Lopal
龙蟠科技

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 THE PROPOSED OUTBOUND INVESTMENT IN A NEW PROJECT BY A CONTROLLED GRANDCHILD SUBSIDIARY AND THE CUMULATIVE OUTBOUND INVESTMENT

THE PROPOSED OUTBOUND INVESTMENT

To enhance Jiangsu Lopal Tech. Group Co., Ltd.'s (the "**Company**") overall competitiveness, LBM NEW ENERGY (AP) PTE. LTD. ("**LBM (AP)**"), a controlled grandchild subsidiary of the Company, proposes to invest in and construct the Indonesia LBM Phase III Project (as defined below) through its wholly-owned subsidiary, PT LBM ENERGI BARU INDONESIA BATANG ("**LBM Indonesia (Batang)**"). The Indonesia LBM Phase III Project has an overall planned construction of production lines with annual capacity of 120,000 tonnes of second-generation and third-generation LFP cathode materials, with a total investment of US$160 million, equivalent to approximately RMB1,088 million.

GENERAL

The proposed outbound investment has been considered and approved by the tenth 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 proposed investment in relation to the Indonesia LBM Phase III 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:** LBM NEW ENERGY (AP) PTE. LTD., a controlled grandchild subsidiary of the Company invests in the construction of a "Massive Production Project for Cathode Materials for New Energy Vehicle Power and Energy Storage Batteries" (the "**Indonesia LBM Phase III Project**" or the "**Project**") in Indonesia via its wholly-owned subsidiary PT LBM ENERGI BARU INDONESIA BATANG. The Project has an overall planned construction of production lines with annual capacity of 120,000 tonnes of second-generation and third-generation lithium iron phosphate (LFP) cathode materials.

- **Investment Amount:** The total investment amount of the Project is approximately US$160 million, equivalent to approximately RMB1,088 million. The final amount is subject to the actual investment in the Project.

- **The Transaction Requires Further Approval and Other Related Procedures:** The investment has been considered and approved by the tenth meeting of the fifth session of the Board, and is subject to the consideration and approval by the shareholders at a general meeting of the Company.

- **Other Key Risk Matters Requiring Investors' Attention**

  1. Project Construction and Approval Risks: The investment is subject to filing/approval by the relevant authorities in both China and Indonesia, and therefore involves certain uncertainties. Furthermore, during the preparation and construction implementation stages, the Project may be affected by uncertainties in relevant policies, regulations, market conditions, and other factors, and thus there is a risk that construction and commissioning may not proceed as scheduled;

  2. Market Competition Risks: The rapid development of the global new energy vehicle industry and the energy storage sector has led to an increase in demand for cathode materials. To enhance market share, upstream lithium battery material companies are concurrently expanding production capacity overseas, which entails market competition risks;

  3. Expected Return Risks: The Project may be affected by factors such as macro-economic conditions, industry policies, market environment, operational management, and social environment. Accordingly, there is uncertainty as to the future returns that may be generated by the Project;

  4. Exchange Rate Risks: As the Project involves offshore investment, the investment, construction, and financial accounting of the Project require settlement in foreign currency, thereby exposing it to risks arising from exchange rate fluctuations.

I. Overview of the Outbound Investment

(I) Summary of the Transaction

1. Summary of the Transaction

In light of the rapid development of the global new energy vehicle industry and energy storage sector, coupled with the advantageous characteristics of LFP such as high safety, low cost, and good cycle performance, the overseas market demand for LFP cathode materials has been steadily increasing, presenting promising industry prospects. To enhance the Company's overall competitiveness, LBM (AP), a controlled grandchild subsidiary of the Company, proposes to invest in and construct the Indonesia LBM Phase III Project through its wholly-owned subsidiary, LBM Indonesia (Batang). The Project has an overall planned construction of production lines with annual capacity of 120,000 tonnes of second-generation and third-generation LFP cathode materials, with a total investment amount of US$160 million, equivalent to approximately RMB1,088 million.

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 ☐ Company in which no shares are held √ Investment in a new project ☐ Other: _________
Name of Investment Target	Massive Production Project for Cathode Materials for New Energy Vehicle Power and Energy Storage Batteries (120,000 tonnes/year)
Investment Amount	√ Determined, specific amount (in RMB10,000): 108,800 (Estimated amount, subject to uncertainties) ☐ To be determined

Form of Contribution	☐ Cash √ Internal resources ☐ Proceeds raised √ Bank loans √ Other: Self-financing ☐ Physical assets or intangible assets ☐ Equity interests ☐ Other: _________
Cross-border Transaction	√ Yes ☐ No

(II) Board Consideration Status and Whether Shareholders' Meeting Approval and Relevant Regulatory Approvals are Required.

