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Jiangsu Lopal Tech. Group Co., Ltd.
江蘇龍蟠科技集團股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2465)

**ANNOUNCEMENT ON PROVISIONS FOR IMPAIRMENT LOSSES
FOR THE FIRST HALF OF 2026**

This announcement is made by Jiangsu Lopal Tech. Group Co., Ltd. (the “**Company**”) pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rules 13.09(2) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Company convened the sixteenth meeting of the fifth session of the board of directors and the tenth meeting of the audit committee of the fifth session of the board of directors on August 26, 2026, at which the Resolution on Provisions for Impairment Losses for the First Half of 2026 was considered and approved. The relevant details are hereby announced as follows:

I. OVERVIEW OF THE PROVISION FOR IMPAIRMENT

In accordance with the Accounting Standards for Business Enterprises, the Accounting Regulatory Risk Warning No. 8 — Goodwill Impairment issued by the China Securities Regulatory Commission, the Accounting Standards for Business Enterprises No. 8 — Asset Impairment issued by the Ministry of Finance, and the relevant regulation of the accounting policies of the Company, and based on the principle of prudence, in order to present a more true and accurate view of the Company’s asset position and financial condition as of June 30, 2026, the Company

and its subsidiaries conducted a comprehensive review and impairment testing of goodwill, notes receivable, accounts receivable, other receivables, inventories and others for which there were indications of impairment as at the balance sheet date. In the first half of 2026, the Company made aggregate impairment provisions of RMB63.4029 million, resulting in a decrease of RMB63.4029 million in the total profit of the Company's consolidated statements for the first half of 2026. Details are set out in the table below:

Unit: RMB'0,000

Item Name	Impairment amounts in the first half of 2026 (reversals are shown as negative amounts)
Credit impairment	3,336.54
Inventory write-downs	<u>3,003.75</u>
Total	<u><u>6,340.29</u></u>

II. SPECIFIC DETAILS OF PROVISION FOR IMPAIRMENT

(1) Provision for credit impairment losses

1. Basis of provision for credit impairment losses

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

2. Specific details of provision for credit impairment losses

Unit: RMB0'000

Item	Opening balance	Accrual/ reversal in current period	Charge-offs and other changes in current period	Closing balance
Bad debt provision for bill receivables	32.17	-3.80		28.36
Bad debt provision for account receivables	12,242.38	3,160.52	7.98	15,394.92
Bad debt provision for other receivables	<u>2,278.25</u>	<u>179.83</u>		<u>2,458.08</u>
Total	<u>14,552.80</u>	<u>3,336.54</u>	<u>7.98</u>	<u>17,881.36</u>

Note: The sum of individual figures may differ from the total due to rounding.

(2) Provision for impairment loss on assets

1. Basis of provision for impairment loss on assets

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

Due to market conditions during the first half of 2026, the primary raw material for the Company's LFP products, lithium carbonate, the price of which experienced significant fluctuations, and on the grounds of prudence, the Company recognised a provision for inventory write-down of RMB30.0375 million on inventories as at June 30, 2026.

2. *Specific details of impairment provision*

Unit: RMB0'000

Item	Opening balance (RMB)	Accrual/ reversal in current period	Charge-offs and other changes in current period	Closing balance
Provision for inventory write-downs	<u>3,873.92</u>	<u>3,003.75</u>	<u>2,629.81</u>	<u>4,247.86</u>
Total	<u><u>3,873.92</u></u>	<u><u>3,003.75</u></u>	<u><u>2,629.81</u></u>	<u><u>4,247.86</u></u>

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

In the first half of 2026, the Company made impairment provisions totaling RMB63.4029 million, resulting in a decrease of RMB63.4029 million in the total profit of the Company's consolidated financial statements for the first half of 2026. The provision for impairment complies with accounting standards and relevant accounting policies, and does not prejudice the interests of the Company and its shareholders, particularly those of minority shareholders.

IV. DECISION-MAKING PROCESS AND RELATED OPINIONS

The provision for impairment has been considered and approved at the sixteenth meeting of the fifth session of the Board and tenth meeting of the audit committee of the fifth session of the Board.

(1) Opinion of the Audit Committee

The provision for impairment made by the Company complies with and conforms to the Accounting Standards for Business Enterprises and the Company's relevant accounting policies. The basis for the impairment provision is adequate and aligns with the current status of the Company's assets. Based on the prudence principle, the provision for impairment contributes to a fairer reflection of the Company's financial position, asset value, and operating results as at June 30, 2026, thereby enhancing the reasonability of the Company's accounting information.

(2) Opinion of the Board

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

The financial data set out in this announcement is prepared in accordance with the PRC accounting standards and has not been audited by the Company's auditor. The financial data of this announcement is provided to investors to understand the operation of the Company only. The Company advises investors to exercise caution when using such information.

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

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

Nanjing, PRC
August 26, 2026

As at the date of this announcement, the board of directors 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.