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 CHANGE TO CERTAIN CONSTRUCTION CONTENT OF THE FUNDRAISING INVESTMENT PROJECT

Reference is made to the section headed "History and Development — Share Capital Changes in 2022" in the prospectus of Jiangsu Lopal Tech. Group Co., Ltd. (the "**Company**") dated 22 October 2024 in relation to the net proceeds raised from the Company's non-public issuance of A Shares in 2022 amounted to RMB2,175,531,120.83.

I. OVERVIEW OF THE CHANGE TO THE CONSTRUCTION CONTENT OF THE FUNDRAISING INVESTMENT PROJECT

(I) Basic Information of the Proceeds

Pursuant to the approval granted by the China Securities Regulatory Commission in its Reply on Approving the Non-public Issuance of A Shares by Jiangsu Lopal Tech. Group Co., Ltd. (Zheng Jian Xu Ke [2022] No. 621), the Company completed the non-public issuance of 82,987,551 RMB ordinary shares (A shares), each with a par value of RMB1.00, at an issue price of RMB26.51 per share. Gross proceeds amounted to RMB2,199,999,977.01. After deduction of the underwriting and sponsor fees not yet settled, the remaining balance of RMB2,177,803,577.01 was remitted by the sponsor, Guotai Junan Securities Co., Ltd. (currently known as "Guotai Haitong Securities Co., Ltd."), to the Company's designated escrow account on May 18, 2022. The proceeds were verified by Jonten Certified Public Accountants (Limited Liability Partnership) and confirmed in its Capital Verification Report (Zhong Tian Yun [2022] Yan Zi No. 90024). All proceeds have been placed in dedicated

escrow accounts for the exclusive use of the raised funds. After further deduction of issuance expenses of RMB24,468,856.18, the net proceeds from the non-public issuance totalled RMB2,175,531,120.83.

The Company has adopted a special account storage system for the proceeds. Upon the arrival of the proceeds, all such funds have been deposited in the special accounts for proceeds, and the Company has signed a proceeds supervision agreement with the sponsor institution and the commercial banks where the proceeds are deposited.

As of November 30, 2025, the Company has cumulatively utilized the proceeds in the amount of RMB1,636,091,300. Details are set out as follows:

Unit: (RMB10,000)

Committed Investment Projects	Committed Total Investment of Proceeds	Cumulative Investment Amount as of November 30	Cumulative Investment Progress as of November 30
Large-scale Production Project of NEV Power and Energy Storage Cathode Material	129,000.00	73,334.07	56.85%
Annual 600,000-tonne Vehicle Urea Project	25,557.79	25,619.79	100.24%
Replenishment of Working Capital Project	50,000.00	50,451.13	100.90%
Annual Production of 40,000 Tons of Battery-grade Energy Storage Materials Project	12,995.32	14,204.14	109.30%
Total	**217,553.11**	**163,609.13**	**75.20%**

(II) Change to the Construction Content of the Fundraising Investment Project

The original plan of the "Large-scale Production Project of NEV Power And Energy Storage Cathode Material" was to construct production lines with an annual capacity of 150,000 tonnes of LFP cathode materials, which would be implemented in three phases. Currently, Phase I Project (with an annual capacity of 25,000 tonnes) and Phase II Project (with an annual capacity of 62,500 tonnes) have been completed. After careful deliberation, the Company intends to adjust the capacity scale of Phase III Project from the originally planned 62,500 tonnes per year to 100,000 tonnes per year (the "Change"). The Change does not involve any alteration to the investment direction of the proceeds, nor does it constitute a connected transaction.

(III) Consideration

On 24 December 2025, the Company convened the 46th meeting of the fourth session of the Board, at which the Resolution on Change to Certain Construction Content of the Fundraising Investment Project was considered and approved. The Board agreed to change certain construction content of the fundraising investment project and to submit the matter to the General Meeting for authorisation to grant the operation management full authority to handle matters in connection with such change, including, without limitation, the filing and registration procedures for the change of the proceeds-funded investment projects, the execution of other relevant documents and the completion of relevant procedures. The Board is of the view that such change was made after taking into full consideration change in the market environment and 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. The above matter is still subject to consideration and approval by the General Meeting of the Company.

