of the Capital Increase, the corporate governance of Changzhou Liyuan and its shareholders including the composition of board of directors and supervisory committee of Changzhou Liyuan, liquidity preference, repurchase rights and other shareholders' rights will continue to be governed by the terms of the capital increase agreement dated May 11, 2026 entered into by the Company, Changzhou Liyuan and Changzhou Liyuan's Shareholders as disclosed in the announcement of the Company dated May 11, 2026.

Changzhou Liyuan's Shareholders

Jinsha Industrial Investment

Jinsha Industrial Investment is a limited partnership established in the PRC and is engaged in equity investment. Its general partner is Changzhou Changjin Venture Capital Co., Ltd. (常州常金創業投資有限公司) ("**Changzhou Changjin**") who holds 1% partnership interest in Jinsha Industrial Investment. Excluding the general partner, Jinsha Industrial Investment has one limited partner, namely Changzhou Jinsha Technology Investment Co. Ltd. (常州金沙科技投資有限公司), who holds 99% partnership interest in Jinsha Industrial Investment, and, together with Changzhou Changjin, is indirectly wholly owned and ultimately controlled by the People's Government of Jintan District, Changzhou City (常州市金壇區人民政府).

Fujian Times Mindong

Fujian Times Mindong is a limited partnership established in the PRC and is engaged in investment and asset management business. Its general partner is Shanghai Hengxu Chuangling Investment Management Co., Ltd.* (上海恒旭創領投資管理有限公司) ("**Hengxu Chuangling**"), holding 0.04% interest. Hengxu Chuangling has three shareholders: Shanghai Qijia Enterprise Management Consulting Partnership (Limited Partnership) (上海頤嘉企業管理諮詢合夥企業(有限合夥)) ("**Shanghai Qijia**"), Shanghai Automotive Group Financial Control Management Co., Ltd. (上海汽車集團金控管理有限公司) ("**SAIC Financial Control**") and Shanghai Shengqi Enterprise Management Consulting Co., Ltd. (上海晟頤企業管理諮詢有限公司) ("**Shanghai Shengqi**"), holding 45% interest, 40% interest and 15% interest respectively.

The general partner of Shanghai Qijia is Shanghai Shengqi, holding 0.1% interest and Mr. Lu Yongtao (陸永濤) holds 90% interest in Shanghai Shengqi. SAIC Financial Control is wholly owned by SAIC Motor Corporation Limited (上海汽車集團股份有限公司), whose shares are listed on the Shanghai Stock Exchange, stock code: 600104.SH. SAIC Motor Corporation Limited is

LETTER FROM THE BOARD

controlled by Shanghai Automotive Industry (Group) Co., Ltd.* (上海汽車工業(集團)有限公司), which is wholly owned by Shanghai State-owned Assets Supervision and Administration Commission (上海市國有資產監督管理委員會).

Fujian Times Mindong has five limited partners and the single largest limited partner is Qingdao SAIC Innovation and Upgrading Industry Equity Investment Fund Partnership (L.P.)* (青島上汽創新升級產業股權投資基金合夥企業(有限合夥)) holding 40% interest therein. Qingdao SAIC Innovation and Upgrading Industry Equity Investment Fund Partnership (L.P.) is ultimately controlled by SAIC Motor Corporation Limited* (上海汽車集團股份有限公司) (shares of which are listed on the Shanghai Stock Exchange, stock code: 600104).

The second largest limited partner of Fujian Times Mindong is CATL, holding 21.92% interest therein, whose shares are listed on the Shenzhen Stock Exchange (stock code: 300750) and the Hong Kong Stock Exchange (stock code: 3750). The third largest limited partner is Zhuhai Puhe Management Consulting Partnership (Limited Partnership)* (珠海普賀管理諮詢合夥企業(有限合夥)), holding 10.00% interest therein. Its general partner is Zhuhai Hanyu Management Consulting Co., Ltd.* (珠海漢昱管理諮詢有限公司), holding 0.67%, which is ultimately wholly owned by GLP China Capital Holdings Limited, and its limited partner is Zhuhai Hanyi Investment Center (Limited Partnership)* (珠海漢益投資中心(有限合夥)), holding 99.33%. None of the remaining two limited partners holds 10% or more interests therein.

Ningbo Meishan

Ningbo Meishan is a limited liability company established in the PRC and is engaged in investment and asset management business. It is wholly-owned by CATL (shares of which are listed on the Shenzhen Stock Exchange, stock code: 300750.SZ the Hong Kong Stock Exchange, stock code: 3750). The single largest shareholder of CATL is Zeng Yuqun (曾毓群), who is the ultimate beneficial owner of 22.04% of the shares of CATL. None of the shareholders of CATL holds 30% or more equity interests in CATL.

Kunlun Gongrong

Kunlun Gongrong is a limited partnership established in the PRC and is engaged in investment and asset management business. Its general partners are (i) CPC Kunlun (Beijing) Private Equity Fund Management Co., Ltd* (中油昆侖(北京)私募基金管理有限公司), which is ultimately owned as to approximately 91.27% by the State-owned Assets Supervision and Administration Commission of the State Council* (國務院國有資產監督管理委員會) (“SASAC”) and (ii) ICBC Capital Management Co., Ltd* (工銀資本管理有限公司), a wholly owned subsidiary of ICBC Financial Asset Investment Co., Ltd.* (工銀金融資產投資有限公司) (“ICBC Financial Asset Investment”), each of which holds approximately 0.07% and 0.07% interest respectively. Its limited partners include, among others,

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ICBC Financial Asset Investment, directly holding 70% interest therein and China Petroleum Kunlun Capital Co., Ltd (中國石油集團昆侖資本有限公司), directly holding approximately 29.87% interest therein.

ICBC Financial Asset Investment is wholly-owned by Industrial and Commercial Bank of China Limited (shares of which are listed on the Shanghai Stock Exchange, stock code: 601398.SH and the Hong Kong Stock Exchange, stock code: 1398), which is ultimately owned as to approximately 66.26% collectively by the Ministry of Finance of the PRC (中華人民共和國財政部) and the State Council of the PRC (國務院). China Petroleum Kunlun Capital Co., Ltd (中國石油集團昆侖資本有限公司) is ultimate wholly-owned by SACAC.

Save as disclosed, (a) none of the shareholders of ICBC holds 30% or more of its equity interest, and (b) none of the remaining two limited partners of Kunlun Gongrong holds 10% or more of its partnership interest.

Changzhou Youbeili

Changzhou Youbeili is a limited partnership established in the PRC and is engaged in investment and asset management business. Mr. Shi Junfeng, an executive Director and controlling shareholder of the Company, is the general partner holding 99.9% interest in Changzhou Youbeili. Changzhou Youbeili has one limited partner who holds the remaining 0.1% interest therein.

Changzhou Jintan Hongyuan

Changzhou Jintan Hongyuan is a limited partnership established in the PRC and is engaged in investment and asset management business. Its general partner is Liu Xiuming (劉修明), holding 49.6% interest therein. It has six limited partners. The largest two limited partner are Huang Youyuan (黃友元) and Liu Youyong (劉又勇), holding 34.2% and 14.40% interest therein respectively and none of the remaining four limited partners holds 10% or more interest therein.

BTR New Material

BTR New Material is a joint stock company established in the PRC and the shares of which are listed on the Beijing Stock Exchange (stock code: 920185), which is ultimately owned as to approximately 65.60% by China Baoan Group Co., Ltd.* (中國寶安集團股份有限公司) (shares of which are listed on the Shenzhen Stock Exchange, stock code: 000009.SZ), whereby none of its shareholders holds 30% or more equity interest therein. BTR New Material is engaged in the manufacturing of graphite and carbon products. Save as disclosed above, none of the remaining shareholders of BTR New Material (including five natural persons, three investment fund accounts and one limited partner) holds 10% or more of its equity interest.

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Nanjing Jinbeili

Nanjing Jinbeili is a limited partnership established in the PRC and is engaged in investment and asset management business. The general partner of Nanjing Jinbeili is Mr. Shen Zhiyong, an executive Director, holding 99% interest therein. The limited partner of Nanjing Jinbeili is Mr. Zhang Yi, an executive Director, holding 1% interest therein.

Jianxin Financial Asset Investment

Jianxin Financial Asset Investment is a limited liability company established in the PRC and is engaged in investment and asset management business. It is wholly-owned by China Construction Bank Corporation (shares of which are listed on the Shanghai Stock Exchange, stock code: 601939.SH and the Hong Kong Stock Exchange, stock code: 939), which is ultimately owned as to approximately 62.96% collectively by the Ministry of Finance of the PRC, the State Council of the PRC and the SASAC. Save as disclosed above, none of the shareholders of China Construction Bank Corporation holds 30% or more of its equity interest.

Nanjing Chaoli

Nanjing Chaoli is a limited partnership established in the PRC is engaged in investment and asset management business, the general partner of which is Mr. Xue Jie (薛杰) who holds 80% interest therein. The limited partner is Xie Yichao (解一超), holding 20% interest therein.

Save for Ningbo Meishan, Changzhou Youbeili and Nanjing Jinbeili, each of the remaining Changzhou Liyuan Shareholders listed above, any general and limited partner(s) or otherwise the ultimate beneficial owner(s) thereof is an Independent Third Party of the Group.

III. PROPOSED EXTENSION OF BOOK CLOSURE PERIOD

According to Article 32 of the Articles of Association, the Company may suspend the registration of shareholders in accordance with the provisions of the applicable laws and regulations and the securities regulatory rules of the place where shares of the Company are listed. Pursuant to section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), a company may, on giving notice, close its register of members for any period or periods not exceeding in the whole 30 days in each year, and such period of 30 days may be extended in respect of any year by a resolution of the company's members passed in that year and must not be extended for a further period or periods exceeding 30 days in the whole in any year.

The Board proposed to extend the period during which the Company's register of members may be closed during the calendar year 2026 from 30 days to 60 days in order to (i) provide the Company with the flexibility to meet its practical needs in case further general

LETTER FROM THE BOARD

meeting(s) are to be convened in 2026 to resolve matters and pass resolutions as and when appropriate; and (ii) allow the Company to close its register of members in order to ascertain the Shareholders' entitlements, for example, dividends, etc.

IV. CHANGE IN REGISTERED CAPITAL AND AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Reference is made to the announcement of the Company dated August 18, 2026 in relation to, among others, the consideration and approval of the proposed amendments to the Articles of Association by the Board.

Reference is also made to the announcements of the Company dated June 16, 2026 and June 22, 2026. The completion of the placing (the “**Placing**”) of 15,000,000 new H Shares under the general mandate (the “**Placing Shares**”) took place on June 22, 2026. The number of total issued Shares has increased from 776,111,906 Shares to 791,111,906 Shares as a result of the issue of the Placing Shares. The registered capital of the Company correspondingly increased from RMB776,111,906 to RMB791,111,906.

The Board proposes to make amendments to the Articles of Association to reflect the changes in the total issued Share capital and the registered capital of the Company as a result of the completion of the Placing. The proposed amendments to the Articles of Association are as follows:

Before the amendments	After the amendments
Article 6 The registered capital of the Company is RMB776,111,906.	Article 6 The registered capital of the Company is RMB <u>791,111,906</u>
Article 21 The total number of shares of the Company is 776,111,906, all being ordinary shares.	Article 21 The total number of shares of the Company is <u>791,111,906</u> , all being ordinary shares.

The proposed amendments to the Articles of Association are subject to the consideration and approval by the Shareholders at the EGM through a special resolution and will become effective upon the passing of the relevant special resolution at the EGM. The proposed amendments to the Articles of Association were prepared in the Chinese language. The English translation is for reference only. In the event of any discrepancy between the Chinese and the English version of the proposed amendments to the Articles of Association, the Chinese version shall prevail.

The above resolution has been deliberated and approved by the 15th meeting of the 5th session of the Board.

LETTER FROM THE BOARD

V. EGM

The EGM will be convened on September 3, 2026 at 2nd Floor, Large Conference Room, No. 6 Hengtong Avenue, Nanjing Economic and Technological Development Zone for the Shareholders to consider and, if thought fit, to approve, among other things, (i) the Capital Increase Agreement and the transactions contemplated thereunder, (ii) the proposed extension of book closure period; and (iii) the proposed amendments to the Articles of Association.

The resolutions to be put forward to vote at the EGM will be decided by way of poll as required by the Hong Kong Listing Rules.

A form of proxy for use at the EGM has been sent together with a notice convening the EGM. Whether or not the Shareholders intend to be present at the EGM, they are requested to complete the form of proxy and return it to the office of the branch registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding of the EGM or any adjourned meeting (as the case may be). Completion and delivery of the form of proxy will not prevent the Shareholders from attending and voting in person at the EGM or adjourned meeting (as the case may be) if they so wish.

Shareholders who have a material interest in the Capital Increase Agreement are required to abstain from voting on the resolution to be proposed by the Company at the EGM to consider and approve the Capital Increase Agreement and the transactions contemplated thereunder. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as of the Latest Practicable Date, Mr. Shi Junfeng and his spouse Ms. Zhu Xianglan, Mr. Shen Zhiyong, Mr. Zhang Yi and their associate(s) by virtue of their interests in Changzhou Liyuan Shareholders are required to abstain from voting on the resolution to be proposed by the Company at the EGM to consider and approve the Capital Increase Agreement and the transactions contemplated thereunder. As of the Latest Practicable Date, to the best knowledge, information and belief of the Directors, save as disclosed herein, no other Changzhou Liyuan Shareholders is a Shareholder and no other Shareholders are required to abstain from voting on the resolutions to be proposed by the Company at the EGM.

VI. CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the eligibility to attend and vote at the EGM, the register of members of the Company will be closed from August 31, 2026 to September 3, 2026, both days inclusive. During such period, no transfer of the Company's H Shares will be registered. Holders of the H Shares of the Company whose names appear on register of members of H Shares of the Company on August 31, 2026 will be entitled to attend the EGM. In order to be eligible to attend and vote at the EGM, holders of H Shares of the Company whose transfers of Shares have not been registered shall deposit the transfer documents together with the relevant share certificates with the H share registrar of the

LETTER FROM THE BOARD

Company, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on August 28, 2026.

VII. CONFIRMATION OF THE BOARD

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as of the Latest Practicable Date, executive Directors, Mr. Shi Junfeng, Mr. Shen Zhiyong and Mr. Zhang Yi, being the connected Directors by virtue of their interest in Changzhou Liyuan's Shareholders, and non-executive Director Ms. Zhu Xianglan have abstained from voting on the relevant Board resolution in respect of considering and approving the transaction contemplated under the Capital Increase Agreement at the Board meeting. Save as disclosed herein, no other Director has any material interest in or is required to abstain from voting on the Board resolution(s) in relation to the Capital Increase Agreement and the transactions contemplated thereunder.

VIII. RECOMMENDATION

The Independent Board Committee (comprising all the independent non-executive Directors) has been formed in accordance with Chapter 14A of the Hong Kong Listing Rules to advise the Independent Shareholders on the Capital Increase Agreement and the transactions contemplated thereunder. In addition, the Company has appointed Rainbow Capital (HK) Limited as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

Having considered the advice from the Independent Financial Adviser in relation to the Capital Increase Agreement and the transactions contemplated thereunder, the Independent Board Committee is of the opinion that the Capital Increase Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM.

Having considered the reasons set out herein, the Directors (including the independent non-executive Directors having considered the advice from the Independent Financial Adviser) are of the opinion that the Capital Increase Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of the letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders in connection with the Capital Increase Agreement and the transactions contemplated thereunder for inclusion in this circular.



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)

August 18, 2026

To the Shareholders

Dear Sir/Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION CAPITAL INCREASE AGREEMENT

We refer to the circular of the Company dated August 18, 2026, of which this letter forms a part. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in this circular.

We have been appointed to form the Independent Board Committee to consider and advise the Independent Shareholders as to our opinion on, whether the Capital Increase Agreement and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole and are on normal commercial terms and are fair and reasonable.

