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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 EXTERNAL INVESTMENT IN AND CONSTRUCTION OF NEW PROJECT BY A CONTROLLED SECOND-TIER SUBSIDIARY AND CUMULATIVE EXTERNAL INVESTMENT

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 change of the intended use of proceeds.

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 Offering**"). 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 "**Shandong Liyuan LP-15 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 Shandong Liyuan LP-15 Project and the notice of general meeting will be published to the shareholders of the Company ("**Shareholders**") in due course.

IMPORTANT NOTICE:

- **Name of Investment Target:** Shandong Liyuan, a controlled second-tier subsidiary of the Company, plans to invest in and construct the "Shandong Liyuan LP-15 Project" in the Chemical Industrial Park, Juancheng County, Shandong Province. The project is planned to construct a production line with a total annual capacity of 150,000 tonnes of battery-grade iron phosphate.

- **Investment Amount:** The total investment for this project is approximately RMB941,610,500, subject to the actual investment in the project.

- **Approvals and Other Procedures Required for Implementation:** This investment has been considered and approved at the 19th meeting of the Company's fifth session of the board of directors and is still subject to approval by the Company's general meeting.

- **Other Risk Factors Requiring Special Attention by Investors**

1. The current industrial access, energy consumption and dual carbon control policies are becoming increasingly stringent, and the project is under relatively high pressure in respect of the control of pollutants such as wastewater, waste gas and solid waste. The project is still at the preparatory stage and remains subject to completion of project filing, environmental impact assessment, safety assessment and other procedures. If such approvals are not obtained or are not obtained in a timely manner, the project may not be able to be implemented or the implementation progress may fall short of expectations.

2. This investment is based on the integrated development strategy of the Company and is primarily intended to meet the lithium iron phosphate production needs of the Company. The downstream market is significantly affected by factors such as the development of the new energy vehicle and energy storage industries, policies and technology roadmaps. If downstream demand falls short of expectations, it may affect the absorption of the project's production capacity.

3. The project will be funded by the proceeds from the 2021 non-public issuance of shares, Shandong Liyuan's own funds, bank loans or self-raised funds. This may exert certain short-term pressure on the working capital of the Company. The Company will coordinate its funding arrangements and reasonably determine the sources of funds, payment methods and other matters to ensure the smooth implementation of the project.

4. During the construction of the project, various uncertainties may arise, including changes in market conditions, changes in industry policies and force majeure. After the project is put into production, prices of raw materials and major products may fluctuate with changes in market supply and demand, which may cause the economic benefits of the project after completion and commissioning to fall short of expectations. Investors are advised to invest rationally, make prudent decisions and be aware of investment risks.

I. OVERVIEW OF THE EXTERNAL INVESTMENT

(I) Overview of the Transaction

1. Transaction overview

To achieve internal supporting of iron phosphate raw materials, stabilize the supply chain, reduce procurement costs, ensure the implementation of LFP cathode material production capacity, and implement the "vertical integration" development strategy, Shandong Liyuan, a controlled second-tier subsidiary of the Company, proposes to invest in and construct the "Shandong Liyuan LP-15 Project". The project is planned

to construct production lines with a total annual capacity of 150,000 tonnes of battery-grade iron phosphate, with a total investment of approximately RMB941,610,500.

2. Key terms of the transaction

Type of Investment	☐Establishment of a new company ☐Capital increase in an existing company (☐Pro rata ☐Non-pro rata) —Type of target company prior to capital increase: ☐Wholly-owned subsidiary ☐Controlled subsidiary ☐Associate ☐Company in which no equity interest is held ☑Investment in a new project ☐Other:_____
Name of the Investment Project	Shandong Liyuan LP-15 Project (annual production capacity of 150,000 tonnes of battery-grade iron phosphate)
Investment Amount	☑Determined, amount: RMB941.6105 million (estimated and subject to uncertainty) ☐To be determined
Source of Funding	☑Cash ☑Own funds ☑Proceeds from fund raising ☑Bank borrowings ☑Other: Self-raised funds ☐Tangible assets or intangible assets ☐Equity interests ☐Other:_____
Cross-border Investment	☐Yes ☑No

(II) Board Approval, and Whether General Meeting Approval and Approval from the Relevant Authorities are Required.

Within the past 12 months, the aggregate amount of undisclosed external investments of the Company (including this investment) has reached 10% of the Company's audited net assets for the most recent financial year. In addition, the aggregate amount of external investments (including this investment) approved by the Board but not yet approved by the shareholders at a general meeting has reached 50% of the Company's audited net assets for the most recent financial year.