(IV) Basic Information Table of the Fundraising Investment Projects

Unit: 0'000 Currency: RMB

Name of issuance	Non-public issuance of shares in 2021
Gross proceeds	220,000.00
Net proceeds	217,553.11
Date of proceeds received	May 18, 2022
Total amount involved in change of investment direction	Not applicable
Percentage of total amount involved in change of investment direction	Not applicable

Type of change in the use of proceeds	☐ Change in investment direction of proceeds ☐ Change in the amount of proceeds ☐ Cancellation or termination of fundraising investment projects ☐ Change in the implementing entity of fundraising investment projects ☐ Change in the implementation method of fundraising investment projects ☐ Implementation of new projects ☐ Permanent supplementation of working capital ☑ Other: Enhancement of project production capacity

II. SPECIFIC REASONS FOR CHANGE TO THE CONSTRUCTION CONTENT OF THE FUNDRAISING INVESTMENT PROJECTS

(I) Original Project's Planned Investment and Actual Investment Status

The Company's controlled grandchild subsidiary, Sichuan Liyuan, originally planned to construct a LFP cathode material production facility with an annual capacity of 150,000 tons in Suining, Sichuan Province, of which RMB1,290.0000 million was proposed to be funded by the proceeds. As of November 30, 2025, the project had utilized the proceeds of RMB733.3407 million.

On March 28, 2025, the Company convened the 34th meeting of the fourth session of the Board and the 26th meeting of the fourth session of the Board of Supervisors, at which the Proposal on the Extension of Certain Investment Projects Funded by the Proceeds was reviewed and approved. It was agreed to extend the time for the project to reach its originally scheduled usable state from May 2025 to May 2026.

Unit: RMB0'000

No.	Investment Projects	Total Investment of the Proceeds			Project Investment Progress as of the Cut-off Date (%) = (2)/ (1)
		Committed Investment Amount Before Fundraising	Committed Investment Amount After Fundraising (1)	Actual Investment Amount (2)	
1	Large-scale Production Project of NEV Power and Energy Storage Cathode Material	129,000.00	129,000.00	73,334.07	56.85%

(II) Specific Reasons for the Change

The Company's fundraising investment project originally planned to construct a LFP cathode material production facility with an annual capacity of 150,000 tons in Suining, Sichuan Province. This plan was prudently formulated by the Company based on the development trends of the lithium iron phosphate industry at the time, in alignment with the market-oriented transformation of the new energy vehicle industry, with the aim of maintaining the Company's competitive market position and strengthening its strategic layout in the southwestern region of China.

Benefiting from the rapid development of the new energy vehicle (NEV) and energy storage sectors in recent years, there has been a widespread demand for new energy batteries. Among these, lithium iron phosphate (LFP), owing to its high safety performance, has emerged as the most widely used cathode material for new energy batteries. In the NEV segment, according to data from EV VOLUMES, global NEV sales reached 16.9 million units in 2024, representing a year-on-year increase of 19.18%, which drove the global NEV penetration rate up to 19.7%. In the domestic market, China's NEV production and sales volumes reached 12.888 million units and 12.866 million units respectively in 2024, representing a year-on-year increase of 34.43% and 35.50% respectively. The NEV sales penetration rate surged from 0.80% in 2015 to 43.50% in 2024. The robust production and sales of NEVs have fueled the rapid growth of the power battery market. In 2024, the global and Chinese power battery shipments reached 974GWh and 557GWh respectively, representing a year-on-year increase of 45.4% and 24.7% respectively. In terms of battery types, global phosphate-based power battery shipments accounted for 44% of the total power battery shipments, while this figure reached as high as 72% in the domestic Chinese market. In the energy storage market, the installed capacity of new

