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 OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2026

The board (the "**Board**") of directors (the "**Directors**") of Jiangsu Lopal Tech. Group Co., Ltd. (the "**Company**") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended June 30, 2026 (the "**Reporting Period**"), together with comparative figures for the six months ended June 30, 2025 as follows:

FINANCIAL HIGHLIGHTS

For the Reporting Period:

- Operating revenue amounted to approximately RMB7,198.4 million, representing an increase of approximately 98.7% as compared with the same period in 2025;
- Net profit amounted to approximately RMB595.6 million, representing a turnaround as compared with the loss of RMB110.1 million for the same period in 2025;
- Net profit attributable to the shareholders of the listed company amounted to approximately RMB420.5 million, representing a turnaround as compared with the loss of RMB85.2 million for the same period in 2025; and
- Basic earnings per share amounted to approximately RMB0.59, representing a turnaround as compared with the loss of approximately RMB0.13 for the same period in 2025.

Note:

The data in this announcement is the financial data prepared in accordance with the China Accounting Standards for Business Enterprises. Approved by the Shareholders at the annual general meeting of the Company held on June 26, 2026, the Company has uniformly adopted the China Accounting Standards for Business Enterprises for the preparation of financial reports and the disclosure of corresponding financial information starting with the 2026 interim results announcement and 2026 interim report.

CONSOLIDATED BALANCE SHEET

At June 30, 2026 — unaudited

Unit: Yuan Currency: RMB

Item	*Note*	30 June 2026	31 December 2025
CURRENT ASSETS:			
Cash and cash equivalents		**5,659,543,162.51**	3,787,270,679.85
Settlement reserve			
Placements with banks and non-bank financial institutions			
Financial assets held for trading		**2,218,068,608.12**	502,198,240.21
Derivative financial assets		**1,227,348.99**	1,286,133.53
Bills receivable		**14,159,829.59**	30,060,403.65
Accounts receivable	*1*	**3,036,468,732.58**	2,216,415,423.60
Receivables financing		**214,635,771.02**	517,618,399.29
Prepayments		**424,889,481.94**	399,914,610.39
Premiums receivable			
Reinsurance receivable			
Reinsurance contract reserve receivable			
Other receivables		**102,853,737.04**	121,304,358.75
Including: Interest receivable			
Dividends receivable			
Financial assets purchased under resale agreements			
Inventories		**4,515,890,738.74**	1,597,497,993.45
Including: Data resources			
Contract assets			
Assets held for sale		**—**	
Non-current assets due within one year			
Other current assets		**487,378,392.39**	428,832,728.71
Total current assets		**16,675,115,802.92**	9,602,398,971.43

Item	Note	30 June 2026	31 December 2025
NON-CURRENT ASSETS:			
Loans and advances to customers and other parties			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments		**45,802,373.60**	36,555,444.94
Other equity instruments investments		**132,800,570.50**	126,845,000.00
Other non-current financial assets			
Investment properties			
Fixed assets		**5,781,011,664.77**	5,957,584,159.50
Construction in progress		**1,593,522,985.38**	732,860,820.81
Productive biological assets			
Oil and gas assets			
Right-of-use assets		**979,344,542.57**	1,021,871,182.48
Intangible assets		**379,970,582.40**	386,408,969.68
Including: Data resources			
Development costs			
Including: Data resources			
Goodwill		**214,173,149.14**	214,173,149.14
Long-term deferred expenses		**106,176,127.71**	78,754,925.73
Deferred tax assets		**527,506,044.80**	466,416,939.83
Other non-current assets		**348,972,958.48**	47,977,237.88
Total non-current assets		**10,109,280,999.35**	9,069,447,829.99
Total assets		**26,784,396,802.27**	18,671,846,801.42

Item	Note	30 June 2026	31 December 2025
CURRENT LIABILITIES:			
Short-term borrowings		**5,713,313,835.24**	4,091,462,974.11
Loans from the central bank			
Placements from banks and non-bank financial institutions			
Financial liabilities held for trading	*3*	**1,364,188,064.46**	1,405,760,000.00
Derivative financial liabilities		**6,078,220.95**	84,610,236.90
Bills payable		**1,613,356,422.77**	555,318,286.94
Accounts payable	*2*	**2,762,862,311.63**	1,961,007,652.82
Advances from customers		**—**	
Contract liabilities		**67,353,885.34**	90,431,403.30
Financial assets sold under repurchase agreements			
Deposits from banks and non-bank financial institutions and customers			
Customer brokerage deposits			
Funds payable to securities issuers			
Employee benefits payable		**62,789,561.09**	71,873,118.76
Taxes and surcharges payable		**98,605,399.48**	54,084,731.58
Other payables		**154,795,976.10**	123,760,318.00
Including: Interest payable			
Dividends payable			
Commission charge and commission payable			
Reinsurance payable			
Liabilities held for sale			
Non-current liabilities due within one year	*4*	**2,415,230,186.17**	2,375,907,412.03
Other current liabilities		**9,501,147.77**	10,527,294.22
Total current liabilities		**14,268,075,011.00**	10,824,743,428.66

