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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)

**MAJOR TRANSACTION
IN RELATION TO PUT OPTION**

SHARE PURCHASE AGREEMENT

On October 22, 2026, LBM AP (an indirect non-wholly owned subsidiary of the Company) as Seller, and Kinetiq as Buyer, entered into the Share Purchase Agreement in relation to the Disposal. Pursuant to the Share Purchase Agreement, the Seller has agreed to sell, and the Buyer has agreed to purchase, the Target Shares, representing 76% of all the issued shares in the share capital of the Target Company immediately before Completion, for an aggregate consideration of US\$31.92 million. Upon Completion, the Buyer will hold 76% of the issued shares in the Target Company and the Group will, through the Seller and LBM SG, hold 24% of the issued shares in the Target Company.

SHAREHOLDERS' AGREEMENT AND PUT OPTION

In connection with the Share Purchase Agreement, on October 22, 2026, LBM AP, LBM SG, Kinetiq and the Target Company have entered into the Shareholders' Agreement, which will take effect on and from the Completion Date. Pursuant to the Shareholders' Agreement, Kinetiq is granted the Put Option. At any time during the Put Option Period, Kinetiq may require LBM AP to purchase all, but not part only, of the Put Shares at the Put Price upon the occurrence of a Put Exercise Condition.

HONG KONG LISTING RULES IMPLICATIONS

As of the date of this announcement, the Target Company is an indirect non-wholly owned subsidiary of the Company. LBM AP is a direct non-wholly owned subsidiary of Changzhou Liyuan, which is in turn held as to approximately 68.69% by the Company. Accordingly, LBM AP is an indirect non-wholly owned subsidiary of the Company. Before Completion, LBM AP and LBM SG hold 99.99% and 0.01% of the equity interest in the Target Company, respectively. Upon Completion, Kinetiq will hold 76% of the equity interest in the Target Company, and LBM AP and LBM SG will retain 23.99% and 0.01% respectively. The Target Company will cease to be a subsidiary of the Company and its financial results will no longer be consolidated with the Group.

Disposal

The Disposal constitutes a disposal by the Company under Chapter 14 of the Hong Kong Listing Rules. As the highest applicable percentage ratio (as defined under the Hong Kong Listing Rules) in respect of the Disposal does not exceed 5%, the Disposal does not constitute a notifiable transaction of the Company under Chapter 14 of the Hong Kong Listing Rules.

Put Option

Even if the Put Option may not materialise in the future, it is treated as if it had been exercised upon the execution of the Shareholders' Agreement as the exercise of the Put Option is not at the Group's discretion. The Put Option, if materialised, will constitute an acquisition of the equity interest of the Target Company by LBM AP under Chapter 14 of the Hong Kong Listing Rules. As of the date of this announcement, the Put Option has not been exercised.

As the highest possible exercise price of the Put Option cannot be determined at the time of grant of the Put Option, the grant of the Put Option will be treated at least as a major transaction pursuant to Rule 14.76(1) of the Hong Kong Listing Rules. Therefore, the grant of the Put Option will be subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Hong Kong Listing Rules. The Company will comply with applicable requirements under the Hong Kong Listing Rules upon the exercise of the Put Option and will also consult with the Hong Kong Stock Exchange as soon as practicable if the classification changes.

Shareholder's Loan

As of the date of this announcement, the Shareholder's Loan does not constitute a transaction under Rule 14.04(1)(e) of the Hong Kong Listing Rules. As the Target Company will cease to be a subsidiary of the Company upon Completion, the Shareholder's Loan will constitute financial assistance by the Group and a transaction under Chapter 14 of the Hong Kong Listing Rules. As the highest applicable percentage ratio (as defined under the Hong Kong Listing Rules) in respect of the Shareholder's Loan does not exceed 5%, the Shareholder's Loan does not constitute a notifiable transaction of the Company under Chapter 14 of the Hong Kong Listing Rules.

Guarantee

As of the date of this announcement, the Guarantee does not constitute a transaction under Rule 14.04(1)(e) of the Hong Kong Listing Rules. While the Target Company will cease to be a subsidiary of the Company upon Completion, since the Guarantee is expected to be released upon Completion, the Guarantee will not constitute financial assistance by the Group and a transaction under Chapter 14 of the Hong Kong Listing Rules.

GENERAL AND THE EGM

The EGM will be convened for the Shareholders to consider and, if thought fit, to approve, among other things, the Transaction Documents and the transactions contemplated thereunder.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as of the date of this announcement, no Shareholder is required to abstain from voting on the resolution to be proposed by the Company at the EGM.

A circular containing, amongst other things, (i) further information on the Transaction Documents and the transactions contemplated thereunder, (ii) the summary of the Valuation Report, (iii) a notice of EGM and (iv) other information as required under the Hong Kong Listing Rules will be made available to the Shareholders in due course.

Completion is subject to the satisfaction and/or waiver of the conditions precedent set out in the Share Purchase Agreement. In addition, the Transaction Documents may be terminated in certain circumstances. Shareholders and investors are advised to exercise caution when dealing in the securities of the Company.