energy storage systems has experienced rapid expansion both domestically and internationally in recent years. According to CNESA, by the end of 2024, the cumulative installed capacity of global operational power energy storage projects stood at 372GW, with a year-on-year growth rate of 28.63%. Among these, the cumulative installed capacity of new energy storage systems reached 165.4GW, with a year-on-year growth rate of 80% and emerging as the primary driver of growth in the energy storage market. China's energy storage market has demonstrated even more outstanding performance. In 2024, the cumulative installed capacity of China's power energy storage projects reached 137.9GW, with a year-on-year increase of 59.9%, accounting for 37.1% of the global cumulative installed capacity. Specifically, the newly/cumulative installed capacity of new energy storage systems in China reached 43.7GW/78.3GW. For the first time, the cumulative installed capacity of new energy storage surpassed that of pumped storage, with the newly/cumulative installed capacity accounting for 59.1%/47.3% of the global newly/cumulative installed capacity. According to the forecast from CNESA, under an ideal scenario, the cumulative installed capacity of China's new energy storage market will reach 326.20GW by 2030, with a compound annual growth rate (CAGR) of 28.7% from 2025 to 2030, fully reflecting the promising development prospects of the energy storage market. From a segmented perspective, data from EV Tank shows that LFP batteries accounted for as high as 92.5% of the global energy storage battery market in 2024, establishing themselves as the mainstream application solution. As they are poised to fully benefit from the development of the energy storage industry, market demand for LFP batteries is set to maintain a steady growth trend, thereby providing broad market demand for phosphate-based cathode materials.

Accordingly, the Company's LFP cathode material business has also achieved rapid development. To alleviate the current delivery pressure of LFP cathode materials and enhance the efficiency of raised fund utilization, the Company intends to adjust the Phase III annual production capacity of the original "Large-scale Production Project of NEV Power and Energy Storage Cathode Material" from 62,500 tons to 100,000 tons, so as to better meet the growing demand from the Company's order book.

III. CHANGE TO THE CONSTRUCTION CONTENT OF THE FUNDRAISING INVESTMENT PROJECT

(I) Basic Information of the Project

1. The implementing entity of the project: Sichuan Liyuan

2. Construction site: Suining City, Sichuan Province

3. Change to the construction content: Adjusting the production capacity of Phase III of the "Large-scale Production Project of NEV Power and Energy Storage Cathode Material" from 62,500 tonnes/year to 100,000 tonnes/year

4. Expected progress of investment: It is expected to be completed and reach the expected conditions for use in May 2026

(II) Change to the Construction Content

1. Project investment estimate

The investment in Phase III of the "Large-scale Production Project of NEV Power and Energy Storage Cathode Material" amounted to approximately 910,000,000, details of which are as follows:

Unit: RMB0'000

No.	Project name	Amount
1	Equipment investment	78,851.00
2	Software investment	1,460.00
3	Preparation fees	4,015.00
4	Initial working capital	6,674.00
Total		**91,000.00**

2. Revenue of the project

The financial internal rate of return of project investment (after tax) is 12.59%, and the investment payback period (after tax) is 7.64 years.

(III) Feasibility Analysis of the Project

1. A broad prospect of the application market provides the market foundation for project implementation

In recent years, the rapid development of new energy vehicles (NEV) has driven the rapid growth of lithium iron phosphate batteries. From the perspective of global shipment of lithium batteries, the "White Paper on the Development of the Lithium-ion Battery Industry in China (2025)" (《中國鋰離子電池行業發展白皮書(2025年)》) jointly released by EV Tank, a research institute, and China YiWei Institute of Economics reveals that in 2024, the global shipment of lithium-ion batteries amounted to 1,545.1GWh, representing a year-on-year increase of 28.5%. Going forward, EV Tank expected the global shipment of lithium batteries to reach 1,899.3GWh in 2025 and 5,127.3GWh in 2030.

The lithium iron phosphate produced by the Company is an important raw material for lithium iron phosphate batteries, and its performance directly affects the energy density, safety and lifespan of the battery. With the increasingly diverse application scenarios and the continuous expansion of the market size of lithium iron phosphate batteries, the market demand for lithium iron phosphate will be further driven.