Item	*Note*	**30 June 2026**	31 December 2025
NON-CURRENT LIABILITIES:			
Insurance contract reserves			
Long-term borrowings		**4,423,798,000.00**	2,795,583,212.83
Bonds payable			
Including: Preference shares			
Perpetual bonds			
Lease liabilities		**823,880,520.67**	827,869,310.79
Long-term payables		**39,065,315.77**	64,071,707.46
Long-term employee benefits payable			
Provisions		**49,827,285.46**	49,219,635.64
Deferred income		**236,949,356.38**	206,676,311.23
Deferred tax liabilities		**6,054,459.54**	12,390,903.79
Other non-current liabilities		**560,861,537.18**	114,040,290.85
Total non-current liabilities		**6,140,436,475.00**	4,069,851,372.59
Total liabilities		**20,408,511,486.00**	14,894,594,801.25
OWNERS' EQUITY (OR SHAREHOLDERS' EQUITY):			
Paid-in capital (or share capital)	*5*	**791,111,906.00**	685,078,903.00
Other equity instruments			
Including: Preference shares			
Perpetual bonds			
Capital reserve		**4,485,283,970.18**	2,684,654,226.80
Less: Treasury shares		**—**	50,271,636.84
Other comprehensive income		**–55,303,172.52**	–27,674,341.05
Special reserves		**4,657,987.64**	4,691,822.66
Surplus reserve		**79,751,116.00**	79,751,116.00
General risk reserve			—
Retained earnings		**–124,098,471.08**	–548,375,879.66
Total equity attributable to owners of the parent (or shareholders' equity)		**5,181,403,336.22**	2,827,854,210.91
Non-controlling interests		**1,194,481,980.05**	949,397,789.26
Total owners' equity (or shareholders' equity)		**6,375,885,316.27**	3,777,252,000.17
Total liabilities and owners' equity (or shareholders' equity)		**26,784,396,802.27**	18,671,846,801.42

CONSOLIDATED INCOME STATEMENT

For the six months ended June 30, 2026 — unaudited

Unit: Yuan Currency: RMB

Item	*Notes*	**First half of 2026**	First half of 2025
1. Total revenue	*6*	**7,198,435,910.75**	3,621,880,146.21
Including: Operating revenue	*6*	**7,198,435,910.75**	3,621,880,146.21
Interest income			
Premium income earned			
Handling fees and commission income			
2. Total cost of sales		**6,576,221,692.12**	3,710,168,940.22
Including: Cost of sales	*6*	**5,754,692,128.84**	3,120,686,187.20
Interest expenses			
Handling fees and commission expenses			
Payments on surrenders			
Claim expenses, net			
Provision for insurance liability reserve, net			
Policyholder dividends			
Expenses for reinsurance			
Taxes and surcharges		**35,487,318.09**	23,770,654.83
Distribution and selling expenses		**90,432,835.12**	69,607,577.46
General and administrative expenses		**234,707,146.85**	183,177,962.11
Research & development expenses		**312,485,283.42**	190,094,240.27
Finance expenses		**148,416,979.80**	122,832,318.35
Including: Interest expenses		**129,629,303.06**	129,701,678.11
Interest income		**16,057,473.30**	16,732,100.80

Item	*Notes*	**First half of 2026**	First half of 2025
Add: Other income		**83,336,822.22**	80,881,167.74
Investment income (losses are indicated with "–")		**–87,903,451.08**	19,840,118.14
Including: Investment income from associates and joint ventures		**8,655,101.52**	–8,905,365.76
Income from derecognition of financial assets at amortised cost (losses are indicated with "–")			
Foreign exchange gains (losses are indicated with "–")			
Gains on net exposure hedging (losses are indicated with "–")			
Gains on fair value changes (losses are indicated with "–")		**30,069,353.78**	–36,324,320.36
Credit impairment losses (losses are indicated with "–")		**–33,365,448.72**	–11,080,929.68
Asset impairment losses (losses are indicated with "–")		**–30,037,474.03**	–66,778,326.05
Gains on disposal of assets (losses are indicated with "–")		**–481,922.72**	–238,944.20
3. Operating profit (losses are indicated with "–")		**583,832,098.08**	–101,990,028.42
Add: Non-operating income		**5,678,354.12**	5,764,662.55
Less: Non-operating expenses		**8,583,089.00**	2,089,529.43
4. Total profits (total losses are indicated with "–")		**580,927,363.20**	–98,314,895.30
Less: Income tax expenses	*7*	**–14,623,557.85**	11,754,276.84
5. Net profits (net losses are indicated with "–")		**595,550,921.05**	–110,069,172.14
(I) Breakdown by continuity of operations			
1. Net profit from continuing operations (net losses are indicated with "–")		**595,550,921.05**	–110,069,172.14
2. Net profit from discontinued operations (net losses are indicated with "–")			
(II) Breakdown by attributable interests			
1. Net profit attributable to shareholders of the parent (net losses are indicated with "–")		**420,500,326.38**	–85,153,407.09
2. Profit or loss of minority shareholders (net losses are indicated with "–")		**175,050,594.67**	–24,915,765.05

Item	*Notes*	**First half of 2026**	First half of 2025
6. Net other comprehensive income after tax		**−39,409,555.09**	1,328,334.66
(I) Net other comprehensive income attributable to shareholders of the parent after tax		**−27,628,831.47**	1,223,673.50
1. Those other comprehensive income not to be reclassified into profit or loss		**−8,897,239.80**	
(1) Changes arising from remeasurement of defined benefit plan			
(2) Other comprehensive income not to be reclassified into profit or loss using the equity method			
(3) Change in fair value of investment in other equity instruments		**−8,897,239.80**	
(4) Change in fair value of credit risk of enterprise			
2. Those other comprehensive income to be reclassified into profit or loss		**−18,731,591.67**	1,223,673.50
(1) Other comprehensive income to be reclassified into profit or loss using the equity method			
(2) Change in fair value of other debt investments			
(3) Amount of financial assets to be reclassified and taken to other comprehensive income			
(4) Provision for impairment of credit in respect of other debt investments			
(5) Cashflow hedging reserve		**−711,875.00**	361,830.00
(6) Exchange differences on translation of foreign currency financial statements		**−18,019,716.67**	861,843.50
(7) Others			
(II) Net other comprehensive income attributable to minority interests after tax		**−11,780,723.62**	104,661.16

Item	*Notes*	**First half of 2026**	First half of 2025
7. Total comprehensive income		**565,038,605.76**	−108,740,837.48
(I) Total comprehensive income attributable to the owners of the parent		**392,871,494.91**	−83,929,733.59
(II) Total comprehensive income attributable to minority interests		**172,167,110.85**	−24,811,103.89
8. Earnings per share:			
(I) Basic earnings per share (RMB/share)	*8*	**0.59**	−0.13
(II) Diluted earnings per share (RMB/share)		**0.54**	−0.13

Amongst business combination under common control in the current period, the net profit realized by the merger prior to the combination is nil (previous period: nil).