In addition, Rainbow Capital (HK) Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard. We wish to draw your attention to (i) the letter from the Independent Financial Adviser as set out on pages 39 to 51 of this circular; (ii) the “Letter from the Board” as set out on pages 7 to 36 of this circular; and (iii) the additional information as set out in the Appendix IV to this circular.

Having taken into account, among other things, the information set out in the letter from the Board, and the principal factors, reasons and recommendations set out in the letter from the Independent Financial Adviser in this circular, we are of the opinion that the Capital Increase Agreement and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole and are on normal commercial terms and are fair and reasonable notwithstanding that the Capital Increase is not in the ordinary and usual course of business of the Group.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM so as to approve the Capital Increase Agreement and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
The Independent Board Committee
Jiangsu Lopal Tech. Group Co., Ltd.

Ms. Geng Chengxuan Mr. Hong Kam Le Mr. Zhang Jinlong Mr. Lu Jian
Independent non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of a letter of advice from Rainbow Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Capital Increase Agreement and the transactions contemplated thereunder, which has been prepared for the purpose of incorporation in this circular.

Rainbow Capital (HK) Limited

August 18, 2026

To the Independent Board Committee and the Independent Shareholders

Jiangsu Lopal Tech. Group Co., Ltd.
No. 6 Hengtong Avenue
Nanjing Economic and Technological
Development Zone
PRC

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION CAPITAL INCREASE AGREEMENT

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Capital Increase, details of which are set out in the “Letter from the Board” (the “**Letter from the Board**”) contained in the circular issued by the Company to the Shareholders dated August 18, 2026 (the “**Circular**”), of which this letter forms a part. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

On August 18, 2026, the Company, Changzhou Liyuan (a non-wholly owned subsidiary of the Company) and Changzhou Liyuan’s Shareholders entered into the Capital Increase Agreement. Pursuant to the Capital Increase Agreement, the Company has agreed to make a capital contribution in the sum of RMB1,400 million to Changzhou Liyuan to subscribe for approximately RMB194.63 million of Changzhou Liyuan’s newly increased registered capital and the remaining part will be booked in the capital reserve of Changzhou Liyuan, and Changzhou Liyuan’s Shareholders agreed to waive their pre-emptive rights in respect of the Capital Increase.

As CATL is the sole shareholder of Yichun Times and Yichun Times is the substantial shareholder of Lopal Times (a non-wholly owned subsidiary of the Company), CATL CP Group are connected persons of the Company at the subsidiary level. Ningbo Meishan, as a wholly-owned subsidiary of CATL, is therefore an associate of CATL and thus a connected person of the Company.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Mr. Shi Junfeng, being an executive Director and Controlling Shareholder, is the general partner of and owns 99.9% partnership interest in Changzhou Youbeili. As such, Changzhou Youbeili is an associate of Mr. Shi and is therefore a connected person of the Company. Moreover, Mr. Shen Zhiyong being an executive Director, is the general partner of and the owner of 99% partnership interest in Nanjing Jinbeili. As such, Nanjing Jinbeili is an associate of Mr. Shen Zhiyong and is therefore a connected person of the Company. Accordingly, the Capital Increase Agreement and the transactions contemplated thereunder constitute connected transaction of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio in respect of the Capital Increase exceeds 5%, the Capital Increase is therefore subject to the reporting, announcement, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio in respect of the Capital Increase exceeds 5% but is less than 25%, the Capital Increase Agreement and the transactions contemplated thereunder constitute a discloseable transaction of the Company pursuant to Chapter 14 of the Hong Kong Listing Rules and are subject to the reporting and announcement requirements under the Hong Kong Listing Rules.

The Independent Board Committee, comprising all the independent non-executive Directors, has been formed to advise the Independent Shareholders on the Capital Increase Agreement and the transactions contemplated thereunder. We, Rainbow Capital, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard.

As at the Latest Practicable Date, we did not have any relationships or interests with the Group or the relevant connected persons that could reasonably be regarded as relevant to our independence. We have acted as the independent financial adviser of the Company in relation to the procurement cooperation agreement with CATL, details of which are set out in the Company's announcement dated September 15, 2025. Save for aforementioned, there was no engagement or connection between the Group or the relevant connected persons and us in the last two years. Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no other arrangements exist whereby we had received any fees or benefits from the Group or the relevant connected persons. Accordingly, we are independent from the Company pursuant to the requirements under Rule 13.84 of the Listing Rules and are qualified to give independent advice in respect of the Capital Increase.

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the information supplied by the Group; (iii) the opinions expressed by and the representations of the Directors and the management of the Group; and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular are true at the time they were made and continue to be true as at the Latest Practicable Date and all such statements of belief, opinions and intentions of the Directors and the management of the Group and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the management of the Group. No material facts have been withheld or omitted from the information provided and referred to in the Circular and all information or representations provided to us by the Directors and the management of the Group are true, accurate, complete and not misleading in all respects at the time they were made and continued to be so until the Latest Practicable Date.

We consider that we have reviewed sufficient information currently available and corroborated and substantiated any public information referred to in this letter to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the management of the Group, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Group, the relevant connected persons or any of their respective substantial shareholders, subsidiaries or associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In considering whether the terms of the Capital Increase Agreement and the transaction contemplated thereunder are fair and reasonable, we have taken into account the principal factors and reasons set out below:

1. Information of the Parties

The Group

The Company a joint stock company established in the PRC, the A shares of which are listed on the Shanghai Stock Exchange (SSE: 603906) and the H shares of which are listed on the Main Board of the Stock Exchange (HKEX: 2465). The Group is principally engaged in the production and sale of lithium iron phosphate (“LFP”) cathode materials and automotive specialty chemicals.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out in the table below is a summary of the audited consolidated financial information of the Group for the years ended December 31, 2024 and 2025 (“FY2024” and “FY2025”, respectively) as extracted from the Company’s annual report for FY2025:

	FY2025	FY2024
	<i>RMB'000</i>	<i>RMB'000</i>
		<i>(restated)</i>
Revenue	8,937,777	7,677,046
Cost of sales	(7,802,178)	(7,178,578)
Gross profit	1,135,599	498,468
Other income, gains and losses	257,740	185,649
Selling and marketing 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	(242,439)	(33,771)
Finance costs	(299,093)	(258,804)
Share of results of associates	(12,244)	(28,747)
Loss before tax	(221,596)	(729,791)
Income tax credit/(expense)	72,372	(75,879)
Loss for the year	(149,224)	(805,670)
Loss for the year attributable to the Shareholders	(170,578)	(642,342)

The Group recorded revenue of approximately RMB8,937.8 million for FY2025, representing a year-on-year increase of approximately 16.4% from approximately RMB7,677.0 million for FY2024, which was primarily due to the increase in revenue from sales of LFP cathode materials and processing income from lithium carbonate. Revenue from LFP cathode materials increased by 10.3% from approximately RMB5,618.9 million 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 processing income from lithium carbonate increased by 722.3% from RMB70.0 million in 2024 to RMB575.6 million in 2025, primarily due to the expansion of business operations, the processing of lithium carbonate, and the resulting growth in production and sales volumes.

The 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 in 2024. Such increase was primarily attributable to an increase in the gross profit margin of the LFP cathode materials business. 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

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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 Group's net loss attributable to the Shareholders for FY2025 was approximately RMB170.6 million, representing a decrease of approximately 73.4% from approximately RMB642.3 million for FY2024, which was mainly due to the increase in gross profit.

Changzhou Liyuan

Changzhou Liyuan is a limited liability company established in the PRC on May 12, 2021 and a direct non-wholly owned subsidiary of the Company which is owned as to approximately 61.88% by the Company as of the Latest Practicable Date. Changzhou Liyuan is principally engaged in the production and sales of LFP cathode materials.

Set out below is the financial information extracted from the audited financial statements of Changzhou Liyuan for the years ended December 31, 2024 and 2025 and the four months ended April 30, 2026:

	Year ended	Year ended	Four months
	December 31,	December 31,	ended
	2024	2025	April 30,
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
	<i>(Audited)</i>	<i>(Audited)</i>	<i>(Audited)</i>
Operating revenue	5,941,442	6,553,949	3,791,562
Profit/(loss) before tax	(743,374)	(220,808)	259,838
Profit/(loss) after tax	(793,460)	(106,294)	257,268

As of April 30, 2026, the total asset and net asset value are approximately RMB14,705 million and RMB1,787 million, respectively. Following the completion of the Capital Increase, the corporate governance of Changzhou Liyuan and its shareholders including the composition of board of directors and supervisory committee of Changzhou Liyuan, liquidity preference, repurchase rights and other shareholders' rights will continue to be governed by the terms of the capital increase agreement dated May 11, 2026 entered into by the Company, Changzhou Liyuan and Changzhou Liyuan's Shareholders as disclosed in the announcement of the Company dated May 11, 2026.

2. Reasons for and benefits of the Capital Increase

As disclosed in the Company's circular dated August 29, 2025 in relation to the proposed Issuance of A shares to specific targets (the "**Issuance**"), RMB1,400 million of the proceeds from the Issuance will be used for construction of high-performance phosphate iron-based positive electrode material.

The Company is a major LFP cathode material manufacturer in the world and a renowned automotive specialty chemical manufacturer in mainland China. With the rapid development of downstream industries, the demand for LFP batteries continues to grow and LFP cathode materials have become a strategic material in the new energy industry. The Group will continue to leverage its global presence and deep industry insights to differentiate the Group from other market players. The construction of high-performance phosphate iron-based positive electrode material project is in line with national industry policies and will enable the Group to further enhance its production capacity and in turn allow the Group to increase its market share. Upon the completion of the Capital Increase, the financial position and competitiveness of Changzhou Liyuan will be strengthened. Changzhou Liyuan will be in a better position to support the Group's business plan in relation to the development of 110,000-ton high-performance phosphate iron-based positive electrode material project and 85,000-ton high-performance phosphate iron-based positive electrode material project.

Given that the Capital Increase is solely for the implementation of the aforementioned construction plan for the high-performance iron phosphate-based cathode material project, which aligns with the intended use of proceeds from the Issuance, we concur with the Directors that the Capital Increase is in the interests of the Company and the Shareholders as a whole.

3. Principal terms of the Capital Increase Agreement

Pursuant to the Capital Increase Agreement, the Company intends to use RMB1,400 million to capital increase Changzhou Liyuan, a subsidiary of the Company. Of this amount, RMB194,629,770 will be credited to the registered capital of Changzhou Liyuan, and the remaining RMB1,205,370,230 will be credited to its capital reserve. Upon completion of the Capital Increase, the registered capital of Changzhou Liyuan will increase from RMB895,296,941 to RMB1,089,926,711. The Company's equity interest in Changzhou Liyuan will increase from 61.88% to 68.69%, and Changzhou Liyuan will remain a subsidiary of the Company.

Changzhou Liyuan will further utilize the proceeds from the Capital Increase to inject RMB800 million and RMB600 million into its wholly-owned subsidiaries, Shandong Liyuan and Hubei Liyuan, respectively, to implement the construction plan. The respective proceeds of RMB800 million and RMB600 million will be fully credited to the registered capital of Shandong Liyuan and Hubei Liyuan. Upon completion of these capital increases, the registered capital of Shandong Liyuan will increase from RMB410 million to RMB1,210 million, and that of Hubei Liyuan will increase from RMB410 million to RMB1,010 million. Both Shandong Liyuan and Hubei Liyuan will remain subsidiaries of the Company.

The Company's equity interest upon completion of the Capital Increase is calculated based on the following formula: (the valuation of Changzhou Liyuan $\times$ 61.88% + the amount of the Capital Increase) $\div$ (the valuation of Changzhou Liyuan + the amount of the Capital Increase). The valuation of Changzhou Liyuan of RMB6,440 million is determined based on (i) the valuation (the "**Valuation**") of the 100% equity interests in Changzhou Liyuan as at November 30, 2025 (the "**Valuation Reference Date**"), which amount to RMB6,100 million; (ii) a minor downward adjustment of RMB100 million to the appraised value to reflect minor, non-material changes in market conditions since the Series B Capital Increase; and (iii) the capital increase of RMB440 million as disclosed in the Company's announcement dated May 11, 2026 (the "**Series B Capital Increase**"). The Valuation was conducted by an independent valuer, Beijing Zhongtianhe Assets Appraisal Co., Ltd. (the "**Valuer**") based on income approach.

Having considered that (i) we were advised by the management of the Company that there has been no material change in the business and operations of Changzhou Liyuan since the Valuation Reference Date up to the date the Capital Increase Agreement; (ii) we have reviewed the Valuer's calculations for the income approach and noted that the cash flow forecast has incorporated Changzhou Liyuan's actual financial information from December 2025 to April 2026; and (iii) the pre-capital increase valuation has already reflected the impact of the Series B Capital Increase, we considers that adopting November 30, 2025 as the Valuation Reference Date is justifiable.

In assessing the fairness and reasonableness of Valuation, we have taken into the following factors:

(i) Qualification and scope of work of the Valuer

We have reviewed the Valuer's qualification and experience in conducting valuation. We noted that founded in 1989, the Valuer is one of the appraisal institutions approved by the National State-owned Assets Management Bureau and the China Securities Regulatory Commission to possess the asset appraisal qualifications for securities-related businesses.

We have reviewed the terms of the Valuer's engagement agreement with the Company, in particular, their scope of work, and noted that it is appropriate to the opinion required to be given and there is no limitation on the scope of work which might adversely impact on the degree of assurance given by them in the valuation report.

Based on the above, we are of the view that the scope of work of the Valuer is appropriate and the Valuer is qualified to perform the valuation. We therefore consider it appropriate to rely on their work and opinion.

(ii) Valuation methodologies and assumptions

We have reviewed the valuation report and discussed with the Valuer the methodologies, bases and assumptions adopted in arriving at the Valuation. Pursuant to the Asset Valuation Law of the PRC, the valuer shall appropriately select valuation methods and utilise two or more approaches to form a valuation conclusion after comprehensive analysis, unless only a single approach is permitted under specific valuation professional standards. In compliance with such requirements, the Valuer has considered three generally accepted approaches, namely, market approach, income approach and asset-based approach, and selected both the market approach and the income approach for further analysis. The Valuer has ultimately adopted the results derived from the income approach as the final valuation conclusion after considering the following factors:

- (a) The market approach was selected but not adopted as the final valuation conclusion because the degree of similarity between comparable listed companies and Changzhou Liyuan is difficult to accurately quantify and adjust, particularly in terms of listing status, asset scale, profitability, revenue and business structures, and production capacity. Furthermore, the valuation results of the market approach are highly susceptible to fluctuations in capital market prices as at the Valuation Benchmark Date. Accordingly, the results derived from the market approach are for reference purposes only in accordance with the relevant regulatory requirements.
- (b) The income approach assesses enterprise value through the discounting of future expected earnings. It encompasses not only the enterprise's assets measured under prevailing accounting principles, but also the resources actually owned or controlled by the enterprise that cannot be fully captured in its balance sheet. These resources include contracts under execution, customer relationships, sales networks, pipeline projects, corporate qualifications, human resources, and robust research and development (R&D) capabilities. Given that the contributions of these intangible resources are ultimately reflected in the enterprise's net cash flows, the valuation results derived from the income approach can more faithfully illustrate the overall growth potential and earning capacity of the enterprise.
- (c) The asset-based approach was not adopted, which is particularly unsuitable for valuing economic entities that possess substantial intangible assets. This approach fails to estimate the value of off-balance sheet assets, such as proprietary technologies, sales networks, human resources, and customer relationships, thereby offering weaker reference value.

We concur with the Valuer that the income approach is the most appropriate valuation methodology, and we did not adopt alternative valuation approaches to cross-check the valuation results.