In conclusion, the downstream application market scale of the lithium iron phosphate products that the Company plans to produce has an extremely broad prospect, and the demand for lithium iron phosphate is relatively strong, providing a solid foundation for absorbing the production capacity of lithium iron phosphate products of this project. In the future, with the rapid growth of the downstream market, the market demand for lithium iron phosphate products will increase.

2. ***Accumulation of high-quality customer resources provides a solid foundation for the implementation of the project***

Over the long term, the Company has actively expanded its market presence and cultivated a portfolio of high-quality customers by leveraging its superior product quality, comprehensive technical service system, well-established manufacturing processes and stringent quality control standards. In the course of its cooperation with customers, the Company has maintained close alignment with customers in terms of technical communication and product services through continuous technological improvement, and has consistently provided high-quality LFP products. As a result, the Company's products and services have received broad recognition from its customers. After years of development, the Company has established cooperative relationships with well-known lithium battery manufacturers, both domestic and overseas, including CATL, LG Energy Solution, SUNWODA and EVE Energy. Such high-quality customers are industry leaders and adopt highly stringent supplier evaluation standards. Once a supplier is admitted into their procurement systems, customers generally do not replace suppliers easily, thereby forming stable and long-term cooperative relationships.

At present, with the rapid growth of downstream application markets in the lithium battery industry, leading enterprises in the industry are undergoing phases of capacity expansion. Demand for LFP cathode materials continues to rise. Building on its existing cooperative relationships, the Company is further deepening its cooperation with customers by providing LFP cathode materials with outstanding performance, which will help customers meet their increasing demand for LFP cathode materials and ensure the stability of raw material supply.

In summary, the Company's high-quality and stable customer base, together with its strong market development capabilities, will ensure that its orders achieve sustained and stable growth in tandem with customer expansion, thereby laying a solid foundation for the absorption of the additional production capacity under the Project.

3. Strong technological research and development capabilities provide solid support for the implementation of the project

Changzhou Liyuan New Energy Technology Co., Ltd. (常州鋰源新能源科技有限公司) ("Changzhou Liyuan"), a controlled grandchild subsidiary of the Company, is a well-recognised domestic supplier of lithium battery raw materials specialising in the research and development, production and sale of LFP cathode materials. Changzhou Liyuan has consistently regarded technology as the core driving force for its business development. Changzhou Liyuan focuses on the research and innovation of LFP products, continuously enhancing product performance and quality. By actively applying cutting-edge technologies to technological and product development, it continues to develop new products capable of meeting customer requirements, while maintaining strong independent innovation capabilities and rapid product and technology iteration capabilities. As a result, the Company's technology and product quality have consistently remained at a high level. In addition, Changzhou Liyuan has established a research and development team led by industry experts. The team possesses extensive industry experience, strong innovation capabilities and advanced technical expertise, providing important assurance for technological innovation and improvements in product performance. At the same time, Changzhou Liyuan has established a comprehensive technological research and development system and innovation mechanism, which provides institutional support for the continuous enhancement of its independent research and development capabilities.

In summary, the Company's strong technological capabilities, professional talent pool and well-established technological research and development mechanisms provide a solid foundation for the implementation of the Project.

IV. MARKET PROSPECT AND RISK WARNING OF THE PROJECT

(I) Market Prospect

Driven by factors such as automotive electrification, cordless electrical tools, large-scale 5G applications and global shift in energy supply methods, global lithium battery industry has achieved steady development. According to statistics from Ev Tank and China YiWei Institute of Economics, global shipment of lithium battery reached 1,545.1GWh in 2024, representing a year-on-year increase of 28.5%. Looking forward, as the penetration of global new energy vehicle continues to grow and the dual carbon goal has gradually advanced, demand for automotive power batteries and energy storage batteries will maintain robust growth. Before 2030, other battery systems will struggle to match the industry development of lithium battery technology in terms of economies of scale and comprehensive performance advantages. Lithium-ion battery will remain the mainstream technology direction. It is estimated that global shipment of lithium battery will reach 5,127.3GWh in 2030, providing an extensive market demand for phosphate iron-based cathode material.