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Company's financial statements have been prepared on a going concern basis, recognized and measured based on the actual transactions and matters incurred, and in accordance with the "Accounting Standards for Business Enterprises — Basic Standards" issued by the Ministry of Finance and the relevant specific accounting standards, Application Guidance for Accounting Standards for Business Enterprises, Interpretation of Accounting Standards for Business Enterprises and other relevant requirements (collectively, the "**Accounting Standards for Business Enterprises**"), and taking into account the disclosure requirements under Information Disclosure and Presentation Rules for Companies Offering Securities to the Public No. 15 — General Provisions on Financial Reporting (Revised in 2014) issued by the China Securities Regulatory Commission, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Companies Ordinance.

1. ACCOUNTS RECEIVABLE

Aging analysis of accounts receivable

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Within 1 year	**3,113,944,080.43**	2,280,762,963.64
1 to 2 years	**32,935,782.08**	25,596,843.49
2 to 3 years	**29,010,556.54**	25,300,326.26
3 to 4 years	**7,657,839.83**	1,493,935.71
4 to 5 years	**1,974,708.13**	1,046,911.46
Over 5 years	**4,894,940.79**	4,638,231.70
Subtotal	**3,190,417,907.80**	2,338,839,212.26
Less: Provision for bad debts	**153,949,175.22**	122,423,788.66
Total	**3,036,468,732.58**	2,216,415,423.60

2. ACCOUNTS PAYABLE

(1) Accounts payable

Unit: RMB (in RMB)

Item	**Closing balance**	**Opening balance**
Payables for material costs	2,107,863,340.60	1,352,417,480.47
Payables for construction and equipment	654,998,971.03	608,590,172.35
Total	2,762,862,311.63	1,961,007,652.82

(2) Significant Accounts Payable with Ageing Over 1 Year or Overdue

Unit: Yuan (in RMB)

Item	Closing balance	Reason for outstanding or non-settlement
Payables for equipment	38,911,731.48	Construction not yet completed and settled
Total	38,911,731.48	/

3. FINANCIAL LIABILITIES HELD FOR TRADING

Item	Opening balance	Closing balance	Reason and basis for designation
Financial liabilities held for trading			/
Of which:			
Designated as financial liabilities at fair value through profit or loss	1,405,760,000.00	1,364,188,064.46	
Of which:			
Convertible redeemable preferred shares	1,405,760,000.00	1,364,188,064.46	
Total	1,405,760,000.00	1,364,188,064.46	/

Other explanations:

In February 2025, the subsidiary LBM NEW ENERGY (AP) PTE. LTD. received investment proceeds of US$200 million in aggregate from PT AKASYA INVESTASI INDONESIA ("INA") and co-investor AISIS ALLIANCE L.P. ("Aisis") through the issuance of preferred shares. Pursuant to the terms of the agreement, the preferred shares held by the investors are redeemable convertible preferred shares, and the holders of the preferred shares have the right, at any time, to convert all or part of their shares into ordinary shares. The Company did not bifurcate the embedded derivative instruments from the hybrid contract, but instead designated the preferred shares in their entirety as financial liabilities at fair value through profit or loss, classified as current liabilities.

4. NON-CURRENT LIABILITIES DUE WITHIN ONE YEAR

Item	Closing balance	Opening balance
Long-term borrowings due within one year	1,135,202,568.66	1,076,448,333.87
Bonds payable due within one year		
Long-term payables due within one year	75,259,022.29	118,754,088.21
Lease liabilities due within one year	126,331,789.45	124,593,184.18
Other non-current liabilities due within one year	1,078,436,805.77	1,056,111,805.77
Total	2,415,230,186.17	2,375,907,412.03

5. SHARE CAPITAL

	Opening balance	Increase/decrease during the period (+/-) New issue	Bonus issue	Shares converted from reserves	Others	Subtotal	Closing balance
Total number of shares	685,078,903.00	108,115,403.00			−2,082,400.00	106,033,003.00	791,111,906.00

Other notes:

1. The actual number of shares issued to specific targets in May 2026 was 93,115,403 shares;
2. The cancellation of repurchased shares in May 2026 amounted to 2,082,400 shares;
3. The placing of H Shares in June 2026 totalled 15,000,000 shares.

