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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 SETTLEMENT OF CERTAIN FUNDRAISING INVESTMENT PROJECTS AND USE OF SURPLUS PROCEEDS FOR INVESTMENT IN CONSTRUCTION OF NEW PROJECT

EXTERNAL INVESTMENT

Reference is made to (i) the section headed "History and Development — Share Capital Changes in 2022" in the prospectus of Jiangsu Lopal Tech. Group Co., Ltd. (the "**Company**") dated October 22, 2024 in relation to the Company's non-public issuance of A Shares in 2021; (ii) the announcement and the circular of the Company dated December 24, 2025 and January 4, 2026, respectively, in relation to the change to certain construction content of the fundraising investment projects; (iii) the announcement of the Company dated June 5, 2026 in relation to the extension of the expected timeline of the full utilization of proceeds; and (iv) the announcement of the Company dated October 30, 2026 in relation to the external investment by the Company's subsidiary.

In May 2022 and with the approval of China Securities Regulatory Commission, the Company underwent a non-public offering of 82,987,551 A Shares at an offer price of RMB26.51 per A Share (the "**2021 Non-Public Issuance of Shares**"). The Company raised RMB2,199,999,977.01 in gross proceeds from the 2021 non-public offering, and the net proceeds (after deduction of the underwriting commissions and other offering related expenses of RMB24,468,856.18) was RMB2,175,531,120.83.

In view of the completion of the Large-scale Production Project of NEV Power and Energy Storage Cathode Material (the "**Original Fundraising Investment Project**"), and after comprehensively considering changes in the current market and industry environment and the Company's own business development strategy, and in order to further improve the efficiency of the use of proceeds, following careful research and discussion, the Company intends to use RMB215.578 million of the surplus proceeds from the Original Fundraising Investment Project (including accumulated investment income from the purchase of wealth management products and bank deposit interest) to implement the "Shandong Liyuan LP-15 Project" (the "**New Fundraising Investment Project**", the specific name of which shall be subject to the filing notice) proposed to be invested in and constructed by Shandong Liyuan Technology Co., Ltd. ("**Shandong Liyuan**"), a controlled second-tier subsidiary of the Company. The relevant proceeds will be provided by Sichuan Liyuan New Materials Co., Ltd. to Shandong Liyuan in the form of an interest-free loan. The surplus proceeds will remain in the dedicated proceeds account for the Original Fundraising Investment Project and will be used to pay outstanding contract balances, quality guarantee deposits, and other payments under the Original Fundraising Investment Project.

GENERAL

The proposed external investment has been considered and approved by the nineteenth meeting of the fifth session of the board (the "**Board**") of directors (the "**Director(s)**") of the Company, and is subject to the consideration and approval by the shareholders at a general meeting of the Company.

A circular containing, amongst others, the investment in the New Fundraising Investment Project and the notice of general meeting will be published to the shareholders of the Company ("**Shareholders**") in due course.

IMPORTANT NOTICE:

- **Name of the Fundraising Investment Project for Settlement:** Large-scale Production Project of NEV Power and Energy Storage Cathode Material

- The estimated surplus amount is RMB301.4049 million (excluding bank interest income and wealth management returns not yet received; the actual amount shall be subject to the bank settlement balance on the date of fund transfer), of which RMB85.8269 million will remain in the dedicated proceeds account of the Original Fundraising Investment Project for payment of contract final instalments, warranty deposits and other outstanding amounts under the Original Fundraising Investment Project; the remaining RMB215.5780 million will be used to implement the "Shandong Liyuan LP-15 Project".

On October 30, 2026, the Company convened the 19th meeting of the fifth session of the Board, at which the Proposal on Settlement of Certain Fundraising Investment Projects and the Use of Surplus Proceeds for Investment in the Construction of New Fundraising Investment Project was considered and approved. The Company's fundraising investment project "Large-scale Production Project of NEV Power and Energy Storage Cathode Material" has been completed and has reached its intended usable state. The Board of the Company agreed to settle the aforesaid project and continue to deposit RMB85.8269 million of the surplus proceeds in the dedicated proceeds account of the Original Fundraising Investment Project for payment of contract final instalments, warranty deposits and other outstanding amounts under the Original Fundraising Investment Project; the remaining RMB215.5780 million will be used for investment in the construction of the New Fundraising Investment Project "Shandong Liyuan LP-15 Project". CSC Financial Co., Ltd., the sponsor of the Company, has issued a verification opinion with no objection. This matter remains subject to consideration and approval at a general meeting of the Company. The details are hereby announced as follows:

I. BASIC INFORMATION ON THE PROCEEDS

Name of issuance	2021 Non-Public Issuance of Shares
Gross proceeds	RMB2,200,000,000
Net proceeds	RMB2,175,531,100
Date of proceeds received	May 18, 2022

II. SETTLEMENT OF THIS FUNDRAISING INVESTMENT PROJECT AND SURPLUS PROCEEDS

Name of Project Settlement	Large-scale Production Project of NEV Power and Energy Storage Cathode Material
Date of Project Settlement	October 30, 2026
Committed Use of Proceeds	RMB1,290,000,000
Actual Use of Proceeds	RMB1,011,093,800
Surplus Proceeds	RMB301,404,900
Use and Corresponding Amount of Surplus Proceeds	☑ For Original Fundraising Investment Project, the remaining contract payments and quality retention money for the Large-scale Production Project of NEV Power and Energy Storage Cathode Material: approximately RMB85,826,900 ☑ For the New Fundraising Investment Project, Shandong Liyuan LP-15 Project: RMB215,578,000

Note: The amount of surplus proceeds does not include bank interest income or returns on wealth management products that have not yet been received, and the final amount shall be subject to the balance in the project's dedicated account on the date on which the funds are transferred out. Differences in the last digits of the figures in the table above are due to rounding.

III. PRIMARY REASONS FOR THE SURPLUS OF PROCEEDS FROM THE COMPLETED FUNDRAISING INVESTMENT PROJECTS UPON SETTLEMENT

During the construction of the fundraising investment project, the Company strictly complied with the relevant provisions on the management of proceeds in using the proceeds. Proceeding from the actual circumstances of the project, and, on the premise of ensuring the implementation progress and construction quality of the project, the Company always adhered to the principles of rationality, economy and effectiveness, and used the proceeds in a prudent manner. During the implementation of the project, by strengthening the control, supervision and management of expenses at each stage of project construction, and at the same time optimizing the procurement plans for certain equipment, the Company completed the construction objectives with more efficient and lower-cost alternative solutions, thereby further reducing the overall construction costs and expenses of the project. In addition, on the premise of ensuring the construction of the fundraising investment projects and the safety of the proceeds, the Company has made reasonable planning and conducted cash management in respect of the proceeds that were temporarily idle at various stages, and has obtained certain wealth management income and deposit interest income, thereby giving rise to the surplus of the proceeds from this fundraising. Certain final contract payments and retention money in respect of the Original Fundraising Investment Projects remain unpaid from the proceeds due to relatively long payment cycles. The Company will continue to use the proceeds to make such payments when the payment conditions are satisfied.

IV. PLAN FOR THE USE OF SURPLUS PROCEEDS FROM SETTLEMENT OF THIS FUNDRAISING INVESTMENT PROJECT

In view of the completion of the Original Fundraising Investment Project, and after comprehensively considering changes in the current market and industry environment and the Company's own business development strategy, and in order to further improve the efficiency of the use of proceeds, following careful research and discussion, the Company intends to use RMB215.578 million of the surplus proceeds from the Original Fundraising Investment Project (including accumulated investment income from the purchase of wealth management products and bank deposit interest) to implement the "Shandong Liyuan LP-15 Project". The relevant proceeds will be provided by Sichuan Liyuan New Materials Co., Ltd. to Shandong Liyuan in the form of an interest-free loan. The surplus proceeds will remain in the

dedicated proceeds account for the Original Fundraising Investment Project and will be used to pay outstanding contract balances, quality guarantee deposits, and other payments under the Original Fundraising Investment Project.

V. DETAILS OF THE NEW FUNDRAISING INVESTMENT PROJECT

(I) Details of the Project

Implementation Entity	Shandong Liyuan Technology Co., Ltd. (山東鋰源科技有限公司)
Project Location	Chemical Industry Park, Juancheng County, Shandong Province
Project Scope	Establishment of an annual 150,000-tonne battery-grade iron phosphate production line
Total Investment in the Project	RMB941.6105 million
Expected Time to Reach Its Intended Usable State	January 2028

(II) Source of funds: Proceeds from 2021 Non-Public Issuance of Shares, and Shandong Liyuan's internal funds, bank borrowings or other self-raised funds.