(iii) Valuation

(a) Forecast period

The Valuer has designated the period from December 1, 2025 to December 31, 2030 as the forecast period, during which Changzhou Liyuan's profit is expected to fluctuate based on its operational conditions and business plans. From January 1, 2031 onwards, Changzhou Liyuan is assumed to operate on a perpetual basis, during which Changzhou Liyuan will maintain a stable level of profitability. The new production capacity of Changzhou Liyuan is projected to reach its target utilization rate by 2030, a detailed analysis of which is set forth below. Therefore, we consider the forecast period to be fair and reasonable.

(b) Cash flow forecast

Revenue

Changzhou Liyuan is principally engaged in the research and development, production, and sales of core materials for lithium-ion batteries. Its core product, being LFP cathode materials, is widely applied in sectors including new energy vehicles and energy storage systems. Its other revenue is primarily derived from the sale of ammonium sulfate, a by-product generated from LFP production.

The production volumes during the forecast period have been estimated based on Changzhou Liyuan's existing production capacity and its scheduled expansion plans. Changzhou Liyuan is expected to complete its capacity expansion in 2027, with the capacity utilization rate projected to ramp up to 75% within four years. The new production capacities comprise 110,000 tonnes for Shandong Liyuan, 100,000 tonnes for Sichuan Liyuan, 85,000 tonnes for Hubei Liyuan, 120,000 tonnes for Liyuan Jiangsu, 90,000 tonnes for PT LBM ENERGI BARU, and 240,000 tonnes for other projects, all of which are expected to be put into operation in 2027. Taking into account that the actual capacity utilization rates for 2024 and 2025 were approximately 79% and 74%, respectively, we are of the view that the estimated capacity utilization rates and production volumes are reasonable.

In terms of the average selling price of LFP cathode materials, it exhibited a downward trend from 2023 to the first half of 2025 due to industry supply and demand dynamics, and entered an upward trajectory starting from the second half of 2025. According to data from Baiinfo (a leading commodity information website in China), as of

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

June 30, 2026, the average market price for EV-grade LFP was RMB58,406 per tonne, and that for energy storage-grade LFP was RMB56,797 per tonne. Therefore, we consider that the estimated average selling price of approximately RMB40,000 per tonne during the forecast period is relatively conservative.

During the forecast period, the proportion of other sales revenue to total revenue is generally consistent with those recorded in 2024 and 2025.

Based on the foregoing, we consider that the estimated revenue during the forecast period is fair and reasonable.

Cost of sales

Cost of sales primarily comprises material costs, staff costs, depreciation and amortization, manufacturing costs, and transportation fees. For variable costs that exhibit a linear correlation with production volume, including material costs, manufacturing costs, and transportation fees, we note that the unit cost per unit of sales volume during the forecast period is determined based on the actual unit costs incurred in 2025 and the four months ended April 30, 2026. The unit labor cost is projected to increase in line with the expansion anticipated for the newly constructed production capacity, and subsequently decline from 2028 onwards as the capacity utilization rate improves. Depreciation and amortization expenses are estimated based on the existing fixed assets and future capital expenditures, but it does not affect the ultimate net cash flows used to derive the valuation.

Based on the foregoing, we consider that the estimated cost of sales during the forecast period is fair and reasonable.

Operating expenses

The estimated proportion of selling expenses to revenue during the forecast period falls within the historical range of actual selling expenses as a percentage of revenue. Administrative expenses and R&D expenses, as a percentage of total revenue, are projected to decrease as production and sales volumes expand and Changzhou Liyuan's operations mature and stabilize. Interest expenses are determined and calculated based on Changzhou Liyuan's existing interest-bearing borrowings, assuming that such borrowings will be renewed upon maturity.

Working capital changes

For the forecast of changes in working capital, the turnover rates of trade and bills receivables, prepayments, inventories, other receivables, receipts in advance, trade and bills payables, employee benefits

payables, other payables, and taxes payables are all determined based on the actual turnover rates for the eleven months ended November 30, 2025 as the basis for projection.

Capital expenditure

Capital expenditures related to newly constructed production capacity are estimated to be approximately RMB2.78 billion in 2026. This primarily corresponds to the construction of new production capacities totaling 750,000 tonnes in aggregate, all of which are scheduled for completion in 2026.

(c) *Discount rate*

The Valuer has used the weighted average cost of capital (“WACC”) to determine the discount rate. Based on the assumptions and bases as discussed below, a discount rate of 11.52% was applied to the discounted cash flow model.

WACC is calculated based on the (1) cost of debt, (2) cost of equity, and (3) debt-to-equity ratio. Cost of debt was based on interest rate on debt after income tax and the cost of equity was determined using the Capital Asset Pricing Model (“CAPM”), being the widely accepted model for the purpose of estimating the required rate of return on equity, after taking into account the risk-free rate, market risk premium, equity risk coefficient and specific risk premium.

Regarding the cost of debt, the 5-year Loan Prime Rate (LPR) of 3.5%, as at the Valuation Benchmark Date and a corporate income tax (CIT) rate of 14.44%, were adopted for the calculation.

In arriving at the cost of equity under the CAPM, the Valuer adopted the following parameters:

- (1) risk-free rate of 2.1876%, representing the average yield of PRC treasury bonds with a maturity of 10 years or more as at the Valuation Benchmark Date;
- (2) market risk premium of 6.77%, determined with reference to the long-term average yield of the Chinese equity market in excess of the risk-free rate;
- (3) equity risk coefficient of 1.3366. We noted that the Valuer has made reference to the average beta coefficients of five comparable listed companies in the A-share market. We have reviewed and discussed with the Valuer on the selection criteria of the comparable companies to determine the equity risk coefficient, which include:
 - (i) the comparable companies have a listing history of at least two

years; (ii) the comparable companies are engaged in the LFP industry; (iii) the comparable companies issued A-shares only; and (iv) the comparable companies are non-ST companies with abnormal operations. Based on the same selection criteria, we have performed our independent research and identified the same set of comparable companies used by the Valuer, which represents an exhaustive list. As such, we are of the view that the selected comparable companies in determining the equity risk coefficient are appropriate; and

- (4) specific risk adjustment of 2.65%, which was determined by the Valuer based on the differences in terms of enterprise scale, enterprise operational performance, industry positioning, operation capabilities and competitiveness between Changzhou Liyuan and comparable companies.

Based on the above and the formula of CAPM, the cost of equity used for Changzhou Liyuan was 13.89%.

With respect to the target capital structure utilized in the WACC calculation, the Valuer has adopted the average debt-to-equity ratio of the comparable companies for the three years prior to the Valuation Date.

(d) Valuation results

Based on the cash flow forecast and discount rate described above, the sum of the present value of the free cash flows is approximately RMB11,033 million. After deducting net non-operating liabilities of RMB1,232 million, interest-bearing debts of RMB3,552 million, and non-controlling interests of RMB146 million, the total equity value of Changzhou Liyuan attributable to shareholders is determined to be RMB6,100 million as at the Valuation Reference Date.

Based on the above, we consider that the Valuation is fair and reasonable.

(iv) Conclusion

The valuation of RMB6,440 million utilized to determine the post-capital increase shareholding proportion represents the sum of (a) the valuation of RMB6,000 million, which represents a discount of approximately 1.6% (or RMB100 million) to the appraised value of RMB6,100 million, which was agreed by the parties to the Capital Increase Agreement after arm's length negotiations to reflect minor, non-material changes in market conditions since the Series B Capital Increase, and is considered by the Board to be commercially justifiable; and (b) the capital increase amount of RMB440 million of the Series B Capital Increase. The parties to the Capital Increase Agreement agreed to adopt the same valuation benchmark (RMB6,000 million) as previously agreed among all relevant

parties in the Series B Capital Increase. Given that (a) the valuation of RMB6,000 million was determined through arm's length negotiations among all parties, including independent third-party investor from the Series B Capital Increase, and does not deviate materially from the valuation results; (b) such discount enables the Company to acquire a higher equity stake in Changzhou Liyuan with the same capital contribution, which is in the interests of the Company and the Shareholders as a whole; and (c) there has been no material change in the business and operations of Changzhou Liyuan since the completion of the Series B capital increase up to the Latest Practicable Date, we are of the view that the terms of the Capital Increase Agreement are fair and reasonable so far as the shareholders are concerned, and are in the interests of the Company and its shareholders as a whole.

OPINION AND RECOMMENDATION

Having taken into account the above principal factors and reasons, we consider that the terms of the Capital Increase Agreement are on normal commercial terms which are fair and reasonable so far as the Independent Shareholders are concerned. We also consider that the entering into of the Capital Increase Agreement is in the ordinary and usual course of business of the Group, and it is in the interests of the Company and the Shareholders as a whole. We therefore advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Capital Increase Agreement and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
Rainbow Capital (HK) Limited
Danny Leung
Managing Director

Mr. Danny Leung is a licensed person and a responsible officer of Rainbow Capital (HK) Limited registered with the Securities and Futures Commission to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO. He has over 10 years of experience in the corporate finance industry.

The following is the summary of the valuation report dated August 14, 2026, for, amongst other purposes, inclusion in this circular. This report is prepared in Chinese and translated into English. In case of any discrepancy, the Chinese version shall prevail.

Beijing Zhongtianhe Assets Appraisal Co., Ltd. (北京中天和資產評估有限公司) was engaged by Jiangsu Lopal Tech. Group Co., Ltd. (hereinafter referred to as “Lopal Tech”) to appraise the market value of the total equity interest of shareholders of Changzhou Liyuan New Energy Technology Co., Ltd. (now known as Changzhou Liyuan New Energy Technology Group Co., Ltd. (常州鋰源新能源科技集團有限公司), and hereinafter referred to as “Changzhou Liyuan”) as of the valuation benchmark date of November 30, 2025, for the purpose of the proposed capital increase and share expansion of Jiangsu Lopal Tech. Group Co., Ltd. The appraisal was conducted in accordance with relevant laws, administrative regulations and asset valuation standards, adhering to the principles of independence, objectivity and fairness, employing both the income approach and the market approach, and following the required valuation procedures.

I. PURPOSE OF THE VALUATION

Jiangsu Lopal Tech. Group Co., Ltd. intends to undertake a capital increase and share expansion. Accordingly, it is necessary to appraise the value of the total equity interest of shareholders of Changzhou Liyuan New Energy Technology Co., Ltd. (now known as Changzhou Liyuan New Energy Technology Group Co., Ltd.) to provide a value reference for the aforesaid economic transaction.

II. SUBJECT OF THE VALUATION

The value of the total equity interest of shareholders of Changzhou Liyuan New Energy Technology Co., Ltd. (now known as Changzhou Liyuan New Energy Technology Group Co., Ltd.) as of the valuation benchmark date.

III. SCOPE OF THE VALUATION

The scope comprises all assets and liabilities as presented in the audited balance sheet of Changzhou Liyuan New Energy Technology Co., Ltd. (now known as Changzhou Liyuan New Energy Technology Group Co., Ltd.), as well as off-balance-sheet assets declared by Changzhou Liyuan New Energy Technology Co., Ltd. (now known as Changzhou Liyuan New Energy Technology Group Co., Ltd.), as set out in the asset and liability schedules provided by Changzhou Liyuan New Energy Technology Co., Ltd. (now known as Changzhou Liyuan New Energy Technology Group Co., Ltd.).

IV. VALUE TYPE

Market value.

V. VALUATION BENCHMARK DATE

November 30, 2025.

The valuation benchmark date was determined by the consignor based on the purpose of the valuation, the principle of aligning as closely as possible with the date of the relevant economic transaction, and the preference for a period-end date. The valuation benchmark date is consistent with that set forth in the asset appraisal engagement agreement.

VI. BASIS OF THE VALUATION

The valuation was conducted on the following basis, including legal and regulatory basis, valuation standards and basis, ownership basis, pricing basis adopted in the estimation, and other reference basis, as detailed below:

(I) Legal and regulatory basis

1. Asset Appraisal Law of the People's Republic of China (adopted at the 21st Session of the Standing Committee of the 12th National People's Congress on July 2, 2016);
2. Company Law of the People's Republic of China (revised at the 6th Session of the Standing Committee of the 13th National People's Congress on October 26, 2018);
3. Accounting Standards for Business Enterprises — Basic Standard (Ministry of Finance Order No. 76, 2014);
4. Enterprise Income Tax Law of the People's Republic of China (revised at the 7th Session of the Standing Committee of the 13th National People's Congress on December 29, 2018);
5. Implementation Rules of the Provisional Regulations on Value-Added Tax of the People's Republic of China (Ministry of Finance and State Administration of Taxation Order No. 50, 2008);
6. Notice on Comprehensively Implementing the Pilot Program of Replacing Business Tax with Value-Added Tax (Ministry of Finance and State Administration of Taxation Caishui [2016] No. 36);
7. Notice of the Ministry of Finance and the State Administration of Taxation on Adjusting the Value-Added Tax Rates (Caishui [2018] No. 32);
8. Announcement on Policies Relating to Deepening Value-Added Tax Reform (Ministry of Finance, State Administration of Taxation and General Administration of Customs Announcement No. 39 of 2019);
9. Value-Added Tax Law of the People's Republic of China (adopted at the 13th Session of the Standing Committee of the 14th National People's Congress on December 25, 2024), Implementation Regulations of the Value-Added Tax Law of the People's Republic of China (State Council Order No. 826), and Announcement of Ministry of Finance and State

Administration of Taxation on the Transitional Arrangements for Value-Added Tax Preferential Policies Following the Implementation of the Value-Added Tax Law (Ministry of Finance and State Administration of Taxation Announcement No. 10 of 2026);

10. Announcement of the Ministry of Finance and the State Administration of Taxation on Further Improving the Policy of Additional Pre-Tax Deduction for R&D Expenses (Announcement No. 7 of 2023);
11. Measures for the Supervision and Administration of the Asset Appraisal Industry (Ministry of Finance Order No. 86, 2017; revised by Ministry of Finance Order No. 97, 2019);
12. Securities Law of the People's Republic of China (revised for the second time at the 15th Meeting of the Standing Committee of the 13th National People's Congress on December 28, 2019);
13. Other relevant laws, regulations and regulatory documents.

(II) Valuation standards and basis

1. Basic Standards for Asset Valuation (Ministry of Finance Caizi [2017] No. 43);
2. Code of Professional Ethics for Asset Appraisal (CAS [2017] No. 30);
3. Practice Standards of Asset Appraisal-Asset Appraisal Procedures (CAS [2018] No. 36);
4. Practice Standards of Asset Appraisal-Asset Appraisal Report (CAS [2018] No. 35);
5. Practice Standards of Asset Appraisal-Asset Valuation Engagement Agreement (CAS [2017] No. 33);
6. Practice Standards of Asset Appraisal-Asset Appraisal Archives (CAS [2018] No. 37);
7. Practice Standards of Asset Appraisal-Asset Appraisal Method (CAS [2019] No. 35);
8. Practice Standards of Asset Appraisal-Enterprise Value (CAS [2018] No. 38);
9. Practice Standards of Asset Appraisal-Intangible Assets (CAS [2017] No. 37);
10. Practice Standards of Asset Appraisal-Intellectual Property (CAS [2023] No. 14);

11. Practice Standards of Asset Appraisal-Real Estate (CAS [2017] No. 38);
12. Practice Standards of Asset Appraisal-Machinery Equipment (CAS [2017] No. 39);
13. Guidance Opinion on Patent Asset Valuation (CAS [2017] No. 49);
14. Guidance Opinion on Trademark Asset Valuation (CAS [2017] No. 51);
15. Business Quality Control Guidance of Asset Appraisal Agency (CAS [2017] No. 46);
16. Guidance Opinion for the Value Type of Asset Appraisal (CAS [2017] No. 47);
17. Guidance Opinion on Legal Ownership of Asset Appraisal Objects (CAS [2017] No. 48);
18. Measures for the Filing Management of Asset Appraisal Business by China Association of Appraisers (CAS [2021] No. 30).