6. REVENUE AND COST OF SALES

	As of 30 June 2026		As of 30 June 2025	
Item	**Revenue**	**Cost of sales**	Revenue	Cost of sales
Principal operations	**7,172,892,700.00**	**5,744,450,852.92**	3,591,615,928.45	3,099,752,446.21
Other operations	**25,543,210.75**	**10,241,275.92**	30,264,217.76	20,933,740.99
Total	**7,198,435,910.75**	**5,754,692,128.84**	3,621,880,146.21	3,120,686,187.20

7. INCOME TAX EXPENSE

(1) Income tax expense table

Item	**For the six months ended 30 June 2026**	For the six months ended 30 June 2025
Current income tax expense	**48,527,133.25**	22,278,811.11
Deferred income tax expense	**−63,150,691.10**	−10,524,534.27
Total	**−14,623,557.85**	11,754,276.84

(2) **Reconciliation between accounting profit and income tax expenses**

√ Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Item	**Amount for the period**
Total profit	580,927,363.20
Income tax expenses calculated at statutory/applicable tax rates	87,139,104.48
Impact of different tax rates applicable to subsidiaries	−17,830,764.65
Adjustment to impact of income tax of past periods	6,562,109.19
Impact of non-deductible costs, expenses and losses	6,057,177.21
Impact of deductible temporary differences of the deferred income tax assets unrecognized in the previous period	−7,600,094.77
Impact of deductible loss of the deferred income tax assets unrecognized in the previous period	−2,453,294.34
Impact of deductible losses as deferred income tax assets not recognised in the current period	23,405,291.33
Impact of recognition of deductible losses or deductible temporary differences previously unrecognised	−102,706,380.94
Income tax effect of additional deduction for research and development expenditure and additional amortisation of intangible assets	−7,196,705.36
Income tax expenses	−14,623,557.85

8. EARNINGS PER SHARE

	For the six months ended 30 June 2026 Basic Earnings Per Share	For the six months ended 30 June 2025 Basic Earnings Per Share
Net profit attributable to ordinary shareholders of the Company	**0.59**	−0.13
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring gains and losses	**0.59**	−0.20

9. SEGMENT REPORTING

2026 interim segment reporting

Unit: RMB' 0,000

Items	**Sale of LFP cathode materials business**	**Sale of automotive specialty chemicals business**	**Processing of lithium carbonate and raw materials**	**Other businesses**	**Inter-segment elimination**	**Total**
External revenue	**575,622.19**	**110,069.46**	**24,985.97**	**9,165.97**		**719,843.59**
Inter-segment revenue	**657.97**	**16,703.19**	**161,024.34**	**11,529.32**	**189,914.82**	
Total segment revenue	**576,280.16**	**126,772.65**	**186,010.31**	**20,695.29**	**189,914.82**	**719,843.59**
Segment profit	**34,401.28**	**13,706.65**	**18,108.23**	**−3,961.50**		**62,254.66**
Profit/(loss)						**58,092.74**
Income tax expense						**−1,462.36**
Net profit						**59,555.09**

2025 interim segment reporting

Unit: RMB' 0,000

Items	Sale of LFP cathode materials business	Sale of automotive specialty chemicals business	Processing of lithium carbonate and raw materials	Other businesses	Inter-segment elimination	Total
External revenue	235,917.54	95,605.09	28,280.68	2,384.70		362,188.01
Inter-segment revenue	15,122.00	14,535.11	61,402.84	8,425.33	99,485.28	
Total segment revenue	251,039.54	110,140.20	89,683.52	10,810.03	99,485.28	362,188.01
Segment profit/(loss)	−18,582.00	12,405.64	2,034.09	−287.11		−4,429.38
Loss before income tax						−9,831.49
Income tax expense						1,175.43
Net profit						−11,006.92

10. SHARE-BASED PAYMENT

1. Various Equity Instruments

(1) Breakdown

√Applicable □Not Applicable

Number unit: 0,000 shares Amount unit: RMB0,000 Currency: RMB

Category of Grantees	Granted during the period Number	Granted during the period Amount	Exercised during the period Number	Exercised during the period Amount	Vested during the period Number	Vested during the period Amount	Lapsed during the period Number	Lapsed during the period Amount
Directors, senior managements and core employees	681	10,453.35						
Total	681	10,453.35						

(2) Share options or other equity instruments outstanding at the end of the period

√Applicable □Not Applicable

Category of Grantees	Share option outstanding at the end of the period Range of exercise prices	Share option outstanding at the end of the period Remaining contract term	Other equity instruments outstanding at the end of the period Range of exercise prices	Other equity instruments outstanding at the end of the period Remaining contract term
Directors, senior managements and core employees	15.35	22 months		

Other explanations

Nil

2. Equity-settled Share-based Payment

√ Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Equity-settled share-based payment objects	Directors, senior management, core personnel
Method for Determining the Fair Value of Equity Instruments on the grant date	Adopt a valuation model for share options to calculate the fair value
Key parameters of fair value of equity instruments on the grant date	Historical volatility, risk-free rate of return and dividend yield
Basis for determining the number of exercisable equity instruments	Determine based on the estimated number held by participants who are expected to achieve the performance appraisal targets
Reasons for the significant difference between the current estimate and the previous estimate	No material difference
Cumulative amount of equity-settled share-based payments recognized in capital reserves	15,780,725.24

Other explanation

1. On January 5, 2026, the Company convened the 48th meeting of the fourth session of the Board, at which the Board considered and approved the resolution on adjusting matters in connection with the 2025 share option incentive scheme and the resolution on the grant of share options to participants under the 2025 share option incentive scheme. The date of grant of the share options was determined as January 5, 2026, and a total of 6,850,000 Share Options were granted to 285 eligible participants at a grant price of RMB15.35 per share. The Company adopts the Binomial Model to calculate the fair value of the share options as at the date of grant and ultimately confirm the share-based payment expenses. Such expenses shall be amortised in proportion to the exercise ratio during the implementation of the 2025 share option incentive scheme.

2. Between the convening of the Board meeting for the grant under the incentive scheme and the application for registration of share options, 3 participants ceased to be eligible participants due to their resignation, involving an aggregate of 40,000 share options. Pursuant to the authorisation granted by the Company at the 6th extraordinary general meeting in 2025, the Board of the Company adjusted the list of participants and the number of share options to be granted under this incentive scheme. Following this adjustment, the actual number of participants to whom share options are granted under this incentive scheme was revised from 285 to 282, and the actual number of share options granted was revised from 6,850,000 to 6,810,000.