I. SHARE PURCHASE AGREEMENT

(i) Principal Terms of Share Purchase Agreement

On October 22, 2026, LBM AP (an indirect non-wholly owned subsidiary of the Company) as Seller, and Kinetiq as Buyer, entered into the Share Purchase Agreement in relation to the Disposal. The principal terms of the Share Purchase Agreement are set out below:

Date	October 22, 2026
Parties	(1) LBM AP (a non-wholly owned subsidiary of the Group), as seller; and (2) Kinetiq, as buyer. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Buyer and its ultimate beneficial owner(s) are Independent Third Parties as of the date of this announcement.
Subject matter	Pursuant to the Share Purchase Agreement, the Seller has agreed to sell, and the Buyer has agreed to purchase, the Target Shares, representing 76% of all the issued shares in the share capital of the Target Company immediately before Completion, for an aggregate consideration of US\$31.92 million.
Payment	Prior to the execution of the Share Transfer Deed, the Buyer shall pay the consideration for the Target Shares of US\$31.92 million in cash. The Seller shall bear all bank charges and transfer costs relating to such payment.
Completion	Completion is conditional on the Conditions being satisfied or validly waived before the Long-Stop Date, being the date falling forty-five (45) days after the date of the Share Purchase Agreement, subject to extension of up to fifteen (15) Business Days by either the Seller or the Buyer in certain circumstances or such later date as the Seller and Buyer may agree in writing. Completion shall take place on the third (3rd) Business Day after the Conditions have been satisfied or waived, or such other date as the parties may agree in writing, in Indonesia.

(ii) Conditions Precedent

Completion is conditional on the Conditions being satisfied or validly waived before the Long-Stop Date. The Conditions are summarised below:

- (1) no applicable law, court order or binding direction of a governmental authority prohibits Completion;
- (2) any consent required from the working capital facility lenders for the transfer of the Target Shares and the resulting change in the Target Company's ownership has been obtained in writing and remains effective;
- (3) any Indonesian investment, competition or other regulatory approval (if required) that must legally be obtained before Completion has been obtained and remains effective;
- (4) the Buyer has delivered evidence reasonably satisfactory to the Seller that sufficient immediately available funds will be available at Completion to pay the consideration for the Disposal in full;
- (5) the Buyer has obtained all corporate and shareholder approvals required from it for the Transaction Documents, the acquisition of the Target Shares and the Completion payments;
- (6) the warranties given by the Buyer under the Share Purchase Agreement are true and accurate in all material respects and not misleading as of the date of the Share Purchase Agreement and as of the Completion Date;
- (7) the Seller has obtained all corporate approvals (including any required board and shareholder approvals) required for entry into the Share Purchase Agreement and the sale of the Target Shares;
- (8) the Seller has delivered the disclosure letter in a form that is reasonably acceptable to the Buyer;
- (9) all approvals and waivers required under the articles of association of the Target Company for the transfer of the Target Shares have been obtained in writing and remain effective;
- (10) no Material Adverse Change has occurred between the date of the Share Purchase Agreement and Completion;
- (11) the warranties given by the Seller under the Share Purchase Agreement are true, accurate in all material respects and not misleading as of the date of the Share Purchase Agreement and as of the Completion Date;

- (12) the Seller has complied with, and procured that the Target Company has complied with, in all material respects, the undertakings stipulated in the Share Purchase Agreement in relation to the conduct of the Target Company's business before Completion; and
- (13) the Seller has procured, at least thirty (30) days prior to Completion, that the Target Company has published a newspaper announcement and has notified its employees in relation to the transfer of the Target Shares in accordance with Article 127 of the Indonesian Companies Law.

The Conditions set out in paragraph (2) above may be waived only by the written agreement of LBM AP and Kinetiq. The Conditions set out in paragraphs (4) to (6) above may be waived by the Seller. The Conditions set out in paragraphs (8) to (12) above may be waived by the Buyer. Conditions set out in paragraphs (1), (3), (7) and (13), each being a Condition required by applicable law, may not be waived.

Each Party shall use reasonable endeavours to satisfy the Conditions for which it is responsible. Each Party shall promptly notify the other when a Condition for which it is responsible has been satisfied or cannot be satisfied before the Long-Stop Date. Neither Party may rely on the non-satisfaction of a Condition caused by its breach of the Share Purchase Agreement.

(iii) Shareholding Structure of the Target Company

Shareholding structure of the Target Company (i) as of the date of this announcement and up to immediately prior to Completion and (ii) immediately after Completion is set out below (assuming no other changes to the issued shares of the Target Company as of the date of this announcement and up to immediately prior to Completion):

Shareholders	As of the date of this announcement and up to immediately before the Completion		Immediately after the Completion	
	Number of shares in the Target Company	Approximately shareholding percentage (%)	Number of shares in the Target Company	Approximately shareholding percentage (%)
LBM AP	1,019,900	99.99	244,700	23.99
LBM SG	100	0.01	100	0.01
Buyer	—	—	775,200	76.00
Total	<u>1,020,000</u>	<u>100.00</u>	<u>1,020,000</u>	<u>100.00</u>

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

(iv) Basis for Determination of the Consideration for the Disposal

The consideration for the Disposal is US\$31.92 million (equivalent to approximately RMB217,403,928 at an exchange rate of US\$1 = RMB6.8109 as of June 30, 2026). The net book value of the Target Shares as of June 30, 2026 is approximately RMB210,864,508, being 76% of the total shareholders' equity of the Target Company of RMB277,453,300 as of June 30, 2026. Accordingly, the consideration for the Disposal represents an excess of approximately RMB6,539,420 over the net book value of the Target Shares, representing a premium of approximately 3.10% over such net book value.

(i) Principal Terms of Shareholders' Agreement

Date October 22, 2026

Parties

- (1) LBM AP;
- (2) LBM SG;
- (3) Kinetiq; and
- (4) the Target Company.