(III) Ownership basis

1. Real estate certificates;
2. Patent certificates and trademark registration certificates;
3. Motor vehicle registration certificates and vehicle driving permits;
4. Purchase contracts, invoices and relevant agreements/contracts relating to major equipment;
5. Other documents, reports, commercial contracts, agreements and evidence (vouchers) of fund disbursement relating to the acquisition and use of rights to assets.

(IV) Pricing basis

1. Asset valuation declaration form and income forecast declaration form provided by the assessed entity;
2. Accounting vouchers, invoices and other supporting documents provided by the assessed entity;
3. Financial statements and other financial and operational information provided by the assessed entity;
4. Financial budgets and profit forecasts for future operating periods provided by the assessed entity;

5. Sales and production contracts and agreements relating to the principal products of the assessed entity;
6. National bond yield as at the valuation benchmark date;
7. Loan prime rate (LPR) announced by the People's Bank of China;
8. Financial indicators, risk indicators and other relevant data of comparable listed companies obtained from Tonghuashun IfinD;
9. Quotation obtained from Autohome (<https://www.autohome.com.cn/>), JD.com (<https://www.jd.com/>) and ZOL;
10. Other information provided by the consignor and the assessed entity;
11. Statistics, technical standards and pricing information published by relevant national authorities and relevant industrial policies, industry information, parameter information and quotation information collected by the valuation institution.

(V) Other reference basis

1. Manual of Latest Common Data and Parameters for Asset Valuation (2016 Edition by China Machine Press);
2. Regulations on Compulsory Scrap Standard for Motor Vehicles (Order [2012] No. 12 of the Ministry of Commerce, the National Development and Reform Commission, the Ministry of Public Security and the Ministry of Environmental Protection);
3. Technical statistics of Beijing Zhongtianhe Assets Appraisal Co., Ltd.;
4. Other references.

VII. PRINCIPAL VALUATION APPROACH

The principal valuation approaches adopted in this assets valuation are the income approach and market approach.

(I) Introduction to the valuation approach

Business valuation comprises three basic approaches: the income approach, the market approach and the asset-based approach.

The income approach determines the value of the assessed entity by capitalising or discounting its expected future economic benefits. The specific methods commonly under the income approach are the dividend discount method and the discounted cash flow method.

The market approach determines the value of the assessed entity by comparing it with comparable listed companies or comparable transaction cases. The two specific methods commonly under the market approach are the listed company comparison method and the transaction case comparison method.

The asset-based approach determines the value of the assessed entity based on the balance sheet of the assessed entity as at the valuation benchmark date by appropriately assessing the value of all recognised assets and liabilities, together with identifiable off-balance sheet assets and liabilities. Under the asset-based approach, the value of each asset is determined by applying the valuation method most appropriate to its specific characteristics.

(II) Selection of valuation approach

Pursuant to the Valuation Practice Standard for Business Valuation, when performing business valuation, the valuer shall, based on the relevant conditions including the valuation purpose, valuation object, value type and data collection status, analyse the applicability of the three basic valuation approaches, namely the income approach, the market approach and the asset-based approach, and appropriately select one or more of these basic valuation approaches.

1. Asset-based approach

The asset-based approach refers to a valuation method that determines the value of the valuation object on the basis of the balance sheet of the entity being valued as at the valuation base date, by valuing the assets and liabilities both on and off the balance sheet that are identifiable. In business valuation, the asset-based approach tends to overlook the overall profit-generating capacity of the combined assets, and is particularly less applicable to the valuation of economic entities with substantial intangible assets. In particular, it is unable to estimate the value of off-balance-sheet assets such as proprietary technology, sales networks, human resources, customer relationships, etc., and thus provides relatively weak reference for investment pricing. In light of the underlying economic transaction and valuation purpose, the asset-based approach is not considered appropriate for this valuation.

2. Income approach

The income approach is grounded in the economic theory of expected utility, which holds that, to investors, the value of an enterprise lies in the future earnings that the enterprise is expected to generate. Although the income approach does not directly use observable market comparables to indicate the current fair market value of the valuation object, it evaluates the asset from the perspective of its expected profitability — the fundamental basis for determining the current fair market value of an asset — and can fully reflect the overall value of the enterprise, with the valuation results demonstrating good reliability and persuasiveness. In terms of the conditions for the applicability of the income approach, given that the enterprise has independent profit-generating capacity and that the

management of the entity being valued has provided profit forecasts for the coming years, the future profitability of the enterprise can be reasonably estimated based on its historical operating data and internal and external operating environment, and the risks associated with future earnings can be reasonably quantified, with sufficient valuation data available. In light of the valuation purpose, the implementation of the economic transaction will not affect the going concern status or the established profit model of the enterprise. Given the industry characteristics of the entity being valued, the enterprise possesses the foundation and conditions for continued operations, with a relatively stable corresponding relationship between operations and earnings, and its future earnings and risks are both predictable and quantifiable. Accordingly, the basic conditions for applying the income approach to valuation are satisfied.

3. *Market approach*

The market approach values the valuation object by reference to the values of comparable assets in the actual market. The market approach is market-oriented and features a direct valuation perspective and approach, an intuitive valuation process, valuation data directly sourced from the market, and highly persuasive valuation results. In business valuation, the reference companies or transaction cases selected share similar value-influencing factors with the target enterprise, and there is a close relationship between such value-influencing factors and the value conclusion, which can be derived using certain methods, and the relevant data can be collected. A fundamental way to value the target company is to observe the public market and seek evidence of the price that investors are willing to pay for comparable companies.

As there are a number of listed companies in the capital market that operate in the same or similar industries as the entity being valued, the comparable operating and financial data are sufficiently available and reliable, and their market pricing can serve as a reference for the market value of the entity being valued. Although there are certain differences among the enterprises in terms of scale, products and other factors, the differences between the valuation object and the comparable companies can be properly quantified through the scientific and reasonable selection of relevant comparative parameters. Having undergone over two decades of development, China's capital market has essentially established its basic market functions. Therefore, the application of the market approach in this valuation is considered feasible. Moreover, in both domestic and international property rights transaction markets, investors tend to favour the market approach for valuation purposes. Accordingly, the basic conditions for applying the market approach are satisfied.

In conclusion, the income approach and the market approach are adopted in this valuation to determine the total equity value of the entity being valued as at the valuation base date.

(III) Introduction to specific valuation methods under the income approach***1. Overview of the income approach***

The income approach in enterprise value assessment refers to a valuation method that determines the value of the valuation object by capitalizing or discounting its expected future earnings. Common methods under the income approach include:

(1) Income capitalization method

This method converts the enterprise's expected future representative and relatively stable earnings into enterprise value at a capitalization rate. Typically, valuation is based directly on the forecast of earnings for a single year, whereby value is estimated by dividing projected earnings by an appropriate rate or multiplying projected earnings by an appropriate multiplier.

(2) Discounted income method

This method estimates the future expected economic benefits of the valuation object and discounts them at a specified discount rate to determine its value. This method is widely used in enterprise value and generally requires a detailed analysis of the enterprise's development plans, profitability, financial condition, and other factors during the forecast period (from the valuation benchmark date to the point when the enterprise reaches a relatively stable operating condition). Common methods under the discounted income method include the Dividend Discount Model (DDM) and the Discounted Cash Flow (DCF) method. The DDM determines the value of the valuation object by discounting expected dividends and is generally applicable to the valuation of minority shareholder interests lacking control rights. The DCF method generally includes the Free Cash Flow to Firm (FCFF) model and the Free Cash Flow to Equity (FCFE) model.

Based on verification of the valuation purpose, valuation object and scope, as well as confirmation of the ownership characteristics and value attributes of the valuation object, and in light of the economic activity served by this valuation, in accordance with relevant national regulations and the Practice Standards of Asset Appraisal-Enterprise Value, it has been determined that the shareholder's total equity value will be estimated using the income approach and specifically the DCF method.

2. *Preconditions for applying the income approach in asset valuation*

The applicability of the income approach should be appropriately considered in conjunction with the enterprise's historical operating conditions, the predictability of future earnings, and the adequacy of the valuation information obtained. Generally, application of the income approach requires the following conditions to be met:

- (1) The ownership and property rights of the assets within the scope of the enterprise valuation are clearly defined;
- (2) The enterprise's expected future earnings can be reasonably forecasted and quantified in monetary terms;
- (3) The risks associated with obtaining the enterprise's expected future earnings can be reasonably forecasted and quantified in monetary terms;
- (4) The expected profit-generating period of the enterprise can be reasonably forecasted.

3. *Rationale for selection of the income approach*

Based on a detailed analysis of the enterprise's historical financial statements and operating data, interviews with management, and market research to gain a comprehensive understanding of the enterprise's production and operating conditions, the valuation team obtained the profit forecast data and supporting information provided by the enterprise and conducted a comprehensive analysis and assessment thereof. The specific process includes the following:

(1) Assessment of overall conditions

Following a comprehensive analysis of various aspects of the valuation object, including its corporate nature, asset scale, historical development, industry characteristics, profitability, and market share, it was concluded that the assets involved in this valuation possess the following characteristics:

- 1) The appraised assets are operating assets with clearly defined ownership rights that are maintained in good condition, and the enterprise possesses the conditions necessary for continuing operations;
- 2) The appraised assets are capable of generating future earnings that can be measured in monetary terms, as reflected by the enterprise's expected future operating revenue, corresponding costs and expenses, and other income and expenditures, all of which can be reasonably forecasted and quantified in monetary terms;

- 3) The risks associated with the appraised assets can be measured in monetary terms. The enterprise's risks mainly include industry risk, operational risk, and financial risk, all of which can be quantified in monetary terms.

(2) Assessment based on the specific economic activity and valuation purpose

From the perspective of the specific economic activity involved and the purpose of the valuation, the valuation object is the total equity value of the shareholders of the valuation object, with the purpose of providing a value reference for the client's specific economic activity. To objectively and accurately reflect the fair market value of the valuation object, the valuation should not merely consist of a simple aggregation of the values of individual assets. Instead, it should comprehensively reflect the overall value embodied in the enterprise's operating scale, industry position, and established management model. In other words, the enterprise should be regarded as an integrated whole, with the value of shareholders' equity represented by the enterprise's overall profitability.

(3) Judgement on the availability of parameters for the income approach

The future earnings of the assessed entity can be reasonably forecasted, and the risks corresponding to the expected earnings can be reasonably quantified. To date, the domestic capital market has made considerable progress. Relevant data, such as relevant beta, risk-free rate of return and return rate for market risks, can be obtained easily. The external conditions for the income approach are more mature.

Based on the analysis of the above factors and making judgement from both valuation theory and practical operation, the assessed entity has grounds suitable for adopting the income approach, and valuation using the income approach can better reflect the value of the enterprise.

4. Basic approach for the valuation

Based on the due diligence of this valuation and the characteristics of asset composition and core operation of the valuation object, the basic approach of this valuation is based on the corporate financial statements of the valuation object, applies the discounted cash flow (DCF) approach and selects the free cash flow of the enterprise as the caliber of cash flow, to indirectly obtain the value of total shareholders' equity through the valuation of the overall value of the enterprise. In particular, using the DCF approach under the income approach to estimate the value of operating assets of the valuation object, then, plus the value of other surplus or non-operating assets (liabilities) as at the valuation benchmark date, to determine the enterprise value of the valuation object. The value of interest-bearing debts and the value of minority interests will be deducted from

the value of the enterprise to arrive at the value of entire shareholders' interest attributable to the parent company of the valuation object. Detailed approaches of this valuation are as follows:

- (1) For the assets and principal activities included in the financial statements, estimating their expected income (net cash flow) according to the trend in the operation history and type of business and discounting these to determine the value of operating assets;
- (2) For assets or liabilities unrelated to production and operation existing on the valuation benchmark date that are not considered in estimating the expected income (net cash flow), defining them as surplus or non-operating assets (liabilities) existing as at the valuation benchmark date and measuring their value separately;
- (3) Determining the enterprise value of the subject of valuation by summing the value of the operating assets and the value of non-operating assets and liabilities as mentioned above, and determining the value of entire shareholders' interest attributable to the parent company of the subject of valuation by deducting the value of interest-bearing debts and the value of minority interests as at the valuation benchmark date.

5. *Formula of the income approach*

The income approach is adopted to assess the value of the entire shareholders' interest of Changzhou Liyuan in this valuation. In particular, the operating asset value is derived by taking the projected free cash flows of the enterprise (on a consolidated basis) over the future years as the basis and discounting them to their present value at an appropriate discount rate, and then adding the value of surplus assets and non-operating assets, and deducting interest-bearing debts and minority interests to arrive at the value of the entire shareholders' interest attributable to the parent company.

The income approach adopts consolidated data for forecasting in this valuation. The consolidated data is composed of the financial data of Changzhou Liyuan and its subsidiaries, including Liyuan (Jiangsu) Technology Co., Ltd., Liyuan (Tianjin) Technology Co., Ltd., Sichuan Liyuan New Material Co., Ltd., Hubei Liyuan New Energy Co., Ltd. and PT LBM ENERGI BARU INDONESIA. Ultimately, after deriving the value of the entire shareholders' interest on a consolidated basis, a deduction is made for minority interests. The calculation formula is as follows:

$$E = B - D - F$$

Where: E — value of the entire shareholders' interest attributable to the parent company on a consolidated basis

D — value of interest-bearing debts

B — enterprise value on a consolidated basis

F — value of minority interests

$$B = P + C_1 + C_2$$

Where: C_1 — value of surplus assets existing as of the valuation benchmark date

C_2 — value of non-operating assets (liabilities) existing as of the valuation benchmark date

P — value of operating asset:

$$P = \sum_{t=1}^n \left[R_t \times (1 + r)^{-t} \right] + \frac{R_{n+1}}{(r - g)} \times (1 + r)^{-n}$$

Where: R_i — expected income (free cash flow for the corporate) in the year in the future

r — discount rate

g: perpetual growth rate, and g = 0 in this valuation

n — future forecast period of the valuation subject

6. *Key parameters of the income approach*

(1) *Earnings forecast*

The future earnings forecast information provided by the consignor and other relevant parties, who have represented and warranted that such information is reasonable, lawful and complete in accordance with applicable laws, is subject to necessary analysis, assessment and adjustment. Taking into account the human resources, technical capabilities, capital structure, operating conditions, historical performance and development trends of the assessed entity, together with macroeconomic factors and the current conditions and future prospects of the relevant industry, reasonable valuation assumptions are established to formulate the future earnings forecast. In addition, attention is given to whether the key parameters adopted in the future earnings forecast, including operational management, business structure, revenue from principal operations, gross profit margin, working capital, capital expenditure and capital structure, are consistent with the valuation assumptions and the standard of value. Where the projected trends differ materially from the historical performance and current operating conditions, the consignor and other relevant parties are required

to explain the reasonableness and sustainability of such differences. Upon verification that such differences are consistent with the valuation assumptions and the applicable standard of value, the reasons for, and the reasonableness of, such differences are disclosed and explained.

Upon verification, it was confirmed that these forecasts were prepared based on the enterprise's current operating conditions, policy environment, market capacity, market share, domestic and international economic development conditions, the enterprise's development trend, and the various measures adopted by the enterprise in response to its current and anticipated future circumstances.

The earnings forecast was prepared from the perspective of a market participant.

In this valuation, free cash flow to the firm was adopted as the quantitative measure of the expected economic income of the enterprise.