3. Cash-settled Share-based Payment

□ Applicable √ Not Applicable

4. **Share-based payment expenses for the Period**

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Class of Grantees	Equity-settled share-based payment expenses	Cash-settled share-based payment expenses
Directors, Senior Management, and core employees	15,780,725.24	
Total	15,780,725.24	

5. **Modifications and Termination of Share-based Payment**

□Applicable √ Not Applicable

6. **Others**

□Applicable √ Not Applicable

11. COMMITMENTS AND CONTINGENCIES

1. **Significant Commitments**

√Applicable □Not Applicable

Significant external commitments, nature, and amount as at the balance sheet date

Units: RMB0,000

Item	End of period	Beginning of period
Capital commitments	165,277.83	151,948.70

2. **Contingencies**

(1) Significant contingencies as at the balance sheet date

√Applicable □Not Applicable

As at June 30, 2026, the Company's subsidiary, Sanjin Lithium, was a defendant in a dispute over a construction project contract, in which Sanjin Lithium was claimed for unpaid project costs and interest amounting to RMB84,874,319.03. The Company's management is of the view that the Company has sufficient grounds to defend the claim and the likelihood of an adverse outcome is low, and therefore, apart from the amounts already recognised in the financial statements as project payables, no additional provision is required. As at the date of this announcement, the case has not yet been adjudicated.

(2) Please explain if no significant contingencies are required to be disclosed by the Company:

□ Applicable √Not Applicable

3. Others

□ Applicable √Not Applicable

12. RELATED PARTY TRANSACTIONS

Information on Related Party Transactions

(1) Related Party Transactions in relation to the purchase and sale of goods, provision and receipt of services

Table on purchase of goods/receipt of services

√ Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Related party	Content of related party transactions	Amount for the current period	Approved transaction limit (if applicable)	Whether the transaction limit is exceeded (if applicable)	Amount for the previous period
Hubei Fengli New Energy Technology Co., Ltd. (湖北豐鋰新能源科技有限公司)	Purchase of goods	131,283,145.72	550,000,000.00	No	134,939,908.71
Anhui Mingtian Qingneng Technology Co., Ltd. (安徽明天氫能科技股份有限公司)	Purchase of goods	217,772.38	1,000,000.00	No	84,696.37

Table on sale of goods/provision of services

√ Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Related party	Content of related party transactions	Amount for the current period	Amount for the previous period
Anhui Mingtian Qingneng Technology Co., Ltd. (安徽明天氫能科技股份有限公司)	Sale of goods	55,000.00	3,300.00
Nanjing Weilejia Lubricants Co., Ltd. (南京威樂佳潤滑油有限公司)	Sale of goods	3,689,852.43	3,665,108.92
Nantong Jutu Trading Co., Ltd. (南通聚途商貿有限公司)	Sale of goods	1,087,406.62	700,157.42
Taizhou Changnengrui Commerce Co., Ltd. (泰州市暢能瑞商貿有限公司)	Sale of goods	5,277,516.43	4,240,877.60
Taizhou Hengan Commerce Co., Ltd. (泰州市恒安商貿有限公司)	Sale of goods	822,112.65	1,100,430.77

Explanations on related party transactions on purchase or sale of goods and provision or acceptance of services

□ Applicable √ Not applicable

(2) Connected entrusted management/contracting and entrusted management/outsourcing

Description of entrusted management/contracting of the Company:

□ Applicable √ Not Applicable

Description of connected management/outsourcing

□ Applicable √ Not Applicable

Description of entrusted management/contracting of the Company:

□ Applicable √ Not Applicable

Description of connected management/outsourcing

□ Applicable √ Not Applicable

13. FAIR VALUE DISCLOSURE

1. Fair value of assets and liabilities measured at fair value as at the end of the period

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Item	Fair value at the end of the period Fair value measurements categorised into Level 1	Fair value measurements categorised into Level 2	Fair value measurements categorised into Level 3	Total
I. Measurement of fair value on an ongoing basis				
(I) Financial assets held for trading	1,838,869.89	2,432,092,858.24	132,800,570.50	2,566,732,298.63
1. Financial assets measured at fair value through profit or loss	1,838,869.89	2,432,092,858.24	132,800,570.50	2,566,732,298.63
(1) Investment in debt instruments				
(2) Investment in equity instruments				
(3) Derivative financial assets	1,227,348.99			1,227,348.99
Financial assets held for trading	611,520.90	2,217,457,087.22		2,218,068,608.12
Accounts receivable financing		214,635,771.02		214,635,771.02
Other equity instrument investments			132,800,570.50	132,800,570.50
2. Financial assets designated at fair value through profit or loss				
(1) Investment in debt instruments				
(2) Investment in equity instruments				
(II) Other debt investment				
(III) Investment in equity instruments				
(IV) Investment properties				
1. Leased land use rights				
2. Leased buildings				
3. Land use rights held for sale after appreciation				
(V) Biological assets				
1. Consumable biological assets				
2. Productive biological assets				
Total assets measured at fair value on an ongoing basis	1,838,869.89	2,432,092,858.24	132,800,570.50	2,566,732,298.63
(VI) Financial liabilities held for trading	6,078,220.95		2,994,819,272.29	3,000,897,493.24
1. Financial liabilities measured at fair value through profit or loss				
Including: Issued tradable bonds				
Derivative financial liabilities				
Others				
Price-setting settlement mechanism under procurement contract				
Commodity futures contracts	6,078,220.95			6,078,220.95
Commodity option contracts				
Commodity forward contracts				
Financial liabilities held for trading			1,364,188,064.46	1,364,188,064.46
Other non-current liabilities			552,194,402.06	552,194,402.06
Other non-current liabilities due within one year			1,078,436,805.77	1,078,436,805.77
2. Financial liabilities designated at fair value through profit or loss	6,078,220.95		2,994,819,272.29	3,000,897,493.24
Total liabilities measured at fair value on an ongoing basis				
II. Non-continuous measurement of fair value				
(I) Assets held for trading				
Total assets measured at fair value not on an ongoing basis				
Total liabilities measured at fair value not on an ongoing basis				