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(ii) Shareholders' Rights and Obligations

The Shareholders' Agreement sets out the rights and obligations of the Parties thereto in relation to the management and operations of the Target Company and shall take effect upon the Completion Date. In particular, it contains the following key provisions:

Board and Management

Subject to the laws applicable to the Target Company and the articles of association of the Target Company, the board of directors of the Target Company shall comprise one (1) director and the board of commissioners of the Target Company shall comprise one (1) commissioner. For so long as Kinetiq holds any Target Shares, Kinetiq is entitled to nominate one (1) director and one (1) commissioner, and the shareholders of the Target Company shall vote in favour of, and take all actions necessary to procure, the appointment of such persons. Subject to the Shareholders' Agreement, each Party shall exercise its voting rights and other rights in relation to the Target Company to procure the continued appointment of the designated persons at the board of directors and board of commissioners for so long as Kinetiq is entitled to nominate such individuals pursuant to the Shareholders' Agreement.

Reserved Matters

Without the prior written consent of all of the shareholders of the Target Company, the Target Company shall not approve or implement certain reserved matters as specified in the Shareholders' Agreement.

Dividends

The dividend condition (the “**Dividend Condition**”) shall be satisfied if,

- (a) within the period of twelve (12) months after the Commencement Date, the Target Company distributes aggregate cash dividends equal to not less than 13.25% of its net capital of US\$40,000,000, being US\$5,300,000, pro rata to all of the shareholders of the Target Company based on their respective shareholdings (relative to each other), provided that such aggregate cash dividends, together with any additional pro rata cash dividends distributed during such period, result in: (i) Kinetiq receiving aggregate cash dividends of not less than US\$4,000,000; and (ii) LBM AP receiving aggregate cash dividends of not less than US\$1,300,000; or
- (b) within the period commencing after the date falling twelve (12) months after the Commencement Date (inclusive) and ending on the date falling twenty-three (23) months after the Commencement Date (inclusive), the Target Company distributes aggregate cash dividends equal to not less than

16.25% of its net capital of US\$40,000,000, being US\$6,500,000, pro rata to all of the shareholders of the Target Company based on their respective shareholdings (relative to each other), provided that such aggregate cash dividends, together with any additional pro rata cash dividends distributed during such period, result in: (i) Kinetiq receiving aggregate cash dividends of not less than US\$4,900,000; and (ii) LBM AP receiving aggregate cash dividends of not less than US\$1,600,000,

in each case net of any deductions, charges and taxes (if any) after taking into account any relief available to the relevant shareholder(s) of the Target Company under an applicable double taxation agreement, in respect of their respective shares in the Target Company.

Subject to the laws applicable to the Target Company, any restrictions imposed by the financing documents, the Target Company's normal and foreseeable working-capital and capital expenditure requirements and the directors' duties, the board of directors of the Target Company shall consider in good faith whether the Target Company's distributable profits should be distributed to the shareholders of the Target Company. Any dividend or other distribution declared or paid by the Target Company shall be made pro rata according to the respective shareholdings of the shareholders of the Target Company.

Transfer Restrictions

Except for a transfer pursuant to the exercise of the Put Option to LBM AP or its designated entity or individual, if any shareholder of the Target Company (the "**ROFR Transferor**") proposes to dispose of any shares in the Target Company held by it or any interest in any such shares to any third party other than the other existing shareholders of the Target Company shares, the other shareholders (the "**ROFR Continuing Shareholders**") have a right of first refusal (the "**ROFR**"). The ROFR Transferor must first offer such shares or interests to the ROFR Continuing Shareholders on terms no less favourable than those offered to or agreed with a third party. The ROFR Continuing Shareholders may accept within ten (10) Business Days after receipt or deemed receipt of the offer and must provide evidence of committed funds. Completion must occur within 30 Business Days after acceptance, or such longer period as reasonably required for any mandatory pre-completion procedure, regulatory approval or registration.

If none of the ROFR Continuing Shareholders accepts, the ROFR Transferor may transfer such shares to a third party at a price no lower than, and other material terms no more favourable to the third party than those offered to the ROFR Continuing Shareholders.

Except for a transfer pursuant to the exercise of the Put Option to LBM AP or its designated entity or individual, a shareholder of the Target Company shall only transfer shares or interests in the Target Company to a person (including an Affiliate) who:

- (a) has Non-PFE Status;
- (b) is not a person whose participation in the transfer would cause any Party to breach applicable sanctions;
- (c) is not established in, or directly or indirectly controlled by a person established in, or by the government of, the People's Republic of China; and
- (d) is not a competitor identified in the list of competitors provided by LBM AP to Kinetiq in writing (as may be updated by LBM AP from time to time prior to Kinetiq's exercise of the Put Option or the ROFR in accordance with the terms of the Shareholders' Agreement).

Performance Guarantee

At any time following Completion, Kinetiq may request that LBM AP provide a Performance Guarantee in accordance with the terms of the Shareholders' Agreement. LBM AP shall provide the Performance Guarantee within five (5) Business Days after receiving the request. Failure to do so shall constitute a Put Exercise Condition.

The Performance Guarantee shall be a credit support in the form of a performance guarantee letter or equivalent instrument issued by an international bank and on terms acceptable to Kinetiq, acting reasonably, in the amount of US\$36,000,000. The Performance Guarantee shall (a) secure only LBM AP's obligation to pay the Put Price following valid exercise of the Put Option; (b) expire on the earliest of (i) the date on which Put Completion occurs or the Put Price is paid or irrevocably deposited into escrow in accordance with the Shareholders' Agreement, (ii) the date on which Kinetiq and all Subsequent Shareholders cease to hold any Target Shares, and (iii) the date falling three months after the Put Option Expiry Date, and Kinetiq shall return the original Performance Guarantee and/or any equivalent instrument to LBM AP, and execute any release required by the issuing bank, within ten (10) Business Days after the earliest of those dates; and (c) otherwise be consistent with the Shareholders' Agreement.