Free cash flow to the firm represents the total cash flow available to all providers of capital after payment of operating expenses and income tax but before any distributions to the holders of claims on the enterprise. It is calculated as follows:

Free cash flow to the firm = net profit + depreciation and amortisation
+ after-tax interest expense – capital expenditure – changes in working capital

(2) Earnings period

The earnings period in a corporate value valuation generally refers to the period over which the enterprise is expected to generate future economic benefits. The earnings period should be appropriately determined with reference to applicable laws and administrative regulations, as well as the corporate nature and type of the assessed entity, the current conditions and future prospects of the relevant industry, the terms of the relevant agreements and articles of association, the operating conditions, the characteristics of its assets and the availability of resources. The forecast period is determined based on a comprehensive analysis of, among other things, the remaining economic life of the enterprise's products or services and the development of substitute products or services, as well as its revenue structure, cost structure, capital structure, capital expenditure, working capital, investment returns and risk profile, taking into account macroeconomic policies, industry cycles and other factors affecting the enterprise's transition to a stable stage.

In order to reasonably project the future income of the enterprise, and having regard to the characteristics of its business operations, industry outlook and the applicable requirements, a perpetual life was adopted as the

earnings period for the purpose of this valuation. The first stage comprises the explicit forecast period from December 1, 2025 to December 31, 2030, during which the earnings are expected to fluctuate based on the enterprise's operating conditions, business plans and development strategies. The second stage commences on January 1, 2031, during which the enterprise is assumed to operate on a going-concern basis in perpetuity and maintain a stable level of profitability.

(3) *Discount rate*

The discount rate, also known as the expected rate of return on investment, is an important parameter for determining the appraised value under the income approach. The discount rate shall be consistent with the basis of the expected returns. In determining the discount rate, comprehensive consideration shall be given to factors such as the interest rate level as of the valuation benchmark date, market investment returns and other relevant information relating to the capital market, as well as the industry in which the assessed entity operates and the specific risks associated with the assessed entity.

As this Valuation Report adopts the discounted free cash flow to the firm (FCFF) model, in accordance with the principle of matching the basis of returns with the discount rate, the basis of returns adopted in this valuation is the FCFF, and accordingly, the weighted average cost of capital (WACC) is adopted as the discount rate. The calculation formula is as follows:

$$WACC = R_e \frac{E}{D + E} + R_d (1 - T) \times \frac{D}{D + E}$$

Where: E : Fair market value of equity
 D : Interest-bearing debt
 R_e : Return on equity
 R_d : Expected rate of return on debt
 T : Applicable income tax rate

To determine the return on equity, the Capital Asset Pricing Model ("CAPM") has been adopted in this valuation. CAPM is a commonly used method for estimating the return required by investors and, accordingly, determining the return on equity of a company. It can be expressed by the following formula:

$$R_e = R_f + \beta_e \times M_{RP} + R_C$$

Where: R_e : Return on equity
 R_f : Risk-free rate
 β_e : Risk coefficient

$$\beta_e = \beta_t \times (1 + (1-T) \times D/E)$$

M_{RP} : Market risk premium

R_c : Enterprise-specific risk adjustment factor

(4) Assets, financial analysis and adjustments of the enterprise

The financial statements of the assessed entity as at the valuation benchmark date have been audited by Gongzheng Tianye Certified Public Accountants Nanjing Branch (Special General Partnership) (公證天業會計師事務所南京分所(特殊普通合伙)). As this income approach valuation is conducted on the basis of the audited consolidated financial statements, there have been no changes in the audited financial statements for the comparable periods.

(5) Value of surplus or non-operating assets (liabilities)

Surplus assets refer to assets that are not directly related to the income of the enterprise and in excess of the amount needed to operate the enterprise, which generally refer to excess monetary funds and financial assets held for trading. Non-operating assets (liabilities) refer to assets (liabilities) that do not contribute to the operating cash flows in the earnings forecast, are not part of the operating cash flow cycle, are difficult to forecast for future operating cash flows and can be independently valued. Assets that can be separately valued for the assessed entity include other current assets, prepayments for equipment, deferred income tax assets and deferred income tax liabilities. The above surplus and non-operating assets (liabilities) that can be separately valued are determined based on the valuation results under the asset-based approach.

(6) Determination of the value of interest-bearing debts

Interest-bearing debts refer to liabilities that require interest payment by the assessed entity as at the valuation benchmark date, including long-term and short-term borrowings and related-party loans. In this valuation, such debts are measured at their market value.

(7) Determination of the value of minority interests

Changzhou Liyuan indirectly holds an 80% equity interest in PT LBM ENERGI BARU INDONESIA, resulting in a 20% minority interests at the level of PT LBM ENERGI BARU INDONESIA. To determine the value of minority interests in PT LBM ENERGI BARU INDONESIA, a separate valuation of the 100% equity interests in PT LBM ENERGI BARU INDONESIA shall be performed first, and the resulting value shall then be multiplied by 20% to derive the value of such minority interests.

(IV) Introduction to the specific valuation methods under the market approach***1. Overview***

The market approach in corporate value valuation refers to a valuation method that determines the value of the subject of valuation by comparing it with comparable listed companies or comparable transaction cases. The two specific methods commonly used under the market approach are the listed company comparison method and the transaction case comparison method.

(1) Listed company comparison method

The listed company comparison method is a method to determine the value of the subject of valuation by acquiring and analyzing the operational and financial data of comparable listed companies to calculate appropriate value ratios and comparing them against those of the assessed entity. The selection criteria for comparable listed companies are to identify comparable companies in an open and actively traded market, which are identical or similar to the assessed entity in terms of business structure, operating model, enterprise size, asset allocation and utilization, operating stage, growth prospects, operating risks, and financial risks.

(2) Transaction case comparison method

The transaction case comparison method is a method to determine the value of the subject of valuation by acquiring and analyzing information on sale and purchase, acquisition and merger cases of comparable enterprises to calculate appropriate value ratios and comparing them against those of the assessed entity.

The selection criteria for transaction cases are as follows: the transaction type shall be a sale, merger, or acquisition of a business; the control status of the transaction cases shall be similar to that of the assessed company; the subject of the transaction shall belong to the same industry as the target company and engage in the same or similar business operations; and the transaction date of the comparable cases shall be relatively close to the valuation benchmark date.

In valuation practice, the merger and acquisition case comparison method is generally not considered appropriate, as detailed information on similar comparable transaction cases is difficult to obtain, and it is often not possible to ascertain whether such transactions involve non-market-value factors or other elements that may affect the valuation outcome. In contrast, comparable listed companies have relatively comprehensive operating and disclosure information, and their financial data are relatively objective in terms of availability and comparability, offering greater practicality and

applicability. Accordingly, the listed company comparison method has been adopted in this valuation to determine the total equity value of the shareholders.

2. *Selection of valuation multiples*

In terms of valuation multiples, the commonly selected multiples include price-to-sales ratio (P/S), price-to-earnings ratio (P/E), price-to-book ratio (P/B), enterprise value to earnings before interest and tax ratio (EV/EBIT) and enterprise value to earnings before interest, tax and amortization ratio (EV/EBITA), etc. Among the aforesaid indicators, enterprise value to earnings before interest and tax ratio (EV/EBIT) and enterprise value to earnings before interest, tax, depreciation and amortization ratio (EV/EBITDA) focus on the judgment of the overall enterprise value; while price-to-sales ratio (P/S), price-to-earnings ratio (P/E) and price-to-book ratio (P/B) focus on the judgment of shareholder value.

The price-to-sales ratio (P/S) refers to the ratio of equity value to operating revenue. Operating revenue is a key indicator reflecting the enterprise's operational capacity. The core drawback of the price-to-sales ratio (P/S) is that it completely ignores cost structure and profitability and only focuses on revenue scale, resulting in inherent blind spots in valuation logic. Therefore, the price-to-sales ratio (P/S) is not applicable to this valuation.

The price-to-book ratio (P/B) represents the ratio of equity value to book net assets. The LEP business operated by the assessed entity as of the valuation benchmark date derives its market value from technical capabilities, operational service capacity, sales networks, brand influence and customer resources accumulated through long-term engagement in relevant businesses. Book net asset data thus provides limited reference value, so the price-to-book ratio (P/B) is not applicable to this valuation.

The price-to-earnings ratio (P/E) denotes the ratio of equity value to net profit. Net profit is a key indicator reflecting the enterprise's profitability. Given that the assessed entity maintained negative net profit as of the valuation benchmark date, the price-to-earnings ratio (P/E) is not applicable to this valuation.

The enterprise value to earnings before interest and tax ratio (EV/EBIT) represents the ratio of enterprise value to earnings before interest and tax. EBIT intuitively reflects the operating results of an enterprise before deducting interest and taxes, and is an important indicator for measuring the enterprise's profitability. For heavy-asset industries, however, due to substantial depreciation and amortization expenses, net profit is severely distorted, making the EV/EBIT valuation lose comparability. These industries require large capital expenditures to maintain operations, but accounting depreciation policies often

are inconsistent with actual asset consumption; therefore, the enterprise value to earnings before interest and tax ratio (EV/EBIT) is not applicable to this valuation.

The enterprise value to earnings before interest, taxes, depreciation and amortization (EV/EBITDA) represents the ratio of enterprise value to earnings before interest, taxes, depreciation and amortization. It is an important financial indicator for measuring an enterprise's core operating profitability. By excluding interest, taxes, depreciation and amortization, which are non-cash expenditures or are affected by capital structure, it more purely reflects the operating efficiency and cash flow generation capability of the enterprise's main business.

The competitive landscape of the lithium iron phosphate business in which Changzhou Liyuan is engaged is relatively stable, and the market capacity growth rate is relatively high. After years of development, the company has established relatively stable customer relationships. Based on the contracted orders on hand and the operating conditions in the future of the company, the company has turned losses into profits and possess a certain level of profitability in the future. Considering that the industry in which Changzhou Liyuan operates is capital-intensive, interest, taxes, depreciation and amortization have a significant impact on the company's operations. In order to eliminate the impact of differences in interest, taxes, depreciation and amortization as well as the lagging nature of the company's historical data, and to anchor valuation on future expected earnings so as to more accurately reflect the enterprise's growth potential and sustainable profitability, the indicator of the enterprise value to earnings before interest, taxes, depreciation and amortization (EV/EBITDA) has been adopted for this valuation.

After conducting the above analysis, this market approach valuation selects the ratio of enterprise value (EV) to projected earnings before interest, taxes, depreciation and amortization (EV/EBITDA) for evaluation.

3. Valuation model

The basic model for this valuation is as follows:

$$\begin{aligned} P = & (\text{Adjusted Average EV/EBITDA of Comparable Companies} \times \\ & \text{Forecast Average EBITDA of the Assessed Entity} - \text{Interest-Bearing Debts}) \\ & \times (1 - \text{Discount for Lack of Marketability}) + \text{Net Value of Surplus and} \\ & \text{Non-Operating Assets and Liabilities} - \text{Total Equity Value of Minority} \\ & \text{Interests} \end{aligned}$$

VIII. VALUATION ASSUMPTIONS

This asset valuation report and the valuation conclusion are based on the following assumptions of valuation:

(I) General assumptions

1. Transaction assumption: It is assumed that all appraised assets are in the process of transaction, and the valuation is conducted within the markets simulated based on the transaction conditions of the appraised assets and other factors.
2. Open market assumption: It is assumed that the appraised assets are traded in open market to realize their market value. The market value of assets is subject to the market mechanism and determined by the market conditions, instead of being determined by individual transactions. The aforementioned open market refers to a competitive market with willing buyers and sellers under fully developed and perfect market conditions. In this market, the buyers and sellers share an equal standing. Both parties have the chance and time to obtain sufficient market information. The transactions between the buyers and sellers are conducted on a voluntary and rational basis without forced or unlimited conditions.
3. Corporation going concern assumption: the valuation assumption is made on the basis that the overall assets of corporations are treated as the target of valuation. In other words, the corporations are the operation entities that will continue to operate going forward under the current external environment and according to the operation goals. The operators of the corporations are responsible for and capable of the responsibilities. The corporations operate legally and are able to obtain appropriate profit to maintain their ability of continual operation.

(II) Special assumptions

1. The current laws, regulations and policies of the PRC and the macroeconomic situation of the PRC do not change significantly. The political, economical and social environment of the regions domiciled by the parties of this transaction do not change significantly;
2. It is assumed that the operator of the corporation is responsible and the management of the corporation are capable of performing their duties;
3. Unless otherwise stated, it is assumed that the corporation fully complies with all relevant laws and regulations;
4. It is assumed that the accounting policies that the corporation will adopt in the future and the accounting policies adopted when preparing this report are basically the same in material aspects;

5. It is assumed that the scope and method of business operation of the corporation stay consistent with the current direction on the basis of the current management method and management level of the corporation;
6. Interest rates, exchange rates, tax base and tax rates, policy-based fees and levies and other factors do not undergo significant changes;
7. There is no other factors of force majeure and unforeseen factors that cause material and adverse impact on the corporation;
8. The core management personnel, technical personnel, sales force in the future is stable, and the enterprise can maintain the existing management level, research and development level, sales channels and steadily expanding market share in the future operation;
9. It is assumed that the management of the assessed entity will perform their due diligence during the future operating period, and the assessed entity will continue its operations in accordance with the business plan objectives formulated by the assessed entity and its management. The business scale, business composition, sales strategies and cost control during the future forecast period will be implemented as scheduled in line with the plans of the assessed entity and its management;
10. The acquisition and utilisation of the production and business premises of the enterprise are consistent with that as at the valuation benchmark date without change;
11. The asset under valuation has been valued on the basis of the actual inventory as at the valuation benchmark date, and the current market value of the relevant asset is based on the effective domestic prices as at the valuation benchmark date;
12. The Valuation assumes that the ownership certificates, financial and accounting information and other information provided by the consignor and the enterprise under valuation in connection with the Valuation are true, complete and lawful; the scope of the Valuation is based solely on the valuation declaration form provided by the consignor and the enterprise under valuation and does not take into account contingent asset and contingent liabilities that may exist in addition to the list confirmed and provided by the consignor and the enterprise under valuation;
13. It is assumed that after the valuation benchmark date, the cash inflows and cash outflows of the assessed entity will occur evenly on average;
14. Subsequent to the valuation benchmark date, Liyuan (Jiangsu) Technology Co., Ltd.* (鋰源(江蘇)科技有限公司) holds the status of High and New Technology Enterprise (HNTE) under certificate number GR202532006733, and is subject to a preferential enterprise income tax (EIT) rate of 15%. For

the purpose of this valuation, it is assumed that no material changes will occur to HNTE qualification criteria and supporting policies, and that the subject entity will continuously qualify for HNTE status and retain the corresponding tax benefits. Accordingly, a 15% EIT rate is applied in the financial projections;

15. Subsequent to the valuation benchmark date, Tianjin Liyuan Technology Co., Ltd. (鋰源(天津)科技有限公司) holds the status of HNTE under certificate number GR202312002316, and is subject to a preferential EIT rate of 15%. For the purpose of this valuation, it is assumed that no material changes will occur to HNTE qualification criteria and supporting policies, and that the subject entity will continuously qualify for HNTE status and retain the corresponding tax benefits. Accordingly, a 15% EIT rate is applied in the financial projections;
16. Subsequent to the valuation benchmark date, Shandong Liyuan Technology Co., Ltd.* (山東鋰源科技有限公司) holds HNTE status under certificate number GR202437002797, and is subject to a preferential EIT rate of 15%. For the purpose of this valuation, it is assumed that no material changes will occur to HNTE qualification criteria and supporting policies, and that the subject entity will continuously qualify for HNTE status and retain the corresponding tax benefits. Accordingly, a 15% EIT rate is applied in the financial projections;
17. Pursuant to the Announcement on the Continuation of the Corporate Income Tax Policy for the Large-scale Development of the Western Regions (Announcement No. 23 of the Ministry of Finance in 2020) jointly issued by the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission, enterprises engaged in encouraged industries located in western China are eligible for a reduced EIT rate of 15%. The core product of Sichuan Liyuan New Energy Co., Ltd. (四川鋰源新能源有限公司), “LFP cathode materials”, falls under the encouraged industry categories specified in the Guiding Catalogue for Industrial Restructuring (2019 Edition) (Order of NDRC 2019 No. 29). The company is entitled to the 15% preferential EIT rate from January 1, 2021 to December 31, 2030. Given that this preferential tax policy under the Western Development Strategy has historically been extended multiple times for lengthy periods upon expiry, it is assumed that Sichuan Liyuan New Energy Co., Ltd. (四川鋰源新能源有限公司) will continue to apply the 15% EIT rate in the financial projections after the current policy term concludes;
18. PT. LBM ENERGI BARU INDONESIA, an indirect overseas subsidiary of the assessed entity established in Indonesia, has obtained a 20-year preferential corporate income tax rate of 0% starting from 2025 in accordance with relevant regulations including the Decision of the Minister of Finance of the Republic of Indonesia No. 333/MK/PJ/2025 — Implementation of the Income Tax Reduction Policy for Entities in the

Kendal Special Economic Zone, and paid corporate income tax at the 0% tax rate for the 2025 fiscal year. Based on the management's estimation, it is assumed that the 0% preferential income tax rate can be continuously extended after the expiration of the current preferential policy;

19. It is assumed that the signed contract orders of the assessed entity can be effectively implemented within the validity period of the contracts, with no modification or termination occurring;
20. This valuation does not factor in the impact of other contingent matters such as mortgages, pledges and guarantees on the valuation conclusion.