1. ***Basis for determining the market value of continuous and non-continuous Level-1 fair value measurement items***

√Applicable □Not Applicable

The fair value of the Company's Level-1 fair value measurement items is all derived from quoted prices in active markets

2. ***Qualitative and quantitative information of valuation techniques and important parameters used in continuous and non-continuous Level-2 fair value measurement items***

√Applicable □Not Applicable

The fair value of the Company's Level-2 fair value measurement items is all derived from significant observable inputs

3. ***Qualitative and quantitative information of valuation techniques and important parameters used in continuous and non-continuous Level-3 fair value measurement items***

√Applicable □Not Applicable

The Company's finance department is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer and the audit committee. At each balance sheet date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

Fair value of non-listed equity investment is estimated using the market-based method. The assumptions on which it is based are unobservable market prices or interest rate assumptions. The Company is required to determine comparable listed companies based on industry, scale, gearing and strategy and compute appropriate price multiples in respect of each identified comparable listed company, such as enterprise value multiple and price to earnings multiple, which are adjusted based on specific facts and conditions of the company, taking into account differences in liquidity and scale between the Company and such comparable listed companies. The Company believes that the fair value estimated by the valuation technique and its changes are reasonable, and is also the most appropriate value at the balance sheet date. For the fair value of investment in other unlisted equity instrument, the Company estimated the potential impact of using other reasonable and probable assumptions as inputs to the valuation model.

4. ***Information on adjustment between opening and closing book values and sensitivity analysis of unobservable parameters for continuous Level-3 fair value measurement items***

□Applicable √Not Applicable

5. ***Reason for conversion for transfer between levels during the current period for continuous fair value measurement items, and policies for determination of time point of the conversion***

□Applicable √Not Applicable

6. Changes in valuation techniques during the current period and reason for such change

□ Applicable √Not Applicable

7. Fair value of financial assets and financial liabilities not measured at fair value

□ Applicable √Not Applicable

8. Others

□ Applicable √Not Applicable

14. DIVIDEND

(A) Profit distribution plan and plan for conversion of capital reserve into share capital

Proposed plan for profit distribution or conversion of capital reserve into share capital for the half year

Profit distribution or conversion into share capital	No
Number of bonus shares for every 10 shares (share)	/
Dividend for every 10 shares (RMB) (tax included)	/
Capital conversion for every 10 shares (share)	/

Explanation of plan for profit distribution or conversion of capital reserve into share capital

□ Applicable √Not Applicable

BUSINESS REVIEW AND OUTLOOK

During the Reporting Period, the Company adhered to its mission of "Powering a better life globally with core materials for green new energy" (以綠色新能源核心材料共建全球美好生活) and remained committed to a dual-track industrial layout encompassing both new energy and traditional businesses, thereby achieving synergistic development marked by the consolidation and quality enhancement of its traditional operations and the breakthrough advancement of its new energy business. In the traditional business sector, the Company continued to deepen its presence in the automotive environmental protection chemicals field, anchored by mature products such as lubricants, coolants, brake fluids and diesel exhaust fluids. Leveraging ongoing technological iteration and product innovation, the Company has steadily enriched its portfolio of premium and diversified product offerings to navigate industry structural adjustments and evolving market demands, while reinforcing its leading position within the sector. In the lithium battery materials segment, the Company focused on deepening its strategic layout in the lithium iron phosphate cathode material industrial chain. On the one hand, the Company actively promoted the large-scale construction of production capacity to build a solid capacity foundation for market expansion and sustained performance growth; on the other hand, the Company firmly practiced the "vertical integration" development strategy, constructing a complete integrated layout of the industrial chain from upstream lithium resource acquisition to lithium iron phosphate manufacturing to lithium battery recycling. For the first half of 2026, the Company recorded operating revenue of RMB7,198.4 million and net profit attributable to owners of the Company of RMB420.5 million, achieving a turnaround from losses to profits year-on-year, with a substantial improvement in operating performance. During the Reporting Period, the Company undertook the following key initiatives:

(I) Deepening industrial layout and actively advancing production capacity development

During the Reporting Period, in order to seize growth opportunities in the new energy industry, address the increasing downstream market demand for lithium iron phosphate products, further consolidate the Company's production capacity foundation, and enhance its supply capabilities and core competitiveness, the Company actively pursued the development of its production capacity footprint. During the Reporting Period, the Company formally commenced the production capacity construction of the phase I 120,000-tonne production base for high compaction LFP in Jiangsu Jintan Hualuogeng High-Tech Industrial Development Zone and plans to advance the phase III 120,000-tonne LFP production capacity project in Indonesia. These new capacity initiatives represent a significant deployment made by the Company based on its market positioning and corporate development strategy. They are conducive to optimising the capacity structure of the Company and scaling up its production, thereby providing a solid capacity foundation for market expansion, customer demand fulfilment and sustained performance growth, and will further reinforce the Company's market standing in the LFP industry.