A demand may be made under the Performance Guarantee only to the extent that the Put Option has been validly exercised, the Put Price has become due and payable in accordance with the Shareholders' Agreement, and LBM AP has failed to pay all or any part of the Put Price when due and has not deposited that unpaid amount into escrow in accordance with the Shareholders' Agreement or

any escrow arrangement agreed between LBM AP and Kinetiq. The amount demanded under the Performance Guarantee shall not exceed the portion of the Put Price that is due and remains unpaid.

(iii) Put Option

Pursuant to the Shareholders' Agreement, Kinetiq is granted the Put Option. At any time during the Put Option Period, Kinetiq may require LBM AP to purchase all, but not part only, of the Put Shares at the Put Price upon the occurrence of a Put Exercise Condition.

Put Exercise Conditions

The Put Option may be exercised on or after the earliest occurrence of any of the following condition(s) unless otherwise stated below (each a "**Put Exercise Condition**"):

- (a) if the Dividend Condition has not been satisfied in respect of either of the periods for satisfaction of the Dividend Condition set out in the Shareholders' Agreement, the date falling one (1) day after the end of such period specified;
- (b) the consolidated assets of the Target Company less its consolidated liabilities, determined as of the relevant date in accordance with the accounting principles and policies consistently applied in preparing the Target Company's latest audited financial statements (the "**Net Asset Value**") falling below US\$40,000,000 at any time after the Commencement Date, provided this is not directly caused by Kinetiq's operational, strategic or investment decisions;
- (c) LBM AP not holding sufficient unrestricted cash to discharge its payment obligations under the Put Option, as demonstrated by objective evidence, including its failure to deliver to Kinetiq a bank confirmation of cash or committed funding of not less than the Put Price, provided that:
 - a. Kinetiq has given LBM AP at least five (5) Business Days to provide evidence that it holds sufficient unrestricted cash to discharge its payment obligations under the Put Option; and
 - b. this paragraph (c) shall not apply while the Performance Guarantee remains effective;
- (d) LBM AP failing to provide the Performance Guarantee within the period required under the Shareholders' Agreement;
- (e) upon the occurrence of an Event of Default; and

(f) any other condition agreed in writing by LBM AP and Kinetiq.

Exercise of the Put Option

Upon the occurrence of any Put Exercise Condition, Kinetiq may exercise the Put Option by delivering a Put Exercise Notice to LBM AP. A Put Exercise Notice shall take effect when received by LBM AP and, once effective, shall be irrevocable.

Put Price

The Put Price shall be an amount equal to 76% of the Net Asset Value of the Target Company as of the Put Completion Date, provided that the Put Price shall in no event be less than US\$36,000,000. The Target Company shall prepare and provide to LBM AP and Kinetiq a statement of the Net Asset Value as of the Put Completion Date, together with reasonable supporting information, as soon as reasonably practicable.

If the Net Asset Value has not been finally determined by the Put Completion Date, the amount payable at Put Completion shall be calculated using the latest available accounts of the Target Company, adjusted so far as reasonably practicable to the Put Completion Date (any such adjustment shall be to the reasonable satisfaction of Kinetiq). Once the Net Asset Value as of the Put Completion Date has been finally determined by agreement or pursuant to the Shareholders' Agreement, any difference between the provisional amount paid and the Put Price shall be paid by the relevant Party to the other within five (5) Business Days.

If the Put Option is exercised, all reasonable out-of-pocket costs and expenses (including legal, advisory and other professional fees) in connection with the exercise and completion of the Put Option and the transfer of the Put Shares shall be borne by the Target Company or LBM AP, to the extent not already taken into account in the Put Price.

Put Completion

Put Completion shall take place on the Put Completion Date. At Put Completion, Put Shares shall be transferred to LBM AP or its designated entity or individual free from encumbrances and LBM AP shall pay the Put Price in cash to Kinetiq or release the Put Price deposited or paid in the escrow account established under any escrow arrangement as may be agreed by LBM AP and Kinetiq.

The obligations of LBM AP, Kinetiq and each relevant Subsequent Shareholder at Put Completion are interdependent. Put Completion shall not occur unless:

- (a) the Put Price has been paid or deposited in escrow in accordance with the Shareholders' Agreement; and
- (b) the documents required to be delivered by Kinetiq have been released for registration.

The Parties shall procure that the articles of association of the Target Company permit a transfer of the Put Shares to LBM AP or its designated entity or individual without any offer to other shareholders or any approval other than those required under applicable law or expressly contemplated by the Shareholders' Agreement.

(iv) Termination

The Shareholders' Agreement shall take effect on Completion and shall continue in force until the earlier of:

- (a) Kinetiq and all Subsequent Shareholders ceasing to hold any Target Shares; or
- (b) LBM AP, LBM SG, Kinetiq and each Subsequent Shareholder then holding any Target Share agreeing in writing to terminate the Shareholders' Agreement.

III. FINANCIAL EFFECTS OF THE DISPOSAL

As the Disposal will result in the Company's loss of control over the Target Company, the Disposal will be accounted for as a disposal of subsidiary. The Target Company will cease to be a subsidiary of the Company and its financial results will no longer be consolidated into the financial statements of the Group.

Effect on the Assets and Liabilities of the Group

The assets and liabilities of the Target Company will be de-consolidated from the Group's consolidated financial statements. Based on the audited financial statements of the Target Company as of June 30, 2026, the Target Company had total assets of approximately RMB1,071.7 million and total liabilities of approximately RMB794.3 million. The de-consolidation of the Target Company is expected to reduce the Group's consolidated total assets and total liabilities by the Target Company's total assets and total liabilities, respectively.

Effect on Earnings

Following Completion, the financial results of the Target Company will no longer be consolidated into the Group's financial statements. However, the Group will, through LBM AP and LBM SG, retain an aggregate 24% equity interest in the Target Company and will be entitled to receive dividends declared by the Target Company in proportion to its shareholding.