In accordance with standard asset valuation requirements, all assumptions set out herein are deemed valid as at the valuation benchmark date. No liability shall be assumed for any differing valuation conclusions derived from changes to these assumptions in the event of material shifts in the future economic environment.

IX. VALUATION CONCLUSION AND VALIDITY PERIOD

In compliance with applicable national laws, administrative regulations and asset valuation standards, and adhering to the principles of independence, objectivity and impartiality through requisite valuation procedures, we have conducted a valuation of the total equity interest of Changzhou Liyuan New Energy Technology Co., Ltd. (常州鋰源新能源科技有限公司) (now known as Changzhou Liyuan New Energy Technology Group Co., Ltd. (常州鋰源新能源科技集團有限公司)) using both the income approach and the market approach. Based on the above, the valuation conclusions are set out below:

1. Valuation result of the income approach

Under the income approach, the total equity interest value of Changzhou Liyuan New Energy Technology Co., Ltd. (常州鋰源新能源科技有限公司) (now known as Changzhou Liyuan New Energy Technology Group Co., Ltd. (常州鋰源新能源科技集團有限公司)) as at the valuation benchmark date is assessed at RMB6,100,000,000.00 (in words: RMB Six Billion One Hundred Million Only). This represents an appreciation of RMB3,675,899,000.00, or a 151.64% appreciation rate, compared with the parent company's standalone net asset carrying value of RMB2,424,101,000.00. It also represents an appreciation of RMB4,756,719,900.00, or a 354.11% appreciation rate, compared with the carrying value of net assets attributable to owners of the parent on a consolidated basis of RMB1,343,280,100.00.

2. Valuation result of the market approach

Under the market approach, the total equity interest value of Changzhou Liyuan New Energy Technology Co., Ltd. (常州鋰源新能源科技有限公司) (now known as Changzhou Liyuan New Energy Technology Group Co., Ltd. (常州鋰源新能源科技集團有限公司)) as at the valuation benchmark date is assessed at RMB6,360,000,000.00 (in words: RMB Six Billion Three Hundred and Sixty Million Only). This represents an appreciation of RMB3,935,899,000.00, or a 162.37% appreciation rate, compared with

the parent company's standalone net asset carrying value of RMB2,424,101,000.00. It also represents an appreciation of RMB5,016,719,900.00, or a 373.47% appreciation rate, compared with the carrying value of net assets attributable to owners of the parent on a consolidated basis of RMB1,343,280,100.00.

The impact of liquidity on valuation has been incorporated into the determination of the market approach result.

3. Valuation result differences and analysis

The valuation results under the income approach and the market approach differ by RMB260,000,000.00, representing a variance of 4.26% based on the income approach result.

Income approach employs expected earnings as the value standard, and reflects the size of the output capacity (profitability) of assets. It represents the quantification and present value of the expected profitability of an enterprise's overall assets, emphasizing the overall expected profitability of the enterprise. The market approach determines the value of the assessed entities by comparing it with comparable listed companies, using market-based benchmarks to assess the current fair market value of the assessed entities. Under these two distinct standards of value, differences in the valuation results are inevitable.

The market approach evaluates the current fair market value of valuation subjects based on reference entities in the real market. Given that the degree of marketization and informatization in China is still relatively limited, it is difficult to accurately quantify and revise the similarity between comparable listed companies and appraised entities, so the accuracy of the valuation results by the market approach is difficult to consider the value of the assessed entity accurately. Moreover, the market itself is subject to inherent uncertainties; the market value of comparable listed companies may deviate from the intrinsic value of the enterprise, and the valuation result is susceptible to fluctuations in capital market prices. Additionally, the market approach fails to reflect the revenue contribution arising from future changes in the product mix of the assessed entity. Furthermore, the market approach evaluates the value based on the time-point impact of the capital market on the benchmark date without considering the impact of market periodic fluctuations, therefore, the market approach is adopted solely for the purpose of validating the valuation results in this appraisal.

The income approach, which determines the value of an enterprise by discounting the expected income, takes into account not only the assets of the entity measured under accounting principles, but also the resources owned or controlled by the entity which cannot be reflected in the balance sheet, such as contract fulfillment, customer resource, sales network, potential project, enterprise qualification, human resource, strong product research and development capability, whose contribution to the enterprise is reflected in the net cash flow of the enterprise. Therefore, the appraisal conclusion of the income approach can better reflect the overall profitability and growth of the enterprise.

After investigating the financial position of the assessed entities and analyzing their operating conditions, and taking into account the object of this asset appraisal, the purpose of the appraisal, the applicable type of value, and after a comparative analysis, the appraiser considered that, as this appraisal is primarily conducted to support an equity transaction, the valuation result derived from the income approach is capable of more comprehensively and faithfully reflecting the intrinsic value of the enterprise, and provides a more reasonable value reference for the purpose of the appraisal. Accordingly, the valuation result under the income approach has been adopted as the final valuation conclusion.

4. Final valuation conclusion

Based on the above analysis, the valuation result under the income approach has been adopted as the final valuation conclusion. The assessed value of the total equity interests of the shareholders of Changzhou Liyuan New Energy Technology Co., Ltd. (常州鋰源新能源科技有限公司) (now known as Changzhou Liyuan New Energy Technology Group Co., Ltd. (常州鋰源新能源科技集團有限公司)) as at the valuation base date is RMB6,100,000,000.00 (in words: RMB Six Billion One Hundred Million Only).

5. Validity period of valuation conclusions

The validity period of the valuation conclusions is one year, from the Valuation Benchmark Date of November 30, 2025, to November 29, 2026. The valuation conclusions listed in this asset valuation report are considered invalid if this report is used for more than one year, except as otherwise stipulated by national laws and regulations.

X. SPECIAL MATTERS AFFECTING THE VALUATION CONCLUSION

1. Circumstances with restrictions on valuation procedures

1 Technical testing of equipment

In this valuation, no technical tests were conducted on the technical parameters or performance of the various equipment assets as at the valuation base date. The judgements made during the on-site inspection were based on the assumption that the relevant technical information and operational records provided by the assessed entity were authentic and valid.

2 Assets not inspected on site

Given the large number and relatively dispersed spatial distribution of the physical assets subject to this valuation, on-site inspections and item-by-item verification were conducted for equipment with higher values and part of inventories. Sampling inspection combining spot checks and overall review was adopted for the remaining equipment and inventories.

Save for the above matters, there are no other restrictions on valuation procedures as of the date of issuance of this asset valuation report.

2. Nature, amount, and relationship with the valuation subject of mortgages, guarantees, leases, and contingent liabilities/contingent assets

Based on the information provided by the assessed entity, as of the valuation benchmark date, the assessed entity had outstanding (pledges) mortgages, leases, and guarantees. The details are as follows:

(1) Leases

1) Sichuan Liyuan New Material Co., Ltd. (四川鋰源材料有限公司)*

In May 2024, Sichuan Liyuan New Material Co., Ltd. entered into finance lease agreement (Contract Nos. IFELC24DF2N7F88-L-01, IFELC24DF2NHS2P-L-01, IFELC24DF2NQS5Z-L-01, and IFELC24DF2NN0M6-L-01) with International Far Eastern Leasing Co., Ltd. (遠東國際融資租賃有限公司). Pursuant to which, the company transferred certain fixed assets recorded on its book to International Far Eastern Leasing Co., Ltd., including gas compressors, air compressors, rod-pin nano sand mills, kilns/electric furnaces (six-row double-layer external-rail circulation lines), and spray dryers, and subsequently leased them back for use, obtaining an aggregate financing proceeds of RMB50 million. The lease term is from May 2024 to May 2026 and Sichuan Liyuan New Material Co., Ltd. will repurchase the transferred assets for RMB1,000 upon maturity of the lease term.

In June 2024, Sichuan Liyuan New Material Co., Ltd. entered into a finance lease agreement (Contract No. YUFLC009936-ZL0001-L001) with Changjiang United Financial Leasing Co., Ltd. (長江聯合金融租賃有限公司). Pursuant to which, the company transferred certain fixed assets recorded on its books to Changjiang United Financial Leasing Co., Ltd., including six-row double-layer external-rail circulation lines, six-row double-layer atmosphere roller kilns, and Phase II vertical warehouse equipment, and subsequently leased them back for use, obtaining financing proceeds of RMB120 million. The lease term is from June 2024 to June 2027 and Sichuan Liyuan New Material Co., Ltd. will repurchase the transferred assets for RMB100 upon maturity of the lease term.

Sichuan Liyuan New Material Co., Ltd. entered into a factory premises lease agreement with Sichuan Jinshuangcheng Industrial Co., Ltd. (四川省金雙成實業有限責任公司). Pursuant to which, Sichuan Jinshuangcheng Industrial Co., Ltd. leased to Sichuan Liyuan New Material Co., Ltd. factory premises located in Phase II of the Shuangchuang Industrial Park Project, Jinqiao Area, Sichuan Pengxi Economic and Technological

Development Zone, with a total floor area of 85,265 sq.m. The lease term is from October 1, 2022 to September 30, 2027, at a rental rate of RMB39.1 per square metre per month.

2) *Shandong Liyuan Technology Co., Ltd.* (山東鋰源科技有限公司)*

In September 2024, Shandong Liyuan Technology Co., Ltd. entered into a finance lease agreement (Contract No. BBCL [2024] Hui Zi No. 0261) with Bank of Beijing Financial Leasing Co., Ltd. (北銀金融租賃有限公司). Pursuant to which, the company transferred a total of 23 items of fixed assets recorded on its books to Bank of Beijing Financial Leasing Co., Ltd., including disc-nest mill pulverization systems, iron phosphate rotary kiln flash evaporation systems, and other related equipment, and subsequently leased them back for use, obtaining financing proceeds of RMB150 million. The lease term is from September 2024 to September 2027 and Shandong Liyuan Technology Co., Ltd. will repurchase the leased assets for RMB100 upon maturity of the lease term.

Shandong Liyuan Technology Co., Ltd. entered into a lease agreement with Juancheng County Hengteng Investment Development Co., Ltd. (鄆城縣恒騰投資開發有限公司). Pursuant to which, Juancheng County Hengteng Investment Development Co., Ltd. leased to Shandong Liyuan Technology Co., Ltd. premises located in the Juancheng High-Performance New Materials Industrial Park, with a total floor area of 132,065 sq.m. The lease term is from June 1, 2023 to May 31, 2038, with a rent-free period from June 1, 2023 to May 31, 2028. The initial rent is set at RMB100/sq.m./year, and starting from the sixth year, the rent will increase by 10% every three years (with the increase applied at the beginning of each three-year period and remaining unchanged during that period).

3) *Liyuan (Jiangsu) Technology Co., Ltd.*

Liyuan (Jiangsu) Technology Co., Ltd. entered into a central axis office lease agreement with BTR (Jiangsu) New Material Technology Co., Ltd. (貝特瑞(江蘇)新材料科技有限公司). Pursuant to which, BTR (Jiangsu) New Material Technology Co., Ltd. leased to Liyuan (Jiangsu) Technology Co., Ltd. premises located at Plant No. 3, 519 Jiangdong Avenue, Jintan District, Changzhou City, with a total floor area of 53,141.17 sq.m. The lease term is from January 1, 2024 to December 31, 2025, at a rental rate of RMB31.92 per square metre per month.

Liyuan (Jiangsu) Technology Co., Ltd. entered into a house lease agreement with Changzhou Jiangdong Real Estate Development Co., Ltd. (常州江東房地產開發有限公司). Pursuant to which, Changzhou Jiangdong Real Estate Development Co., Ltd. leased to Liyuan (Jiangsu) Technology Co., Ltd. a total of 17 apartment units located on the 4th, 7th, and 9th floors

of Building D, Jinsha Technology Financial Center, with a total floor area of 908.62 sq.m. The lease term is from June 1, 2025 to May 30, 2026, at an annual rent of RMB261,700.

Liyuan (Jiangsu) Technology Co., Ltd. has entered into a property lease contract with Yin Jianzhong (尹建忠), pursuant to which Yin Jianzhong leases the property at Flat 1203, Block 5, Shangjun Tianjiao Garden, No. 398 Hongfu Road, Jintan District, Changzhou, with a gross floor area of 104 square metres, to Liyuan (Jiangsu) Technology Co., Ltd., with the lease term commencing from March 14, 2025 to March 13, 2026, and the rental fee set at RMB2,700 per month.

Liyuan (Jiangsu) Technology Co., Ltd. has entered into a property lease contract with Jintan Diesel Engine Changzhou Co., Ltd. (金壇柴油機常州有限公司), pursuant to which Jintan Diesel Engine Changzhou Co., Ltd. leases the property at two workshops in the factory premises at No.1 Huacheng East Road, with a gross floor area of 6,440 square metres, to Liyuan (Jiangsu) Technology Co., Ltd., with the lease term commencing from December 15, 2022 to December 14, 2025, and the rental fee set at RMB180 per square metre per annum for the first two years and RMB189 per square metre per annum for the third year.

Liyuan (Jiangsu) Technology Co., Ltd. has entered into a property lease contract with Changzhou Huake Engineering Construction Co., Ltd. (常州華科工程建設有限公司), pursuant to which Changzhou Huake Engineering Construction Co., Ltd. leases a flat on the 5th floor at No. 559 Jinlong Avenue, Luogeng Science and Technology Industrial Park, Jintan, Jiangsu, with a gross floor area of 47 square metres, to Liyuan (Jiangsu) Technology Co., Ltd., with the lease term commencing from July 22, 2025 to December 31, 2025.

4) *Hubei Liyuan New Energy Technology Co., Ltd.* (湖北鋰源新能源科技有限公司)

Hubei Liyuan New Energy Technology Co., Ltd. has entered into a substation lease contract with Xiangyang Zhongxin Urban Operations Management Co., Ltd. (襄陽眾鑫城市運營管理有限公司), pursuant to which Xiangyang Zhongxin Urban Operations Management Co., Ltd. leases the 110KV substation and the related power distribution equipment at south of Planned Road No. 13 and east of South Road No. 2 in the Xiangcheng Economic Development Zone, with a gross floor area of 1,375.84 square metres, to Hubei Liyuan New Energy Technology Co., Ltd., with the lease term commencing from March 8, 2023 to March 7, 2026, and the annual rental fee set at RMB2,278,400.

Hubei Liyuan New Energy Technology Co., Ltd. has entered into a factory premises lease contract with Xiangyang Zhongxin Urban Operations Management Co., Ltd., pursuant to which Xiangyang Zhongxin Urban

Operations Management Co., Ltd. leases the factory premises at south of Planned Road No. 13 and east of South Road No. 2 in the Xiangcheng Economic Development Zone, with a gross floor area of 347,618.47 square metres, to Hubei Liyuan New Energy Technology Co., Ltd., with the lease term commencing from July 31, 2023 to June 30, 2043, and the rental fee of RMB10 per square metre per month.