(II) Consolidating the foundations for integrated development of the industrial chain and strengthening the capacity to secure core raw materials

During the Reporting Period, the Company continued to expand its presence upstream into the lithium resources sector, steadily advanced the implementation of its overseas lithium resources strategy, and continued to refine its integrated layout across the entire lithium battery industrial chain, thereby enhancing its self-sufficiency in key raw materials. In terms of resource acquisition, the Company, through its wholly-owned overseas subsidiary Lopal Tech Perth Pty Ltd ("**Lopal Perth**"), signed asset acquisition agreements with Global Lithium Resources Limited ("**GL1**") and MB Lithium Pty Ltd ("**MB Lithium**"), thereby securing high-quality lithium exploration assets in Australia and adding to its lithium resource reserves. With regard to supply chain integration, the Company signed a legally binding term sheet of cooperation with Global Lithium Resources Limited ("**GL1**") and GLR Australia Pty Ltd ("**GLR**") to finalise long-term supply arrangements for lithium spodumene concentrate. Following the completion of this upstream resource deployment, the Company will leverage the resource potential of the target mining rights and the advantages of long-term supply partnerships to further enhance the stability of lithium raw material supply, consolidate its competitive edge in the integrated lithium battery industrial chain, and improve the Company's capacity for sustainable development, thereby laying a solid resource foundation for the Company's production capacity expansion and sustained business growth.

(III) Prioritizing innovation and research and development ("R&D") to enhance product competitiveness

During the Reporting Period, the Company concentrated its R&D efforts on innovation breakthroughs in automotive environmental-friendly specialty chemicals and LFP cathode materials, developing a synergistic multi-domain advancement landscape. Leveraging its three R&D centers in Shenzhen, Nanjing, and Changzhou, along with a CNAS-accredited testing platform, the Company intensified R&D investments in LFP cathode materials, sodium-ion battery cathode materials, and solid-state battery technologies. As of the end of the Reporting Period, the Company held 538 valid authorized patents, including 163 invention patents.

As for cathode materials, the Company has developed a range of differentiated products tailored to specific applications, end-use scenarios and customer requirements. For the premium energy storage market, we have launched "Lithium Energy 1" (鋰能1號), optimised for energy density and cycling performance. For power-oriented applications, we offer "Manganese Lithium 1" (錳鋰1號) high-cycle version and "Iron Lithium 1" (鐵鋰1號快充王) fast-charge pro version, which combine high compaction density, robust safety and low-temperature fast-charging capability. "Range 1" (續航1號) version addresses the three key user sore points of long range, low-temperature operation and fast charging. "Recycled 1" (再生1號) enables the circular utilisation of scrap electrode materials. We have also developed a fourth-generation high-compaction LFP cathode material using a breakthrough "single-sintering" process, which, as compared with the secondary sintering process, simplifies the traditional multi-stage sintering process into a single precision temperature-controlled forming step, significantly reducing energy consumption and production cycle time while maintaining optimal particle gradation. In addition, our solid-state battery precursor D392 product, which offers excellent cycle life, long battery durability and stable performance output, is a high-nickel ternary precursor material developed specifically for solid-state batteries by Jiangsu Sanjin Lithium Technology Co., Ltd. ("**Sanjin Lithium**"), a wholly-owned subsidiary of Lopal Tech. Through measures such as elemental doping and structural tuning, D392 delivers improved stability, safety and longevity, effectively addressing issues such as cathode material cracking and high-temperature decomposition in solid-state batteries. Furthermore, the Company has introduced a dedicated cathode material for dry-electrode applications, which achieves a combination of high compaction density, high capacity and high-rate capability, meeting the demanding process requirements of dry electrode manufacturing. On March 21, 2026, the Company held its second new technology launch event, at which Changzhou Liyuan New Energy Technology Group Co., Ltd. (常州鋰源新能源科技集團有限公司) (previously known as Changzhou Liyuan New Energy Technology Co., Ltd. (常州鋰源新能源科技有限公司)) ("**Changzhou Liyuan**") unveiled its fifth-generation high-compaction LFP cathode material, and Yichun Lopal Times Lithium Industry Technology Co., Ltd. (宜春龍蟠時代鋰業科技有限公司) (formerly known as Yifeng Times New Energy Materials Co., Ltd. (宜豐時代新能源材料有限公司)) ("**Lopal Times**") introduced its third-generation high-purity lithium carbonate. These new products demonstrate the Company's robust capabilities in technological innovation and product development, further consolidating its leading position in the new energy materials sector.

In terms of automotive specialty chemicals, the Company continuously improves the product formula through research and development and tests to obtain competitive advantages in the dynamic market. During the Reporting Period, leveraging the technical advantages of the "New Energy Coolant Research Key Laboratory of Lopal" (龍蟠新能源冷卻液研究重點實驗室), the Company launched its fourth-generation low-conductivity coolant with more comprehensive anti-corrosion properties, which is fully aligned with the higher safety standards of batteries, motors and electric control systems of new energy vehicle. Apart from the automotive coolants applied in the automotive sector, the Company has also leveraged its R&D platform to launch coolant products for computing centers, expanding the application scenarios of its coolant offerings and creating a new growth driver for its specialty chemicals business. In response to the rapid development of AI technology, the Company has launched the second generation of coolant products for computing centers in 2026 supporting stable operation of AI computing.

In addition, the Company focuses on making key breakthroughs in fuel cell catalysts within hydrogen energy sector, resulting in an increase in sales. Currently, these catalysts have been widely applied into sectors including fuel cell vehicles, hydrogen-powered two-wheel vehicles, hydrogen-powered drone and fuel cell power generation system. The Company has also launched catalysts for hydrogen production via water electrolysis, reducing costs of green hydrogen production and, in turn, facilitating the large-scale implementation of renewable energy-based hydrogen production.