Over the past 12 months, the Company's cumulative undisclosed outbound investment amount (including hereof) has reached 10% of the audited net assets of the latest fiscal year of the Company. The cumulative outbound investment amount (including hereof) approved by the Board but not yet approved by the Shareholders' Meeting has reached 50% of the audited net assets of the latest fiscal year of the Company.

The Company convened the 10th meeting of the 5th session of the Board on June 9, 2026, which considered and approved the Proposal regarding the Outbound Investment in a New Project by a Controlled Grandchild Subsidiary and the Cumulative Outbound Investment, which is subject to consideration and approval by the shareholders' meeting of the Company. This investment is also subject to filing/approval by the relevant authorities in China and Indonesia.

(III) Clarify Whether This Transaction Constitutes a Related Party Transaction or a Major Asset Reorganization.

This transaction does not constitute a related party transaction, nor does it constitute a material asset reorganization as defined under the Measures for the Administration of Material Asset Reorganizations of Listed Companies.

II. Basic Information on the Investment Target

(I) Overview of the Investment Target

The Company's controlled grandchild subsidiary, LBM (AP), is intended to invest, through its wholly-owned subsidiary LBM Indonesia (Batang), in the construction of the "Indonesia LBM Phase III Project". The Project includes the construction of production lines with annual capacity of 120,000 tonnes of second-generation and third-generation LFP cathode materials. The total investment amount is approximately US$160 million, equivalent to approximately RMB1,088 million. This outbound investment aims to further increase the Company's market share, consolidate its business development structure, and enhance its product supply assurance capabilities and overall competitiveness.

(II) Specific Information on the Investment Target

1. Basic Information of the Project

Type of Investment	√ Investment in a new project
Name of Project	Massive production project for cathode materials for new energy vehicle power and energy storage batteries
Key term of Project	Production lines with annual capacity of 120,000 tonnes of second-generation and third-generation LFP cathode materials
Location of Construction	Batang Integrated Industrial Park, Central Java, Indonesia
Total Investment Amount of Project (RMB'0,000)	108,800.00 (estimated, subject to uncertainty)
Investment Amount of Listed Company (RMB'0,000)	37,730.70 (estimated, subject to uncertainty)
Construction Period of Project (Month)	12 months (subject to the actual construction period)
Expected Commencement Date	2026/07 (subject to the actual commencement date)
Expected Return Rate	24.38%
Within Scope of Principal Business	√ Yes ☐ No

Note: The investment amount of listed company is calculated as the total investment amount of project multiplied by the listed company's equity percentage in LBM Indonesia (Batang)

2. *Capital Contributions of Major Investors*

The Company will implement this Project through LBM (AP)'s wholly-owned subsidiary, LBM Indonesia (Batang), which is a controlled grandchild subsidiary of the Company. The registered capital of LBM Indonesia (Batang) is IDR300 billion, or approximately RMB112 million. LBM (AP) directly holds 99.97% of the shares in LBM Indonesia (Batang) and, through its wholly-owned subsidiary LBM NEW ENERGY SINGAPORE PTE. LTD., holds 0.03% of the shares in LBM Indonesia (Batang). No other investors are involved in this Project. Subject to the progress of the Project, LBM (AP) will make capital contributions to LBM Indonesia (Batang) in instalments using its internal resources by way of capital increase.

3. *Current Progress of the Project*

The Project is currently in the preliminary preparation stage, and construction has not yet commenced.

4. *Market Positioning and Feasibility Analysis of the Project*

(1) Broad Market Prospects for Application Provide a Market Foundation for Project Implementation

Due to the low cost, high cycle life, good safety, and environmental friendliness of LFP, the share of LFP in power battery installations is on a rising trend. A number of major global automakers have successively launched vehicle models using LFP as the cathode material, and LFP dominates the energy storage battery market. At present, global LFP production capacity is mainly concentrated in China, with very limited overseas LFP capacity. With the rapid development of the global new energy vehicle and energy storage industries, the demand for LFP cathode materials from overseas customers in sectors such as new energy vehicles, lithium batteries, and energy storage is expected to increase in the future. This Project is positioned in line with the development trend of overseas lithium-ion batteries and meets the demand of the overseas LFP market. The downstream application market has enormous prospects and strong demand for LFP, providing a solid foundation for the absorption of the LFP product capacity of this Project.