Expected Gain from Disposal

The Company expects to record a gain on the Disposal of approximately US\$960,140 (equivalent to approximately RMB6,539,420 at an exchange rate of US\$1 = RMB6.8109 as of June 30, 2026 (the valuation base date)), calculated as the consideration for the Disposal of US\$31.92 million, less the carrying amount of the Target Shares, being 76% of the net assets of the Target Company as of June 30, 2026 of approximately RMB210,864,508 (based on the total net assets of the Target Company of RMB277,453,300).

The actual financial effects of the Disposal on the Group, including the effect on the Group's earnings, assets and liabilities and the gain on the Disposal, will be determined by reference to the financial position of the Target Company and the Group at the time of Completion. They may differ from the above estimates due to, among other things, changes in the financial position of the Target Company between June 30, 2026 and the Completion Date, exchange rate fluctuations, and the actual amount of transaction costs and tax effects. The Company will disclose the actual financial effects in its next published financial statements. If the actual gain recognised in the Company's income statement is different from the above disclosed amount, the Company will explain the reason for the difference in its next published financial statements or a further announcement in accordance with Rule 14.60(3)(a) of the Hong Kong Listing Rules. Shareholders and investors should note that the above are only estimates and the actual financial effects may differ.

IV. REASONS FOR AND BENEFITS OF THE DISPOSAL

In July 2025, the United States enacted the One Big Beautiful Bill Act (the “**OBBBA**”). Under the OBBBA, an entity may be treated as a prohibited foreign entity (“**PFE**”) if, among other things, a single PRC entity holds more than 25% of its equity interests. Downstream customers of a PFE in North America would be unable to claim the 45X tax credit under the US Internal Revenue Code, which would materially weaken the PFE's competitiveness and prevent it from supplying the North American market.

In recent years, the Company has entered into long-term supply agreements with leading overseas battery companies. These long-term agreements primarily cover the North American market. Based on the current shareholding structure of the Target Company, if its structure were not adjusted, the Target Company would be treated

as a PFE. As a result, the existing long-term supply agreements could not be performed, the Target Company's products could not enter the North American market, and its existing production capacity could be substantially idled, which would directly harm the interests of the Company and all Shareholders.

To safeguard the sustainable development of the Company's North American business and to protect the lawful rights and interests of the Company and all Shareholders, in particular the minority Shareholders, the Company intends to adjust the shareholding structure and business model of the Target Company so that it qualifies for Non-PFE Status.

The Disposal and the other transactions contemplated under the Transaction Documents are intended to implement this adjustment. Upon Completion, LBM AP will retain 23.99% and LBM SG will retain 0.01% of the issued shares in the Target Company, respectively, and the Company will indirectly hold an aggregate of 24% of the issued shares of the Target Company through LBM AP and LBM SG. As of the date of this announcement, the remaining 24% of the issued shares of the Target Company are not intended to be sold by the Group.

As the Group's aggregate shareholding will be below the 25% threshold under the OBBBA, the Target Company is expected to cease to be a PFE and to maintain Non-PFE Status. This adjustment is the most feasible solution currently available to the Company under the current US policy restrictions and is necessary and reasonable. As part of the Disposal, the Board considers that the grant of the Put Option represents a prudent and standard protective measure in the context of an international strategic partnership. The Board also considers that the Put Price calculated by 76% of the Net Asset Value of the Target Company, subject to a floor of US\$36,000,000, is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Disposal will also enable the Group to realise part of its investment in the Target Company. As the Group will retain an aggregate of 24% equity interest in the Target Company, it will continue to benefit from the future growth and development of the Target Company's lithium iron phosphate cathode material production facilities in Indonesia.

Based on the above, the Directors are of the view that the terms of the Transaction Documents and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

V. USE OF PROCEEDS

The net proceeds from the Disposal are estimated to be approximately US\$31,471,600, after deducting the estimated transaction costs and expenses.

The Company intends to apply the net proceeds from the Disposal as general working capital of LBM AP to support its daily operations and general corporate purposes. The Board considers that applying the net proceeds as working capital of LBM AP will strengthen the financial position of LBM AP and enhance its liquidity and operational flexibility.

VI. INFORMATION OF THE COMPANY AND THE PARTIES

The Company and the Group

The Company is 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.

LBM AP, a direct non-wholly owned subsidiary of Changzhou Liyuan, is a private company limited by shares incorporated in Singapore. Changzhou Liyuan is in turn owned as to approximately 68.69% by the Company. Accordingly, LBM AP is an indirect non-wholly owned subsidiary of the Company. LBM AP is principally engaged in investment, asset management and import and export trading of LFP cathode materials.

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 68.69% by the Company as of the date of this announcement. In addition to the Company, the remaining equity interests in Changzhou Liyuan are held by ten other shareholders, with none of them individually holding more than 6.0% of the equity interests. Changzhou Liyuan is principally engaged in the production and sales of LFP cathode materials.

LBM SG is a private company limited by shares incorporated in Singapore and an indirect non-wholly owned subsidiary of the Company which is wholly-owned by LBM AP. LBM SG is principally engaged in non-financial and insurance activities.

Kinetiq

Kinetiq is a private company limited by shares incorporated in Singapore. Kinetiq is principally engaged in equity investment. The principal shareholder and ultimate beneficial owner of Kinetiq is Mr. Sang-Bae Kim, who holds 100% of the equity interest in Kinetiq.

The Target Company

The Target Company is a foreign investment company established under the laws of the Republic of Indonesia in February 2025 and an indirect non-wholly owned subsidiary of the Company which is owned as to 99.99% by LBM AP as of the date

of this announcement. The Target Company is principally engaged in the research, production and sale of LFP cathode materials. The underlying asset of the Disposal is the Indonesia Phase 2 Plant, being the 90,000-ton LFP cathode materials production facility in Indonesia developed by the Target Company.