On October 30, 2026, the Company convened the 19th meeting of the fifth session of the Board, at which the Resolution on the External Investment by a Controlled Second-tier Subsidiary for the Construction of a New Project and the Cumulative External Investments was considered and approved. The resolution is subject to the approval of the shareholders at a general meeting of the Company. The resolution had been considered and approved by the Company's strategy committee before being submitted to the Board for consideration. Up to now, the project is still at the preparatory stage and subject to completion of compliance procedures, such as obtaining the Project Filing Notice and the Approval of the Environmental Impact Report.

(III) Whether the Transaction Constitutes a Related Transaction or a Major Asset Restructuring.

This transaction does not constitute a related transaction, nor does it constitute a major asset restructuring as defined under the Measures for the Administration of Major Asset Restructurings of Listed Companies.

II. BASIC INFORMATION OF THE INVESTMENT SUBJECT

(I) Overview of the Investment Subject

Shandong Liyuan, a controlled second-tier subsidiary of the Company, proposes to invest in and construct the "Shandong Liyuan LP-15 Project". The project is planned to construct production lines with a total annual capacity of 150,000 tonnes of battery-grade iron phosphate, with a total investment of approximately RMB941,610,500. This external investment project aims to achieve internal supporting of iron phosphate raw materials, stabilize the supply chain, reduce procurement costs, and ensure the implementation of LFP cathode material production capacity.

(II) Details of the Investment Subject

1. Basic information of the project

Type of Investment	☑Investment in a new project
Project Name	Shandong Liyuan LP-15 Project
Main Content of the Project	Production lines with a total annual capacity of 150,000 tonnes of battery-grade iron phosphate
Construction Location	Chemical Industrial Park, Juancheng County, Shandong Province
Total Investment Amount of the Project (RMB'0,000)	94,161.05 (estimated and subject to uncertainty)

Investment Amount of the Listed Company (RMB'0,000)	94,161.05 (estimated and subject to uncertainty)
Construction Period of the Project (Months)	12 months (subject to the actual construction period)
Expected Commencement Date	January 2027 (subject to the actual commencement of construction)
Expected Return on Investment	11.26%, financial internal rate of return (after income tax)
Whether within the Scope of Principal Business	☑Yes □No

2. Project investment estimation

The total investment amount of the "Shandong Liyuan LP-15 Project" is approximately RMB941.6105 million, details of which are as follows:

No.	**Name of project or expense**	**Investment amount** *(RMB'0,000)*	**Percentage of total investment** *(%)*
I	Construction costs	72,480.00	76.97
	(1) Equipment purchase	51,600.00	54.80
	(2) Installation works	20,880.00	22.17
II	Other expenses	7,166.22	7.61
III	Contingency	7,964.62	8.46
IV	Initial working capital	5,476.98	5.82
V	Interest on construction period loans	1,073.23	1.14
Total		94,161.05	100.00

3. Capital contribution of respective major investors

The project does not involve any other investors, and the project implementation entity is Shandong Liyuan, a controlled second-tier subsidiary of the Company. Shandong Liyuan has a registered capital of RMB1,210 million, and the Company holds 68.6891% of its equity interest through Changzhou Liyuan New Energy Technology Group Co., Ltd. (常州鋰源新能源科技集團有限公司, the "Changzhou Liyuan").

4. Current progress of the project

The project is currently in the preliminary preparation stage, and construction has not yet commenced. It remains subject to completion of compliance procedures, such as obtaining the Project Filing Notice and the Approval of the Environmental Impact Report.

5. Market positioning and feasibility analysis of the project

(1) Alignment with Industrial Development Trend and Promising Market Outlook

Iron phosphate is one of the main precursors for LFP cathode materials, and its performance determines, to a certain extent, the performance of LFP cathode materials. In the recent years, as new energy vehicle and energy storage industries rapidly grow, LFP battery has become one of the major technology roadmaps for power battery and storage battery, leading to a rapid growth of the demand of iron phosphate material in the upstream sector. Meanwhile, the current LFP cathode materials market is continuously developing towards higher energy density, resulting in increasing demand for high-performance iron phosphate precursors. According to data of relevant authorities, in 2026, China's effective production capacity of iron phosphate is approximately 5.10 to 5.20 million tonnes per annum, with demand of approximately 4.50 million tonnes. The industry utilisation rate remains at a high level of over 80%, and supply and demand are in a state of tight balance. According to the lithium battery spot price tracking of iron phosphate quoted at SMM (Shanghai Metals Market), the price of iron phosphate increased from approximately RMB10,000 per tonne at the beginning of 2026 to approximately RMB15,500 per tonne in September, representing an increase of over 50%, and the premium for high-end precursor products continues to expand. Building on the rapid growth of the downstream market in respect of new energy vehicle and energy storage, this project offers a promising market outlook. In order to further increase the self-supply ratio of iron phosphate, enhance the Company's profitability and safeguard the Company's product performance, the Company proposes to invest in and construct the Shandong Liyuan LP-15 Project.