(2) Strong customer base provides a solid foundation for the implementation of the Project

Leveraging its high-quality products, comprehensive technical service system, well-established manufacturing processes and stringent quality control standards, the Company has continuously expanded its market presence and cultivated long-term relationships with leading customers in the industry. Throughout its cooperation with customers, the Company has remained closely aligned with their evolving needs through ongoing technological enhancements and close collaboration in technical exchanges and product services, consistently delivering high-quality LFP products. The quality of its products and services has been widely recognised by customers. As downstream application markets in the global lithium battery industry continue to expand rapidly, domestic battery manufacturers have progressively commenced the deployment of overseas production capacity. The Company has established cooperative relationships with the overseas production bases of certain domestic battery manufacturers. In addition, the Company has entered into cooperation with a number of internationally renowned lithium battery customers. Its high-quality and stable customer base, together with its strong business development capabilities, provides a solid foundation for the absorption of the additional production capacity to be generated by the Project.

(3) Proven overseas plant establishment and mass-production management capabilities provide strong support for the operation of the Project

The Company possesses extensive experience in establishing overseas production lines and managing localised manufacturing operations. It is capable of rapidly completing the construction, commissioning and production ramp-up of overseas production lines, while ensuring stable product quality and smooth bulk deliveries from its overseas facilities. Such capabilities enable the Company to satisfy the requirements of overseas markets and the needs of large-scale supply, thereby providing strong support for the construction of the overseas production capacity under the Project and the successful utilisation of such capacity.

(III) Method of Capital Contribution and Related Arrangements

The capital contribution for this investment will be made in cash and funded by the internal resources, bank loans or self-financing of LBM Indonesia (Batang), a controlled third-tier subsidiary of the Company. Subject to the progress of the Project, LBM (AP) will make capital contributions to LBM Indonesia (Batang) in instalments using its internal resources by way of capital increase.

III. Impact of the Outbound Investment on the Listed Company

The outbound investment is focused on the Company's principal business of LFP cathode materials and is in line with the Company's medium- to long-term strategic development plan. It represents an important initiative by the Company to further expand its presence in overseas markets. This investment project is in line with prevailing industry development trends and will enhance the Company's capability to provide localised manufacturing and service support in close proximity to overseas customers, thereby facilitating the expansion of its customer base and business channels. By proactively increasing production capacity and improving product quality, the Company will be better positioned to meet the needs of its existing customers and prospective customers, enhance its market competitiveness in the lithium battery materials industry, increase its market share and further strengthen its industry position. The investment will not prejudice the interests of the Company and its shareholders as a whole, particularly the minority shareholders. It is not expected to have a material impact on the Company's operating revenue or net profit for the reporting period of 2026.

IV. Cumulative Outbound Investments of the Company

During the past 12 months, the aggregate amount of outbound investments made by the Company and its subsidiaries within the scope of its consolidated financial statements (including the investment contemplated herein but excluding outbound investments that have already completed the relevant approval procedures) has reached 10% of the Company's audited net assets for its most recent financial year. Details of such investments, other than the investment contemplated herein, are set out below:

No.	Date of Investment	Investment Item	Investment Amount
1	July 2025	Establishment of PT LBM ENERGI BARU INDONESIA BATANG	IDR300 billion
2	December 2025	Establishment of Nanjing LBM NEW ENERGY (AP) PTE. LTD. (鋰源亞太(南京)新能源科技有限公司)	RMB70 million
3	January 2026	Establishment of Nanjing Lopal New Materials Co., Ltd. (南京龍蟠新材料有限公司)	RMB20 million
4	February 2026	Establishment of Shandong Nayuan Technology Co., Ltd. (山東鈉源科技有限公司)	RMB20 million

No.	Date of Investment	Investment Item	Investment Amount
5	February 2026	Establishment of Shandong Lintie Technology Co., Ltd. (山東麟鐵科技有限公司)	RMB20 million
6	March 2026	Establishment of LOPAL TECH AUSTRALIA PTY LTD	AUD1
7	March 2026	Establishment of LOPAL TECH PERTH PTY LTD	AUD1
8	April 2026	Subscription for shares in Global Lithium Resources Limited	AUD7,317,958.69

V. Risk Factors Relating to Outbound Investment

1. Project Construction and Approval Risks: The investment is subject to filing/approval by the relevant authorities in both China and Indonesia, and therefore involves certain uncertainties. Furthermore, during the preparation and construction implementation stages, the Project may be affected by uncertainties in relevant policies, regulations, market conditions, and other factors, and thus there is a risk that construction and commissioning may not proceed as scheduled;

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

Nanjing, PRC
June 10, 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.