The Target Company was established in February 2025 and therefore had no financial information for the year ended December 31, 2024. Set out below is the financial information extracted from the financial statements of the Target Company for the year ended December 31, 2025 and for the six months ended June 30, 2026:

	Year ended December 31, 2025	Six months ended June 30, 2026
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(audited)</i>	<i>(audited)</i>
Total assets	676,435.9	1,071,720.4
Total liabilities	390,534.4	794,267.1
Revenue	0.00	0.00
Profit/(loss) before taxation	6,165.9	(2,333.0)
Profit/(loss) after taxation	4,806.9	(1,204.7)

As of the date of this announcement, LBM AP has provided a shareholder's loan to the Target Company (the “**Shareholder's Loan**”), with an outstanding principal balance of US\$55 million. It is expected that the Shareholder's Loan will remain outstanding upon Completion and the Target Company shall repay in full all outstanding shareholder loans owed to LBM AP no later than December 31, 2026 under the Shareholders' Agreement.

As of the date of this announcement, the guarantees provided by LBM AP for the Target Company had an outstanding balance of US\$34,152,600 (equivalent to approximately RMB232,218,300), and such guarantees will be released upon Completion (the “**Guarantees**”).

VII. HONG KONG LISTING RULES IMPLICATIONS

As of the date of this announcement, the Target Company is an indirect non-wholly owned subsidiary of the Company. LBM AP is a direct non-wholly owned subsidiary of Changzhou Liyuan, which is in turn held as to approximately 68.69% by the Company. Accordingly, LBM AP is an indirect non-wholly owned subsidiary of the Company. Before Completion, LBM AP and LBM SG hold 99.99% and 0.01% of the equity interest in the Target Company, respectively. Upon Completion, Kinetiq will hold 76% of the equity interest in the Target Company, and LBM AP and LBM SG will retain 23.99% and 0.01% respectively. The Target Company will cease to be a subsidiary of the Company and its financial results will no longer be consolidated with the Group.

Disposal

The Disposal constitutes a disposal by the Company under Chapter 14 of the Hong Kong Listing Rules. As the highest applicable percentage ratio (as defined under the Hong Kong Listing Rules) in respect of the Disposal does not exceed 5%, the Disposal does not constitute a notifiable transaction of the Company under Chapter 14 of the Hong Kong Listing Rules.

Put Option

Even if the Put Option may not materialise in the future, it is treated as if it had been exercised upon the execution of the Shareholders' Agreement as the exercise of the Put Option is not at the Group's discretion. The Put Option, if materialised, will constitute an acquisition of the equity interest of the Target Company by LBM AP under Chapter 14 of the Hong Kong Listing Rules. As of the date of this announcement, the Put Option has not been exercised.

As the highest possible exercise price of the Put Option cannot be determined at the time of grant of the Put Option, the grant of the Put Option will be treated at least as a major transaction pursuant to Rule 14.76(1) of the Hong Kong Listing Rules. Therefore, the grant of the Put Option will be subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Hong Kong Listing Rules. The Company will comply with applicable requirements under the Hong Kong Listing Rules upon the exercise of the Put Option and will also consult with the Hong Kong Stock Exchange as soon as practicable if the classification changes.

Shareholder's Loan

As of the date of this announcement, the Shareholder's Loan does not constitute a transaction under Rule 14.04(1)(e) of the Hong Kong Listing Rules. As the Target Company will cease to be a subsidiary of the Company upon Completion, the Shareholder's Loan will constitute financial assistance by the Group and a transaction under Chapter 14 of the Hong Kong Listing Rules. As the highest applicable percentage ratio (as defined under the Hong Kong Listing Rules) in respect of the Shareholder's Loan does not exceed 5%, the Shareholder's Loan does not constitute a notifiable transaction of the Company under Chapter 14 of the Hong Kong Listing Rules.

Guarantee

As of the date of this announcement, the Guarantee does not constitute a transaction under Rule 14.04(1)(e) of the Hong Kong Listing Rules. While the Target Company will cease to be a subsidiary of the Company upon Completion, since the Guarantee

is expected to be released upon Completion, the Guarantee will not constitute financial assistance by the Group and a transaction under Chapter 14 of the Hong Kong Listing Rules.

VIII. CHANGE IN THE USE OF PROCEEDS FROM LBM AP SUBSCRIPTION

Reference is made to the announcements of the Company dated December 20, 2024 and February 10, 2025 and the circular of the Company dated January 8, 2025 in relation to the LBM AP Subscription. On December 20, 2024, the Company, LBM AP, Changzhou Liyuan, PT Akasya Investasi Indonesia and Aisis Alliance L.P. entered into a subscription agreement, pursuant to which PT Akasya Investasi Indonesia and Aisis Alliance L.P. conditionally agreed to subscribe for series A preference shares of LBM AP upon completion at the subscription price of US\$150,000,000 and US\$50,000,000 respectively. The LBM AP Subscription has been completed on February 10, 2025.

LBM AP shall apply no less than 85% of the proceeds of the LBM AP Subscription for the capital and operational expenses for the development of the Indonesia Phase 2 Plant, with funds to be gradually utilized in accordance with the progress of its development. Provided that the funding required for the development of the Indonesia Phase 2 Plant remains unaffected, such proceeds may also be utilized for the operational expenses incurred in the ordinary course of business of the Indonesia Phase 1 Plant and/or the operational expenses incurred in the ordinary course of business of LBM AP but in any event such utilization of the proceeds shall not exceed 15% of the total proceeds from the subscription.