(II) Risks Warning and Countermeasures

1. Industry policy risks and countermeasures

Constrained by macroeconomic development cycles and driven by continuous industry structure adjustments, adjustments to macroeconomic policies, industrial policies and fiscal subsidy in new energy vehicle, electrochemical energy storage, low-carbon environmental protection and other industries by the state will cause fluctuations in the Company's market demand and changes in industrial competition, thereby affecting the Company's development. In addition, the national macroeconomic policies will be subject to adjustments from time to time as the national economic development. In recent years, the government has intensified its use of fiscal policies and monetary policies for macroeconomic regulations. Adjustments to economic policies such as investment, taxation and interest rates will have a broad impact on the Company.

For the abovementioned risks, the Company will make full use of current favorable political environment to accelerate its development and make its all effort to grow. Meanwhile, the Company will continue to enhance technological levels and improve development capability of the Company's products for core business lines, further consolidating the position of the Company in LFP cathode material market.

2. *Market risks and countermeasures*

(1) Market competition risks

Lithium battery cathode material industry is a sector supported by the national policies, boasting extensive development prospect and immense market potential. With the growth of new energy vehicle, numerous cathode material manufacturers have expanded their production capacity in line with industry development. Meanwhile, new entrants continue to join the competitive landscape, placing the industry in a state of intense competition. This exposes the Company to the risks of decline in market share and profitability arising from market competition.

In response to the aforementioned risks, first, the Company will increase investment in technological research and development, continue to enhance its core competitiveness in the market, and improve product quality; second, the Company will continuously develop new products that meet the needs of market development, actively explore new fields, and form a pattern of multi-variety operations; third, the Company will establish long-term and friendly cooperative relations with key customers by maintaining close communication with customers and marketing channels, laying a solid foundation for its steady development in the future.

(2) Risk of changes in market demand

The LFP products manufactured by the Company are primarily used in areas such as power batteries for new energy vehicles, grid energy storage batteries, and power supply batteries for 5G base stations. With the continuous technological advancement in downstream application fields, the performance requirements for lithium batteries are subject to change. Furthermore, demand for LFP varies among different lithium battery manufacturers due to differences in their own product specifications. Should the Company's LFP products fail to meet the specific needs of downstream customers, it could adversely affect the sales of LFP products of the Company.

In response to the aforementioned risks, first, the Company will closely follow the trends of market demand, strengthen the feedback of downstream market information, and produce products that meet current market demand; second, the Company will actively carry out cooperation with customers, continuously improve its own technical capabilities, and satisfy different customers' requirements for product performance.

(3) Risk of raw material price fluctuations

The main raw materials for LFP of this project include lithium carbonate and iron phosphate, among which the number of lithium carbonate suppliers is relatively limited. In recent years, the market price of lithium carbonate has fluctuated significantly. Going forward, with the further expansion of LFP production scale, if the supply of overseas lithium ore and the capacity release of domestic lithium resource suppliers fail to keep pace with the market demand for LFP, it will lead to fluctuations in the market price of lithium carbonate, thereby exerting a certain impact on the Company's production and operations.

In response to the aforementioned risks, the Company's procurement department will regularly analyze domestic and international economic trends and market price fluctuations of raw materials, and formulate procurement strategies for major raw materials based on market conditions, the Company's raw material inventory levels and capital position. The Company will procure raw materials such as lithium carbonate and iron phosphate as and when appropriate, which will help to mitigate the risk of raw material price fluctuations to a certain extent.

3. Management risks and mitigation measures

Following the implementation of the Project, the Group's asset base and business scale will further expand. In the course of its development, the Company has recruited and cultivated a stable team of core technical and management personnel, and has established management and decision-making systems tailored to its business operations and technological characteristics. However, with the continued expansion of its business scale, the Company may be exposed to the risk of shortages in core technical and management personnel. In addition, if existing personnel and various systems are unable to adapt promptly to the rapid growth in business operations and assets, the Company's operating efficiency and profitability may be adversely affected.