(III) Analysis of the economic benefits of the project: The financial internal rate of return (after tax) of the New Fundraising Investment Project is 11.26%. Upon completion, this project will further increase the proportion of raw materials self-supplied by the Company, enhance the Company's profitability and ability to withstand risks, further expand its business scale and strengthen its core competitiveness. The specific economic benefits of the project will gradually materialise following its commencement of production.

For details of the specific construction contents of the New Fundraising Investment Project, please refer to the Announcement of Jiangsu Lopal Tech. Group Co., Ltd. on External Investment in and Construction of New Fundraising Investment Project by A Controlled Second-Tier Subsidiary and Cumulative External Investment (2026–165) published by the Company on the website of the Shanghai Stock Exchange (http://www.sse.com.cn) on the same date.

VI. IMPACT OF THE USE OF THE SURPLUS PROCEEDS ON THE COMPANY

The Company's settlement of this fundraising investment project and the use of the surplus proceeds therefrom in the construction of a New Fundraising Investment Project represent a prudent decision based on the actual circumstances of the project construction. This will help meet the funding needs of the construction of the Company's New Fundraising Investment Project, improve the efficiency of the use of proceeds, optimise the allocation of the proceeds, enhance economic benefits and

promote the sustained, stable and healthy development of the Company's principal business, which is in line with the Company's actual operational and development needs and is in the interests of the Company and Shareholders as a whole.

VII. RELEVANT CONSIDERATION PROCEDURES AND SPONSOR'S OPINION

(I) Consideration by the Board

On October 30, 2026, the Company convened the 19th meeting of the fifth session of the Board, at which the Proposal on the Settlement of Certain Fundraising Investment Projects and the Use of Surplus Proceeds for Investment in the Construction of a New Fundraising Investment Project was considered and approved. The Board agreed to settle the Original Fundraising Investment Project "Large-scale Production Project of NEV Power and Energy Storage Cathode Material", and to apply the surplus proceeds from the settled Original Fundraising Investment Project to pay the unpaid contract balances and quality retention money of the Original Fundraising Investment Project and to implement the "Shandong Liyuan LP-15 Project". The Board authorised the management of the Company to handle matters relating to this change, including but not limited to determining the bank at which the New Fundraising Investment Project's fundraising proceeds account will be opened, opening a dedicated account for the custody of the proceeds and entering into a custody and supervision agreement, signing other relevant documents and completing the relevant procedures. The Board is of the view that such change was made after taking into full consideration changes in the market environment and the future development strategies, is in line with the Company's long-term development needs, is conducive to improving the efficiency of the use of the proceeds and enhancing the Company's overall operating efficiency, and does not prejudice the interests of the Company and its minority shareholders. This matter has been considered and approved by the thirteenth meeting of the audit committee of the fifth session of the Board of the Company and is still subject to consideration and approval by the general meeting of the Company.

(II) Sponsor's Review Opinion

Upon review, the sponsor is of the view that the Company's settlement of certain fundraising investment projects and the use of surplus proceeds for investment in the construction of New Fundraising Investment Project has been considered and approved by the Board, and the relevant matter is still subject to consideration and approval at a general meeting of the Company. The relevant review procedures performed by the Company comply with the requirements of relevant laws, regulations and normative documents, and there is no circumstance that prejudices the interests of the Company and all its shareholders, especially minority shareholders. The Company's settlement of certain fundraising investment projects and the use of surplus proceeds for investment in the construction of New Fundraising Investment Project is in line

with the needs of the Company's business development and business planning, is conducive to the Company's long-term development and to improving the efficiency of the use of the proceeds, does not constitute a disguised change in the use of the proceeds or other circumstances prejudicing shareholders' interests, and will not have a material adverse impact on the Company's normal operations. The sponsor has no objection to Jiangsu Lopal's settlement of certain fundraising investment projects and the use of surplus proceeds for investment in the construction of New Fundraising Investment Project.

This announcement is published in both Chinese and English. In the event of any discrepancy 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
October 30, 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.