(2) The Company has industrial layout and supply chain synergy advantages

The Company is a leading global supplier of LFP cathode materials, adhering to consolidating the source of iron phosphate precursors in the upstream sector through a vertically integrated approach. The implementation location of this project is Chemical Industrial Park, Juancheng County, Heze City, Shandong Province. The park currently

has 50,000 tonnes of LFP production capacity, with additional 110,000 tonnes under construction. Upon completion of this project, the transportation distance for iron phosphate precursors can be controlled within 5 km, effectively reducing logistics costs and increasing profitability of the project.

(3) The Company possesses mature process technology and industry experience

The Company possesses mature process technology for the production of iron phosphate, with a complete process route, technical solutions and process control capabilities, and is able to organise large-scale production, thereby providing support for capacity expansion, product iteration and stable market supply. In addition, leveraging its long-standing deep cultivation of the industry, the Company has a solid industrial foundation, well-established supporting facilities and a mature supply chain synergy system, enabling it to continuously improve production efficiency and ensure stable output.

(III) Contribution Method and Related Matters

The contribution is made in cash and funded by the proceeds from the non-public issuance of shares in 2021, the own funds of Shandong Liyuan, a controlled second-tier subsidiary of the Company, and bank loans or self-raised funds.

III. IMPACT ON THE LISTED COMPANY FROM THE EXTERNAL INVESTMENT

This project seizes the development opportunities in the new energy industry, which is consistent with the Company's long-standing vertically integrated development strategy and enhances the cost and competitive advantages of the Company's products. At the same time, the project can leverage the synergy advantages of resources and the industry chain to further increase the proportion of self-supplied raw materials, hedge against the risks of raw material price fluctuations, enhance the Company's profitability and risk resilience, and promote technological upgrading and sustainable development. It is expected to have a positive impact on the Company's financial position and operating results, and to further expand its operating scale and enhance its core competitiveness and economic benefits. The implementation of the project is in the long-term interests of the Company and all shareholders, and there is no circumstance that would harm the interests of the Company and all shareholders.

IV. CUMULATIVE EXTERNAL INVESTMENTS OF THE COMPANY

Over the past 12 months, the cumulative amount of external investments of the Company and its subsidiaries within the scope of the consolidated financial statements that have been approved by the Board but not yet submitted to the general meeting for review (including this investment but excluding external investments that have already undergone the relevant review procedures) has reached 50% of the audited net assets of the Company for the most recent accounting year. Except for this investment, the details are as follows:

No.	Date	Investment Matter	Investment Amount
1	September 2026	Establishment of Jiangsu Yika Zhilian Technology Co., Ltd. (江蘇一卡智聯科技有限公司)	RMB20 million
2	September 2026	Establishment of Teec Asia Pacific New Energy Pte. Ltd.	US$10,000
3	September 2026	Capital increase by Changzhou Liyuan, a controlled subsidiary of the Company, in respect of its wholly-owned subsidiary, Liyuan (Jiangsu) Technology Co., Ltd.	RMB310 million
4	September 2026	Construction of Lopal Technology's Global Headquarters and New Energy and New Materials AI Smart Innovation Center	RMB500 million

V. RISK DISCLOSURE IN RELATION TO EXTERNAL INVESTMENTS

1. The current industrial access, energy consumption and dual carbon control policies are becoming increasingly stringent, and the project is under relatively high pressure in respect of the control of pollutants such as wastewater, waste gas and solid waste. The project is still at the preparatory stage and remains subject to completion of project filing, environmental impact assessment, safety assessment and other procedures. If such approvals are not obtained or are not obtained in a timely manner, the project may not be able to be implemented or the implementation progress may fall short of expectations.

2. This investment is based on the integrated development strategy of the Company and is primarily intended to meet the lithium iron phosphate production needs of the Company. The downstream market is significantly affected by factors such as the development of the new energy vehicle and energy storage industries, policies and technology roadmaps. If downstream demand falls short of expectations, it may affect the absorption of the project's production capacity.

3. The project will be funded by the proceeds from the 2021 non-public issuance of shares, Shandong Liyuan's own funds, bank loans or self-raised funds. This may exert certain short-term pressure on the working capital of the Company. The Company will coordinate its funding arrangements and reasonably determine the sources of funds, payment methods and other matters to ensure the smooth implementation of the project.

4. During the construction of the project, various uncertainties may arise, including changes in market conditions, changes in industry policies and force majeure. After the project is put into production, prices of raw materials and major products may fluctuate with changes in market supply and demand, which may cause the economic benefits of the project after completion and commissioning to fall short of expectations. Investors are advised to invest rationally, make prudent decisions and be aware of investment risks.

This transaction constitutes a transaction of revenue nature conducted by the Group in its ordinary and usual course of business and does not constitute a discloseable transaction under Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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.