5) *Liyuan (Shenzhen) Scientific Research Co., Ltd. (鋰源(深圳)科學研究有限公司)*

Liyuan (Shenzhen) Scientific Research Co., Ltd. has entered into the property lease contract with BTR New Material Group Co., Ltd. (貝特瑞新材料集團股份有限公司), pursuant to which BTR New Material Group Co., Ltd. leases the properties on the 3rd and 4th floors of Building 1B, BTR New Materials Science and Technology Park, Pingshan District, Shenzhen, with a gross floor area of 2,700 square metres, to Liyuan (Shenzhen) Scientific Research Co., Ltd., with the lease term commencing from January 1, 2026 to December 31, 2026, and the rental fee of RMB30 per square metre per month.

Liyuan (Shenzhen) Scientific Research Co., Ltd. has entered into a lease contract for properties in Shenzhen (residential) with BTR New Material Group Co., Ltd., pursuant to which BTR New Material Group Co., Ltd. leases the properties comprising Rooms 809 and 810 on the 8th floor and Rooms 1601, 2, 3, 4, 6, 9 and 10 on the 16th floor of Block 2, Building B, BTR New Materials Science and Technology Park, Pingshan District, Shenzhen, with a gross floor area of 618.33 square metres, to Liyuan (Shenzhen) Scientific Research Co., Ltd., with the lease term commencing from October 1, 2025 to December 31, 2026, and the rental fee of RMB27.83 per square metre per month.

Liyuan (Shenzhen) Scientific Research Co., Ltd. has entered into a Shenzhen property lease letter of intent with BTR New Material Group Co., Ltd., pursuant to which BTR New Material Group Co., Ltd. leased the properties located at 3/F-4/F, Building 1B, Shenzhen Graphene Industrial Park (Industrial Zone), Pingshan District, Shenzhen, with a gross floor area of approximately 2,721.28 sq.m., to Liyuan (Shenzhen) Scientific Research Co., Ltd. with the lease term commencing from January 1, 2025 to December 31, 2025, and the rental fee of RMB36.83 per square metre per month.

6) *Nanjing Liyuan Nanotechnology Co., Ltd.*

Nanjing Liyuan Nanotechnology Co., Ltd. has entered into the carrier lease agreement for Nanjing Xingang National Economic and Technological Development Zone with Nanjing Xingzhi Technology Industry Development Co., Ltd., pursuant to which Nanjing Xingzhi Technology Industry Development Co., Ltd. leased the property located at Gaotong Science and Innovation Base, Hengda Road No. 3, Nanjing Economic and Technological

Development Zone, with a gross floor area of approximately 15,100.78 sq.m., to Nanjing Liyuan Nanotechnology Co., Ltd. with the lease term commencing from January 1, 2025 to December 31, 2029, and the rental fee of RMB24.83 per square metre per month.

7) *Liyuan (Asia Pacific) New Energy Co., Ltd.*

LBM NEW ENERGY (AP) PTE. LTD. entered into the Office Lease Agreement with ROYAL GROUP INVESTMENTS PTE LTD, pursuant to which ROYAL GROUP INVESTMENTS PTE LTD leased to LBM NEW ENERGY (AP) PTE. LTD. the premises located at Royal Group Building, 3 Phillip Street, Singapore, with a gross floor area of 109.16 sq.m., for a lease term commencing from July 23, 2025 to July 22, 2027, at a rental of RMB475.18 per sq.m. per month.

8) *Liyuan (Indonesia) New Energy Co., Ltd.*

PT LBM ENERGI BARU INDONESIA BATANG entered into the Industrial Land Use Agreement with PT KAWASAN INDUSTRI TERPADU BATANG, pursuant to which PT KAWASAN INDUSTRI TERPADU BATANG leased to PT LBM ENERGI BARU INDONESIA BATANG the premises located at Batang Integrated Industrial Park, with a gross floor area of 317,200 sq.m., for a lease term commencing from September 11, 2025 to September 10, 2101, at a rental of RMB7.31 per sq.m. per annum.

(2) *Charges and guarantees*

1) *Changzhou Liyuan New Energy Technology Co., Ltd. (now known as Changzhou Liyuan New Energy Technology Group Co., Ltd.)*

Changzhou Liyuan New Energy Technology Co., Ltd. (now known as Changzhou Liyuan New Energy Technology Group Co., Ltd.) entered into the Merger and Acquisition Loan Agreement numbered 2021 (Hanfu) Zi No. 005 with Industrial and Commercial Bank of China Limited, Nanjing Hanfu Sub-branch in 2021, pursuant to which a loan of RMB500 million was obtained from Industrial and Commercial Bank of China Limited, Nanjing Hanfu Sub-branch, with a loan term from June 2021 to May 2028, secured by fixed assets.

Changzhou Liyuan New Energy Technology Co., Ltd. (now known as Changzhou Liyuan New Energy Technology Group Co., Ltd.) entered into the Irrevocable Guarantee numbered 127HT202204830802 with China Merchants Bank Co., Ltd., Yichang Sub-branch in 2022, pursuant to which it provided joint and several liability guarantee to the associate company of the assessed entity, Hubei Fengli New Energy Technology Co., Ltd., in respect of its obligations under the principal loan agreement with a principal amount not exceeding RMB80 million, together with corresponding

interest, default interest, compound interest, penalties, late payment charges and all other related expenses. The guarantee period is from May 27, 2022 to May 27, 2028.

2) *Sichuan Liyuan New Material Co., Ltd.*

Jiangsu Lopal Tech Co., Ltd. (now known as Jiangsu Lopal Tech. Group Co., Ltd.) entered into a guarantee contract numbered Chengdu Jiaoyin 2025 Bao Zi No. 420001 with Bank of Communications Co., Ltd., Chengdu Pidu Sub-branch in 2025, pursuant to which it provided joint and several liability guarantee to the associate company of the assessed entity, Sichuan Liyuan New Materials Co., Ltd., in respect of its obligations under the principal loan agreement with a principal amount not exceeding RMB30 million, together with corresponding interest, default interest, compound interest, penalties, late payment charges and all other related expenses. The guarantee period is from March 21, 2025 to February 8, 2026.

Jiangsu Lopal Tech Co., Ltd. (now known as Jiangsu Lopal Tech. Group Co., Ltd.) entered into a guarantee contract numbered Xingyin Rong (Bao'e) 2025 No. 15121 with Industrial Bank Co., Ltd., Chengdu Branch in 2025, pursuant to which it provided joint and several liability guarantee to the associate company of the assessed entity, Sichuan Liyuan New Materials Co., Ltd., in respect of its obligations under the principal loan agreement with a principal amount not exceeding RMB150 million, together with corresponding interest, default interest, compound interest, penalties, late payment charges and all other related expenses. The guarantee period is from March 26, 2025 to March 5, 2027.

Jiangsu Lopal Tech Co., Ltd. (now known as Jiangsu Lopal Tech. Group Co., Ltd.) entered into a guarantee contract numbered 2025 Suizhong Yinsi Baozi No. 008 with Bank of China Co., Ltd., Suining Branch in 2025, pursuant to which it provided joint and several liability guarantee to the associate company of the assessed entity, Sichuan Liyuan New Materials Co., Ltd., in respect of its obligations under the principal loan agreement with a principal amount not exceeding RMB150 million, together with corresponding interest, default interest, compound interest, penalties, late payment charges and all other related expenses. The guarantee period is from April 27, 2025 to October 29, 2029.

Jiangsu Lopal Tech Co., Ltd. (now known as Jiangsu Lopal Tech. Group Co., Ltd.) entered into a guarantee contract numbered 2025 Suizhong Yinsi Baozi No. 012 with Bank of China Co., Ltd., Suining Branch in 2025, pursuant to which it provided joint and several liability guarantee to the associate company of the assessed entity, Sichuan Liyuan New Materials Co., Ltd., in respect of its obligations under the principal loan agreement with a principal amount not exceeding RMB250 million, together with

corresponding interest, default interest, compound interest, penalties, late payment charges and all other related expenses. The guarantee period is from October 20, 2025 to April 24, 2030.

Jiangsu Lopal Tech Co., Ltd. (now known as Jiangsu Lopal Tech. Group Co., Ltd.) entered into a guarantee contract numbered 2025 Xinning Yin Zui Bao Zi No. 00210 with China CITIC Bank Corporation Limited, Nanjing Branch in 2025, pursuant to which it provided joint and several liability guarantee to the associate company of the assessed entity, Sichuan Liyuan New Materials Co., Ltd., in respect of its obligations under the principal loan agreement with a principal amount not exceeding RMB50 million, together with corresponding interest, default interest, compound interest, penalties, late payment charges and all other related expenses. The guarantee period is from October 23, 2025 to April 28, 2030.

3) *Shandong Liyuan New Materials Co., Ltd.*

Shi Junfeng entered into a guarantee contract numbered 2022 He Zhong Yin Si Bao Zi No. SDLY002 with Bank of China Co., Ltd., Juancheng Sub-branch in 2022, pursuant to which it provided joint and several liability guarantee to the associate company of the assessed entity, Shandong Liyuan New Materials Co., Ltd., in respect of its obligations under the principal loan agreement with a principal amount not exceeding RMB570 million, together with corresponding interest, default interest, compound interest, penalties, late payment charges and all other related expenses. The guarantee period is from September 22, 2022 to August 10, 2033.

4) *Hubei Liyuan New Energy Technology Co., Ltd.*

Hubei Liyuan New Energy Technology Co., Ltd. entered into a total of 9 fixed asset loan contracts with Bank of Communications Co., Ltd., Xiangyang Branch, with the contract numbers being A701X22001, A701X22002, A701X22003, A701X22004, A701X22005, A701X22006, A701X22007, A701X23001 and A701X24003 respectively. The total contract amount is RMB369 million, and the contracts stipulate that the funds shall only be used for the large-scale production project of new energy vehicle power and energy storage cathode materials. To ensure the realization of all creditors' rights under the aforesaid contracts, Jiangsu Lopal Tech Co., Ltd. (now known as Jiangsu Lopal Tech. Group Co., Ltd.) and Shi Junfeng are willing to provide a maximum amount guarantee for all principal contracts signed between Hubei Liyuan New Energy Technology Co., Ltd. and Bank of Communications Co., Ltd., Xiangyang Branch from September 27, 2022 to September 27, 2027. The maximum amount of claims guaranteed by the guarantors is RMB500,000,000 only, and the contracts numbered Guarantee A701X22001 and Personal Guarantee A701X22001 have been signed respectively.

In 2025, Jiangsu Lopal Tech. Co., Ltd. entered into a maximum amount guarantee contract numbered 2025 E Yin Zui Bao No. 1827 with Xiangyang Branch of China CITIC Bank Corporation Limited, pursuant to which it provided joint and several liability guarantee to Hubei Liyuan New Energy Technology Co., Ltd. (湖北鋰源新能源科技有限公司), in respect of its obligations of RMB50 million included under the principal contract, together with the corresponding interest, default interest, compound interest, penalties, late payment charges and all other related expenses. The guarantee period is from June 26, 2025 to June 26, 2027.

In 2025, Jiangsu Lopal Tech. Co., Ltd. (now known as Jiangsu Lopal Tech. Group Co., Ltd.) entered into a guarantee contract numbered YB2361202528014701 with Xiangyang Branch of Shanghai Pudong Development Bank Co., Ltd., pursuant to which it provided joint and several liability guarantee to Hubei Liyuan New Energy Technology Co., Ltd. (湖北鋰源新能源科技有限公司), in respect of its obligations of RMB50 million included under the principal contract, together with the corresponding interest, default interest, compound interest, penalties, late payment charges and all other related expenses. The guarantee period is from June 30, 2025 to June 30, 2027.

5) *Tianjin Liyuan Technology Co., Ltd. (鋰源(天津)科技有限公司)*

In 2025, Tianjin Liyuan Technology Co., Ltd. (鋰源(天津)科技有限公司) entered into a maximum amount guarantee contract numbered Gong Gao Bao Zi No. ZHHT25000043012001 with Tianjin Branch of China Minsheng Banking Corp., Ltd., pursuant to which it provided joint and several liability guarantee to Tianjin Liyuan Technology Co., Ltd. (鋰源(天津)科技有限公司), in respect of its obligations of RMB20 million included under the principal contract, together with the corresponding interest, default interest, compound interest, penalties, late payment charges and all other related expenses. The guarantee period is from March 14, 2025 to March 13, 2026.

Save as disclosed above, no matters relating to mortgages, pledges, guarantees, leases, and other contingent liabilities/contingent assets of the assessed entity have come to our attention.

The income approach adopted in this valuation has taken into account the impact of lease arrangements, but has not taken into account the impact of matters such as mortgages, pledges and guarantees on the valuation conclusion.

This valuation has not taken into account any rights or obligations that may exist outside the scope of valuation entrusted by the consignor and the assessed entity, including contingent gains, contingent (off-balance sheet) assets and contingent liabilities.

3. Other matters

1) *Audit report*

The financial statements of the assessed entity as at the valuation benchmark date were audited by Nanjing Branch of Gongzheng Tianye Certified Public Accountants (Special General Partnership), which issued a standard unqualified audit report numbered “Su Gong B [2026] A003”. Users of this asset valuation report are advised to read this report in conjunction with the aforesaid audit report.

2) *Future earnings forecast*

Necessary analyses, judgments and adjustments have been made to the future earnings forecast information lawfully provided by the consignor and other relevant parties. Taking into account the assessed entity’s human resources, technological capabilities, capital structure, operating conditions, historical performance and development trends, as well as macroeconomic factors and the current status and future prospects of the industry in which it operates, reasonable valuation assumptions have been determined to formulate the future earnings forecast. The earnings forecast adopted in this valuation was determined based on the future earnings forecast information provided by the enterprise after necessary analyses, judgments and adjustments had been made thereto, and has been accepted and agreed by the enterprise following full communication with it. The valuation conclusion set out in this report is dependent on the aforesaid earnings forecast information and should not be construed as providing any assurance as to the achievability of the earnings forecast figures.

3) *Change of company name*

As of the date of issuance of this asset valuation report, Changzhou Liyuan New Energy Technology Co., Ltd. (常州鋰源新能源科技有限公司) had changed its name to Changzhou Liyuan New Energy Technology Group Co., Ltd. (常州鋰源新能源科技集團有限公司).

The following is the text of a letter from the Reporting Accountant, Moore CPA Limited, Certified Public Accountants, Hong Kong, relating to the valuation, for, amongst other purposes, inclusion in this circular.

18 August 2026

The Board of Directors
Jiangsu Lopal Tech. Group Co., Ltd.
No. 6 Hengtong Avenue
Nanjing Economic and Technological
Development Zone
Nanjing, Jiangsu
PRC

Dear Sirs,

**INDEPENDENT ASSURANCE REPORT ON THE CALCULATIONS OF
DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE
VALUATION OF THE EQUITY INTEREST IN THE TARGET COMPANY (AS
DEFINED BELOW)**

To the Board of Directors of Jiangsu Lopal Tech. Group Co., Ltd.