As of the date of this announcement, part of the proceeds from the subscription remains unutilized. On October 22, 2026, the Board resolved to change the use of the unutilized proceeds from the LBM AP Subscription, which were originally allocated for the capital and operational expenses for the development of the Indonesia Phase 2 Plant (provided that the funding required for the development of the Indonesia Phase 2 Plant remains unaffected), to the capital and operational expenses for the development of the Indonesia Phase 3 Plant (the “**Indonesia Phase 3 Plant**”), being the third phase of the Group’s LFP cathode materials production facilities in Indonesia (the “**Proposed Change**”).

Details of the utilization of the proceeds as of September 30, 2026 are as follows:

Intended use of net proceeds	Percentage of intended use of net proceeds (%)	Utilized proceeds as of September 30, 2026 (approximate %)	Unutilized proceeds as of September 30, 2026 before the Proposed Change (approximate %)	Unutilized proceeds as of the date of this announcement after the Proposed Change (approximate %)	Expected timeline of utilizing the remaining proceeds
Capital and operational expenses for the development of the Indonesia Phase 2 Plant (Provided that the funding required for the development of the Indonesia Phase 2 Plant remains unaffected)	No less than 85%, i.e. US\$170,000,000	Approximately US\$82,154,000 (41.08%)	Approximately US\$87,846,000 (43.92%)	—	N/A
Operational expenses incurred in the ordinary course of business of the Indonesia Phase 1 Plant and/or the operational expenses incurred in the ordinary course of business of LBM AP	Not exceeding 15%, i.e. US\$30,000,000	Approximately US\$30,000,000 (15.00%)	—	—	Fully utilized
Capital and operational expenses for the development of the Indonesia Phase 3 Plant	—	—	—	Approximately US\$87,846,000 (43.92%)	December 31, 2027

The Board considers that, following the Disposal, the Target Company will cease to be a subsidiary of the Company and its financial results will no longer be consolidated into the financial statements of the Group. Accordingly, the Company intends to change the use of proceeds from the subscription and proposes to reallocate the unutilized net proceeds originally allocated for the Indonesia Phase 2 Plant to the development of the Indonesia Phase 3 Plant.

The Directors are of the view that the change in use of proceeds is based on a prudent assessment of the Company's actual operating conditions and funding needs, and will not have any material adverse impact on the Company's existing business and operations and is in the interest of the Company and its Shareholders as a whole. LBM AP will continue to hold a 23.99% equity interest in the Target Company and the Company will continue to benefit from the future development of the Indonesia Phase 2 Plant. The reallocation to the Indonesia Phase 3 Plant represents a more targeted deployment of the unutilized net proceeds based on the current business development priorities and the actual funding requirements of the Group, which will help the Group optimise its resource allocation, enhance fund utilisation efficiency and support its long-term business development.

The intended use of the unutilised net proceeds and the timeline for their utilisation have not yet been finalised. The Company will make further announcement(s) in a timely manner in accordance with the requirements of the Hong Kong Listing Rules as and when appropriate should there be any further progress in the change in use of proceeds.

IX. GENERAL AND THE EGM

The EGM will be convened for the Shareholders to consider and, if thought fit, to approve, among other things, the Transaction Documents and the transactions contemplated thereunder.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as of the date of this announcement, no Shareholder is required to abstain from voting on the resolution to be proposed by the Company at the EGM.

A circular containing, amongst other things, (i) further information on the Transaction Documents and the transactions contemplated thereunder, (ii) the summary of the Valuation Report, (iii) a notice of EGM and (iv) other information as required under the Hong Kong Listing Rules will be despatched to the Shareholders in due course.

Completion is subject to the satisfaction and/or waiver of the conditions precedent set out in the Share Purchase Agreement. In addition, the Transaction Documents may be terminated in certain circumstances. Shareholders and investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, 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
“Board”	the board of Directors of the Company
“Business Day(s)”	a day other than a Saturday, Sunday or public holiday on which commercial banks are open for general business in Jakarta, Indonesia and Singapore
“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 68.69% by the Company as of the date of this announcement
“Commencement Date”	the date of Completion
“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)
“Completion”	completion of the sale and purchase of the Target Shares in accordance with the terms of the Share Purchase Agreement
“Completion Date”	the date on which Completion occurs
“Conditions”	the conditions precedent as set out in the Share Purchase Agreement
“connected person”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Director(s)”	director(s) of the Company
“Disposal”	the sale and purchase of the Target Shares by LBM AP as Seller to Kinetiq as Buyer pursuant to the Share Purchase Agreement

“EGM”	the 2026 sixth extraordinary general meeting of the Company to be convened to consider and, if thought fit, to approve, among other things, the Transaction Documents and the transactions contemplated thereunder
“Event of Default”	any event designated as an event of default under any financing agreement or other financing document to which the Target Company is a party or by which it is bound, which is continuing after the expiry of any applicable grace or remedy period
“Group”	the Company and its subsidiaries
“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
“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
“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)
“Indonesia Phase 1 Plant”	the initial phase of the business of the Target Company, which shall consist of (i) the construction, operation and maintenance of a manufacturing facility for the process improvement and production of the Products, (ii) the materials development and procurement, sale, distribution and otherwise commercialization of the Products, (iii) any other activities and businesses as mutually agreed between the shareholders of the Target Company and (iv) other activities related and/or ancillary to the foregoing
“Indonesia Phase 2 Plant”	the second phase of the business of the Target Company, which is the additional manufacturing facility to manufacture the Products in Indonesia with 90,000 tons of LFP cathode production capacity
“Kinetiq” or “Buyer”	Kinetiq Capital (SG) Pte. Ltd., a private company limited by shares incorporated in Singapore