In response to the foregoing risks, the Company has established comprehensive modern enterprise management systems, including personnel management systems, employee training management systems, a position-based competency assessment and evaluation system, supplier management systems, and customer information and asset management systems. The core management team and key technical management personnel remain highly stable. The Company endeavors to mitigate its management risks to the lowest practicable level.

4. Research and development risks of new products and mitigation measures

The lithium battery cathode material industry is a technology-intensive industry with high requirements for technological innovation and product research and development. R&D investment is substantial, and the development of new products is subject to various risks, including lengthy R&D cycles, inherent uncertainties in R&D, difficulties in commercialisation of scientific research achievements, failure to obtain successful registration or filing for new products, inability of new products to meet market demand, and rapid changes in market demand. At present, downstream customers continue to raise their performance requirements for cathode materials. This has driven industry participants, including the issuer, to continuously increase their efforts in the improvement and R&D of cathode materials, with a view to developing cathode materials featuring higher energy density while maintaining a high level of safety. If the risks associated with the Company's new product R&D are not effectively addressed, the progress of new product development and the market commercialisation of such products may be adversely affected. In severe cases, the Company may lose its existing technological advantages.

In response to this risk, the Company will continuously enhance its technological R&D capabilities, expand its R&D team, and further improve its R&D processes, while strengthening market information feedback and monitoring industry R&D trends, so as to conduct in-depth feasibility studies on new product R&D projects and thereby mitigate R&D risks.

5. Risk of loss of core technical personnel and countermeasures

The lithium battery cathode material industry is a technology-intensive sector. The R&D and production of new products, the improvement of production processes, and the enhancement of existing product performance all require the participation of technical personnel. Therefore, core technical personnel are an important resource for the sustainable development of enterprises in the industry. With the rapid development of the industry, the continuous entry of new enterprises will inevitably lead to competition for professionals, and some enterprises have experienced the loss of core technical personnel.

To address the aforementioned risks, firstly, the Company will attach importance to the accumulation of R&D experience in practice and gradually formulate systematic technical documents to ensure the preservation and inheritance of its technologies; Secondly, we will establish and continuously improve the talent training mechanism, career path planning mechanism, promotion and incentive mechanism, performance appraisal mechanism, and equity incentive mechanism, so as to provide appropriate channels for the development and promotion of high-end and sophisticated talents; Lastly, the Company will continue to protect its technological development achievements by means of applying for intellectual property protection and joining intellectual property alliances, further improve the construction of the technical confidentiality system, and strengthen technical confidentiality efforts, so as to prevent the leakage of core technologies.

V. PROJECT FILING AND APPROVAL STATUS

The Phase III project of the "Large-scale Production Project of NEV Power and Energy Storage Cathode Material", which involves the revised construction content, has completed project filing in Pengxi County Administrative Approval Bureau (Filing No.: Chuan Investment Filings [2511–510921–99–01–560054]) No. FGQB-1358, and is still necessary to complete procedures such as environmental impact assessment (EIA) and energy assessment (EA).

VI. OPINION OF THE SPONSOR ON CHANGE TO CERTAIN CONSTRUCTION CONTENT OF THE FUNDRAISING INVESTMENT PROJECT

Upon verification, the Sponsor is of the view that the change to certain construction content of the fundraising investment project have been considered and approved by the Board of the Company and is still subject to consideration and approval by the General Meeting of the Company. Such change compiles with the requirements of the relevant laws, regulations and normative documents, represents a prudent decision made by the Company based on its project arrangements, and does not prejudice the interests of the shareholders of the Company, in particular the minority shareholders. In view of the above, the Sponsor has no objection to the Company's change to certain construction content of the fundraising investment project.

VII. MATTERS IN RELATION TO SUBMITTING CHANGE IN USE OF RAISED FUNDS TO THE GENERAL MEETING FOR DELIBERATION

The change in relation to the fundraising investment project is still subject to consideration and approval by the General Meeting of the Company.

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

Nanjing, PRC
December 24, 2025

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 Mr. LI Qingwen, Mr. YE Xin, Ms. GENG Chengxuan and Mr. HONG Kam Le as independent non-executive Directors.