We have examined the calculations of the discounted future estimated cash flows on which the valuation prepared by Beijing Zhongtianhe Assets Appraisal Co., Ltd. dated 14 August 2026 in respect of the equity interests in Changzhou Liyuan New Energy Technology Group Co., Ltd. (referred to as the “**Target Company**”), as at 30 November 2025 (the “**Valuation**”) is based. The Valuation, prepared in connection with the capital increase in the Target Company is set out in the circular dated 18 August 2026 (the “**Circular**”) to be issued by Jiangsu Lopal Tech. Group Co., Ltd. (the “**Company**”). The Valuation which is based on the discounted future estimated cash flows is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Directors’ Responsibilities

The directors of the Company (the “**Directors**”) are responsible for the preparation of the discounted future estimated cash flows in accordance with the bases and assumptions determined by the Directors and set out in the Circular (the “**Assumptions**”). This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future estimated cash flows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Reporting Accountant's Independence and Quality Management

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1 “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements” issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion on whether the calculations of the discounted future estimated cash flows have been properly compiled, in all material respects, in accordance with the Assumptions on which the Valuation are based and to report solely to you, as a body, as required by Rule 14.60A(2) of the Listing Rules, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our engagement in accordance with the terms of our engagement letter dated 7 July 2026 and Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the HKICPA. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain reasonable assurance as to whether the discounted future estimated cash flows, so far as the calculations are concerned, have been properly compiled, in all material respects, in accordance with the Assumptions. Our work was limited primarily to making inquiries of the Company's management, considering the analyses and assumptions on which the discounted future estimated cash flows are based and checking the arithmetic accuracy of the compilation of the discounted future estimated cash flows. Our work does not constitute any valuation of the Target Company.

Because the Valuation relates to discounted future estimated cash flows, no accounting policies of the Company have been adopted in its preparation. The Assumptions include hypothetical assumptions about future events and management actions which cannot be confirmed and verified in the same way as past results and these may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Valuation and the variation may be material. Accordingly, we have not reviewed, considered or conducted any work on the reasonableness and the validity of the Assumptions and do not express any opinion whatsoever thereon.

Opinion

Based on the foregoing, in our opinion, the discounted future estimated cash flows, so far as the calculations are concerned, have been properly compiled, in all material respects, in accordance with the Assumptions.

Moore CPA Limited*Certified Public Accountants*

Hong Kong, 18 August 2026

The following is the text of a letter from the Board, relating to the valuation, for, amongst other purposes, inclusion in this circular.

August 18, 2026

Listing Division
The Stock Exchange of Hong Kong Limited
12th Floor, Two Exchange Square,
8 Connaught Place, Central, Hong Kong

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION
CAPITAL INCREASE AGREEMENT**

We refer to the announcement of Jiangsu Lopal Tech. Group Co., Ltd. (the “**Company**”) dated August 18, 2026 (the “**Announcement**”) and the circular of the Company dated August 18, 2026 in relation to the captioned transaction (the “**Circular**”). Unless the context otherwise requires, capitalized terms in this letter shall have the same meanings as defined in the Circular.

We refer to the valuation report dated August 14, 2026 prepared by the Valuer, Beijing Zhongtianhe Assets Appraisal Co., Ltd.* (北京中天和資產評估有限公司), in relation to the valuation of the entire equity interests of Changzhou Liyuan. The Valuer adopted the discounted cash flow method under the income approach in valuation of Changzhou Liyuan. Such valuation constitutes a profit forecast under Rule 14.61 of the Listing Rules.

The Board has reviewed and prepared the information and documents relating to the basis and assumptions on which the discounted cash flows in the valuation are based and the calculation method used and reviewed the valuation (for which the Valuer is responsible) prepared by the Valuer. The Board has also considered the report from Moore CPA Limited, the Reporting Accountant, dated August 18, 2026 regarding the calculations of the discounted cash flows in the valuation.

On the basis of the foregoing, in accordance with the requirements under Rule 14.60A(3) of the Listing Rules, the Board confirms that the valuations prepared by the Valuer has been made after due and careful enquiry.

Yours faithfully
On behalf of the Board
Jiangsu Lopal Tech. Group Co., Ltd.
SHI Junfeng
Chairman

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. SHARE CAPITAL

As of the Latest Practicable Date, the total number of issued shares of the Company was 791,111,906, comprising 656,111,906 A Shares listed on the Shanghai Stock Exchange and 135,000,000 H Shares listed on the Hong Kong Stock Exchange.

3. DISCLOSURE OF INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES

As of the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporation (within the meaning of Part XV of the SFO) which had been notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or was a director or employee of a company which had an interest or short position in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required, pursuant to Section 352 of the SFO, to be entered in the register of members of the Company, or which

were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the Hong Kong Stock Exchange, were set out as follows:

(i) Interest in the Company

Name of Director or chief executive	Nature of Interest	Class	Number of Shares ⁽¹⁾	Approximate percentage of shareholding in the relevant class of shares of the Company ⁽²⁾	Approximate percentage of shareholding in the total share capital of the Company ⁽³⁾
Mr. Shi Junfeng ⁽⁴⁾⁽⁶⁾	Beneficial owner	A Shares	212,662,195	32.41%	26.88%
	Interest held by controlled corporation	A Shares	1,901,208	0.29%	0.24%
	Interest of spouse	A Shares	23,618,649	3.60%	2.99%
Ms. Zhu Xianglan ⁽⁵⁾	Beneficial owner	A Shares	23,618,649	3.60%	2.99%
	Interest of spouse	A Shares	214,563,403	32.70%	27.12%
Mr. Lu Zhenya (former name: Lu Zhenya)	Beneficial owner	A Shares	361,988	0.06%	0.05%
Mr. Qin Jian ⁽⁷⁾	Beneficial owner	A Shares	320,832	0.05%	0.04%
	Interest of spouse	A Shares	33,056	0.01%	0.00%
Mr. Shen Zhiyong	Beneficial owner	A Shares	218,112	0.03%	0.03%
Mr. Zhang Yi	Beneficial owner	A Shares	325,792	0.05%	0.04%

Notes:

- (1) All interests stated are long positions.
- (2) The calculation is based on the total number of 656,111,906 A Shares or 135,000,000 H Shares in issue as of the Latest Practicable Date, depending on the class of Shares involved.
- (3) The calculation is based on the total number of 791,111,906 Shares as of the Latest Practicable Date and without taking into account the options granted under the 2025 Share Option Scheme. As of the Latest Practicable Date, the Company does not hold any Shares as treasury shares.
- (4) Mr. Shi Junfeng is the spouse of Ms. Zhu Xianglan. By virtue of the SFO, Mr. Shi Junfeng is deemed to be interested in the Shares in which Ms. Zhu Xianglan is interested.
- (5) Ms. Zhu Xianglan is the spouse of Mr. Shi Junfeng. By virtue of the SFO, Ms. Zhu Xianglan is deemed to be interested in the Shares in which Mr. Shi Junfeng is interested.
- (6) Nanjing Bailey is a limited partnership established in the PRC, which is managed by Lopal International as its general partner. Lopal International is a limited company established in the PRC, which is owned as to 90% by Mr. Shi Junfeng and 10% by Ms. Zhu Xianglan. Accordingly, Mr. Shi Junfeng is deemed to be interested in the Shares held by Nanjing Bailey.

- (7) Ms. Xu Suxia is the spouse of Mr. Qin Jian. As of the Latest Practicable Date, Ms. Xu Suxia held 33,056 A Shares. By virtue of the SFO, Mr. Qin Jian is deemed to be interested in the Shares held by Ms. Xu Suxia.

Save as disclosed above, as of the Latest Practicable Date, none of the Directors and chief executive of the Company had interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or which were required to be otherwise notified to the Company and the Hong Kong Stock Exchange.

(ii) Interest in associated corporations

Name of Director or chief executive	Nature of interests⁽¹⁾	Associated corporations	Approximate percentage of holding in associated corporations
Mr. Shi Junfeng	Interest held by controlled corporation	Changzhou Liyuan	65.79% ⁽²⁾
Mr. Shen Zhiyong	Interest held by controlled corporation	Changzhou Liyuan	1.95% ⁽³⁾

Notes:

- (1) All the interests stated are long positions.
- (2) As of the Latest Practicable Date, Changzhou Liyuan was owned as to approximately 61.88% by the Company in which Mr. Shi Junfeng controlled more than one-third of voting power and approximately 3.91% by Changzhou Youbeili, in which Mr. Shi Junfeng served as the general partner and owned 99.9% interest, respectively. Therefore, Mr. Shi Junfeng is deemed to be interested in the shares in Changzhou Liyuan held by Changzhou Youbeili and the shares in Changzhou Liyuan held by the Company under the SFO.
- (3) As of the Latest Practicable Date, Changzhou Liyuan was owned as to approximately 1.95% by Nanjing Jinbeili in which Mr. Shen Zhiyong served as the general partner and owned 99% interest. Therefore, Mr. Shen Zhiyong is deemed to be interested in the shares in Changzhou Liyuan held by Nanjing Jinbeili under the SFO.

4. SUBSTANTIAL SHAREHOLDERS

As of the Latest Practicable Date, to the knowledge of the Directors, the following persons (other than the Directors and chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which were required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO and recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Shareholder	Nature of interests	Class	Number of Shares ⁽¹⁾	Approximate percentage of shareholding in the relevant class of shares of the Company ⁽²⁾	Approximate percentage of shareholding in the total share capital of the Company ⁽³⁾
Harvest International Capital Management Limited	Interest held by controlled corporation	H Shares	12,225,500 (L)	9.06%	1.55%
UBS AG	Person having a security interest in shares	H shares	6,653,500 (L)	4.93%	0.84%
JPMorgan Chase & Co.	Beneficial owner	H shares	4,054,000 (L)	3.00%	0.51%
		H shares	4,054,000 (S)	3.00%	0.51%
	Person having a security interest in shares	H shares	3,293,500 (L)	2.44%	0.42%

Notes:

- (1) Interests labelled with (L) are long positions, and interests labelled with (S) are short positions.
- (2) The calculation is based on the total number of 656,111,906 A Shares or 135,000,000 H Shares in issue as of the Latest Practicable Date, depending on the class of Shares involved.
- (3) The calculation is based on the total number of 791,111,906 Shares as of the Latest Practicable Date and without taking into account the options granted under the 2025 Share Option Scheme. As of the Latest Practicable Date, the Company does not hold any Shares as treasury shares.

5. DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESS

As of the Latest Practicable Date, none of the Directors and the Controlling Shareholders was interested in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group which would require disclosure under Rule 8.10 of the Hong Kong Listing Rules.

6. DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

As of the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

7. DIRECTORS' INTERESTS IN ASSETS AND CONTRACTS

As of the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets that had been acquired or disposed of by or leased to any member of the Group, or proposed to be acquired or disposed of by or leased to any member of the Group since December 31, 2025 (being the date to which the latest published audited consolidated accounts of the Company).

As of the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting at such date which was significant in relation to the business of the Group.

8. NO MATERIAL ADVERSE CHANGE

The Directors confirm that, as of the Latest Practicable Date, there was no material adverse change in the financial or trading position of the Group since December 31, 2025, being the date to which the latest published audited accounts of the Company were made up.

9. EXPERTS' QUALIFICATION AND CONSENT

The following is the qualification of the experts who have given opinion or advice which is contained in this circular:

Name	Qualification
Rainbow Capital (HK) Limited	A licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
Beijing Zhongtianhe Assets Appraisal Co., Ltd. (北京中天和資產評估有限公司)	Independent professional valuer
Moore CPA Limited	Certified Public Accountants

As of the Latest Practicable Date, each of the above experts:

- (1) has given and has not withdrawn its written consent to the issue of this circular with the inclusion therein of its letter, report or opinion and reference to its name in the form and context in which they respectively appear;
- (2) did not have any shareholdings in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for shares in any member of the Group; and
- (3) did not have any direct or indirect interests in any assets which had been acquired or disposed of by or leased to any of member of the Group, or are proposed to be acquired or disposed of by or leased to any of member of the Group since December 31, 2025 (being the date to which the latest published audited consolidated financial accounts of the Company were made up).

10. DOCUMENTS ON DISPLAY

Copies of the following documents are published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.lopal.com.cn) during the period of 14 days from the date of this circular:

- (1) the Capital Increase Agreement;
- (2) the letter of recommendation from the Independent Board Committee of the Company to the Independent Shareholders as set out in this circular;
- (3) the letter issued by Rainbow Capital (HK) Limited as set out in this circular;
- (4) the valuation report, the summary of which is set out in Appendix I to this circular;

- (5) the letter from Moore CPA Limited in relation to the valuation, the text of which is set out in Appendix II to this circular; and
- (6) the written consent letters referred to in the paragraph headed “Experts’ Qualification and Consent” in this appendix.



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)

**NOTICE OF 2026 FIFTH EXTRAORDINARY
GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the 2026 fifth extraordinary general meeting (the “**EGM**”) of Jiangsu Lopal Tech. Group Co., Ltd. (“**Company**”, together with its subsidiaries, the “**Group**”) will be held at 2nd Floor, Large Conference Room, No. 6 Hengtong Avenue, Nanjing Economic and Technological Development Zone, Nanjing, Jiangsu Province, PRC on Thursday, September 3, 2026 at 2 p.m. for the purpose of considering, and it thought fit, approving the following resolutions. Unless otherwise stated, the capitalized terms used herein shall have the same meanings as defined in the circular of the Company dated August 18, 2026 (the “**Circular**”), of which the notice convening the EGM shall form part.

ORDINARY RESOLUTIONS

To consider and, if thought fit, pass, with or without modifications, the following resolutions as ordinary resolutions:

- (1) To consider and approve the entering into of the Capital Increase Agreement and the transactions contemplated thereunder.
- (2) To consider and approve the extension of the period of 30 days during which the Company's register of members may be closed under section 632(1) of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (“**Companies Ordinance**”) during the calendar year 2026 to 60 days pursuant to section 632(3) and section 632(4) of the Companies Ordinance.

NOTICE OF 2026 FIFTH EXTRAORDINARY GENERAL MEETING

SPECIAL RESOLUTION

To consider and, if thought fit, pass, with or without modifications, the following resolution as special resolution:

- (3) To consider and approve the proposed amendments to the Articles of Association.

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

Nanjing, PRC
August 18, 2026

As at the date of this notice, 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.

Notes:

1. The voting at the EGM will be conducted by way of poll.
2. In order to determine the list of Shareholders who will be entitled to attend and vote at the EGM, the registers of members of the Company will be closed from August 31, 2026 to September 3, 2026 (both days inclusive), during which no transfer of H Shares in the share capital of the Company with a nominal value of RMB1.00 each, which are traded in Hong Kong dollar and listed on the Hong Kong Stock Exchange (the “H Shares”), will be effected. Holders of H Shares whose names appear on the registers of members of the Company on August 31, 2026 shall be entitled to attend and vote at the EGM. In order for the holders of H Shares to qualify to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, no later than 4:30 p.m. on August 28, 2026 for registration.
3. Each Shareholder entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote on his or her behalf. A proxy need not be a Shareholder.
4. The form of proxy must be signed by the Shareholder or his/her attorney duly authorized in writing. If the Shareholder is a corporation, the instrument must be either under its common seal or signed by the director or his/her attorney duly authorized. If the instrument is signed by an attorney of the Shareholder, the power of attorney authorizing that attorney to sign or other authorization document must be notarized.
5. To be valid, the form of proxy and the relevant notarized power of attorney (if any) and other relevant documents of authorization (if any) as mentioned in note (3) above must be delivered to the Company’s H Share Registrar, Computershare Hong Kong Investor Services Limited (address: 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong), not less than 24 hours before the time appointed for the EGM or any adjournment thereof. Completion and return of a form of proxy will not preclude a Shareholder from attending and voting in person at the EGM if he/she so wishes.

NOTICE OF 2026 FIFTH EXTRAORDINARY GENERAL MEETING

6. A Shareholder or his proxy should produce proof of identity when attending the EGM (or any adjournment thereof). If a corporate shareholder's legal representative or any other person duly authorized by such corporate shareholder attends the EGM (or any adjournment thereof), such legal representative or other person shall produce his proof of identity, proof of designation as legal representative and/or the valid authorization document (as the case may be).
7. The EGM is expected to last for no more than half a day. Shareholders or their proxies attending the meeting are responsible for their own transportation and accommodation expenses.
8. All times refer to Hong Kong local time, except as otherwise stated.