“LBM AP” or “Seller”	LBM New Energy (AP) Pte. Ltd. (formerly known as Lopal Tech Singapore Pte. Ltd.), a private company limited by shares incorporated in Singapore on September 28, 2018, a direct non-wholly owned subsidiary of Changzhou Liyuan and an indirect non-wholly owned subsidiary of the Company
“LBM AP Subscription”	The subscription of approximately 34.01% and 11.34% of the share capital of LBM AP by PT Akasya Investasi Indonesia and Aisis Alliance L.P. at the subscription price of US\$150,000,000 and US\$50,000,000 respectively, details of which are disclosed in the announcements of the Company dated December 20, 2024 and February 10, 2025 and the circular of the Company dated January 8, 2025
“LBM SG”	LBM New Energy Singapore Pte. Ltd., a private company limited by shares incorporated in Singapore on February 8, 2023, an indirect non-wholly owned subsidiary of the Company which is wholly-owned by LBM AP
“LFP”	lithium iron phosphate (LiFePO ₄)
“Long-Stop Date”	the date falling forty-five (45) days after the date of the Share Purchase Agreement, as may be extended in accordance with the terms of the Share Purchase Agreement
“Material Adverse Change”	any event, circumstance or change occurring after the date of the Share Purchase Agreement which has a material adverse effect on: (a) the business, operations or financial conditions of the Target Company and its subsidiaries, taken as a whole; (b) the ability of the Target Company or LBM AP to perform its obligations under any of the Transaction Documents; or (c) the validity or enforceability of the Transaction Documents or the rights or remedies of Kinetiq
“Non-PFE Status”	the status of a person as not being a prohibited foreign entity under applicable United States federal tax laws, regulations or official guidance, or under any future United States federal tax law, regulation or official guidance that replaces or succeeds the foregoing
“Performance Guarantee”	the performance guarantee letter or equivalent instrument to be provided by LBM AP in favour of Kinetiq under the Shareholders’ Agreement in the amount of US\$36,000,000, securing LBM AP’s obligation to pay the Put Price following valid exercise of the Put Option

“PRC”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Products”	cathode active materials for use in electric vehicle batteries, energy storage systems, and other lithium battery products
“Put Completion”	completion of the transfer of the Put Shares in accordance with the Shareholders’ Agreement
“Put Completion Date”	the thirtieth (30th) Business Day after the date of receipt or deemed date of receipt by LBM AP of a valid Put Exercise Notice, or such other date as LBM AP and Kinetiq agree in writing
“Put Exercise Notice”	a notice substantially in the form set out in the Shareholders’ Agreement
“Put Option”	the option granted to Kinetiq under the Shareholders’ Agreement to require LBM AP to purchase all, but not part only, of the Put Shares at the Put Price upon the occurrence of a Put Exercise Condition
“Put Option Expiry Date”	the date falling twenty three (23) months after the date of Completion, subject to an extension for a further twenty four (24) months with the written consent of Kinetiq and LBM AP
“Put Option Period”	the period beginning on the date of Completion and expiring on the Put Option Expiry Date
“Put Price”	an amount equal to 76% of the net asset value of the Target Company as of the Put Completion Date, provided that the Put Price shall in no event be less than US\$36,000,000
“Put Shares”	all, but not part only, of the Target Shares held by Kinetiq and any Subsequent Shareholder when the Put Option is exercised
“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
“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)
“Shareholders’ Agreement”	the shareholders’ agreement dated October 22, 2026 entered into among LBM AP, LBM SG, Kinetiq and the Target Company in connection with the Share Purchase Agreement and relating to the governance of the Target Company and the rights and obligations of its shareholders, which takes effect on and from the Completion Date
“Share Purchase Agreement”	the share purchase agreement dated October 22, 2026 entered into between LBM AP as seller and Kinetiq as buyer in relation to the sale and purchase of 76% of all the issued shares in the share capital of the Target Company
“Share Transfer Deed”	the notarial deed of share transfer to be executed by LBM AP and Kinetiq before an Indonesian notary in order to effect the transfer of the Target Shares
“Subsequent Shareholder”	any person, other than LBM AP or its designated entity or individual, which acquires any Target Share in accordance with the Shareholders’ Agreement and executes a deed of adherence substantially in the form set out in the Shareholders’ Agreement
“subsidiary” or “subsidiaries”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Target Company”	PT LBM Energi Baru, a foreign investment company established under the laws of the Republic of Indonesia in February 2025, an indirect non-wholly owned subsidiary of the Company which is owned as to 99.99% by LBM AP as of the date of this announcement
“Target Shares”	the shares in the capital of the Target Company representing 76% of all the issued shares in the share capital of the Target Company immediately before Completion
“Transaction Documents”	collectively, the Share Purchase Agreement, the Shareholders’ Agreement, the Share Transfer Deed and any other document designated as a transaction document by the parties thereto
“United States”	the United States of America
“US\$”	United States dollars, the lawful currency of the United States of America
“Valuation Report”	the valuation report prepared by the Valuer

“Valuer” Beijing Jinkai Zhongtian Asset Valuation Co., Ltd. (北京金開中天資產評估有限公司), an independent professional valuer which complies with the requirements of Securities Law

“%” per cent

* *The Chinese name(s) of the PRC entities have been translated into English in this announcement 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.*

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

Nanjing, PRC
October 22, 2026

As at the date of this announcement, the Board comprises Mr. SHI Junfeng, Mr. LU Zhenya, Mr. QIN Jian, Mr. SHEN Zhiyong and Mr. ZHANG Yi as executive Directors; Ms. ZHU Xianglan as non-executive Director; and Ms. GENG Chengxuan, Mr. HONG Kam Le, Mr. ZHANG Jinlong and Mr. LU Jian as independent non-executive Directors.