(IV) Multi-channel financing to provide sufficient funding support

During the Reporting Period, the Company continued to utilize diversified financing channels to optimize its financial structure. On May 11, 2026, the Company completed the issuance of A shares of the Company ("**A Shares**") to specific targets, with 93,115,403 Shares issued and net proceeds of approximately RMB1.858 billion. On June 22, 2026, the Company completed the placement of 15,000,000 new H shares of the Company (the "**H Shares**", collectively with A Shares, the "**Shares**"), with net proceeds of approximately HK$194 million. At the same time, the Company actively introduced strategic investors at the subsidiary level. In May 2026, the Company successfully introduced investor Changzhou Jinsha Industrial Investment Partnership (Limited Partnership) (常州金沙產業投資合夥企業(有限合夥)) into its controlling subsidiary, Changzhou Liyuan, and completed the transaction, raising RMB440 million. The Company made full use of the capital market and diversified financing channels to alleviate funding pressure, optimize its asset-liability structure, and provide sufficient funding support for capacity expansion and business development, thereby facilitating high-quality and sustainable development.

(V) Reducing costs and enhancing efficiency to improve operational efficiency

In terms of the supply chain, the Company continued to strengthen management, promoting the transformation from traditional procurement to strategic procurement, and establishing long-term strategic cooperative relationships with key suppliers to jointly explore pathways for cost savings and technological innovation. Through forward-looking analysis of market dynamics, the Company formulated procurement strategies for key links in advance. The Company's smart operations department implemented dynamic real-time management of inventory through systems such as Enterprise Resource Planning (ERP) and Warehouse Management System (WMS). While meeting production and daily shipping requirements, the Company flexibly adjusted inventory levels in response to fluctuations in raw material market prices and customer order volumes, thereby accelerating inventory turnover. At the same time, the Company vigorously promoted energy cost reduction efforts and actively deployed a green energy system. Through energy-saving renovation projects such as the addition of photovoltaic installations, energy storage facilities, and waste heat recovery and utilization, the Company optimized its energy consumption structure, effectively reducing the overall energy costs in the production process and enhancing the level of green manufacturing.

During the Reporting Period, in order to mitigate the impact of significant fluctuations in bulk raw material prices on the Company's operating results, the Company's management proactively responded by strengthening procurement price controls, exploring new procurement channels, and striving to achieve price control from multiple aspects, with comprehensive cost reduction and efficiency enhancement. The Company conducted futures and derivatives hedging activities using financial instruments including but not limited to futures and options, with trading varieties including urea, ethylene glycol, lithium carbonate, crude oil, etc., which to a certain extent reduced the impact of raw material price fluctuations on the Company's profits.

(VI) Introducing and training high-quality talents, and strengthening corporate culture construction

During the Reporting Period, the Company continued to deepen its talent strategy and systematically promoted talent development and cultural implementation with the goals of deepening cultural identity and enhancing organizational capabilities. In terms of talent development, the Company continued to advance the "Tenglong Program" (《騰龍計劃》), a large-scale management trainee project, which attracts and cultivates outstanding graduates through all-round empowerment covering corporate culture, business processes and management skills, so as to consolidate the foundation of the talent echelon. For the core management, the Company continuously launched the "Excellent Leadership Training Program" (《卓越領導力培養項目》), with senior management members personally involved in course design and delivery, covering modules such as strategic interpretation and performance management, which systematically trained core management cadres, and provided solid organizational guarantee for the implementation of the Company's strategy. At the same time, the Company built a digital learning system through the cloud platform, which integrated high-quality course resources, promoted regular learning for all employees, and steadily advanced the construction of a learning-oriented organization. In addition, the Company actively promoted the construction of AI capabilities, and accelerated the penetration and implementation of AI technology in business scenarios through diversified forms such as regular AI application training and internal AI competitions, so as to strengthen the AI application capabilities of all employees and inject new momentum into the Company's technological innovation and efficiency improvement. In terms of corporate culture construction, the Company organized corporate culture story collection and sharing activities for all employees to widely gather value consensus and spiritual strength, and released the "Big Dipper Seven Stars Culture Manual" (《北斗七星文化手冊》), which established a complete cultural scale system to further unify value concepts and standardize behavior orientation. Meanwhile, the Company continuously enhanced team cohesion and organizational centripetal force by carrying out various cultural and sports activities.

(VII) Industry recognition and honors

Due to its outstanding contributions in the fields of automotive environmental protection and green new energy core materials, as well as its exceptional product quality and service, the Company has received numerous industry honors. Its lubricant products have been recognized as one of the "Top Ten Lubricant Brands in China" (中國潤滑油十大品牌) for consecutive years, highlighting the Company's market position and brand influence in the field of automotive environmental-friendly specialty chemicals sector. During the Reporting Period, Changzhou Liyuan obtained honors including the "Science and Technology Award of Jiangsu Association for the Promotion of Foreign Science and Technology" (江蘇省對外科學技術促進會學技術獎), "CFBC 2025 Annual Outstanding Supplier" (時代一汽'2025年度優秀供應商'), "LGES Best Partner" (LGES最佳合作夥伴), and "Golden Award at Jiyao Tongxing 2025 Annual Conference for Supplier Partners" (吉曜通行2025年度供應商夥伴大會'金曜獎'); Teec Chemical was selected into the enterprise pool for key cultivation under the "Building Industrial Peaks and Strengthening Supply Chains" (築峰強鏈) resilience strategy of Jiangsu Province; the battery-grade lithium carbonate of Shandong Meiduo Technology Company Limited passed the EU RoHS and REACH environmental protection certifications.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

The Group recorded revenue of RMB7,198.4 million for the six months ended June 30, 2026, representing an increase of approximately 98.7% from RMB3,621.9 million for the same period in 2025, primarily due to an increased revenue of the Group's LFP cathode material business.

The table below sets out the breakdown of the revenue for the periods indicated:

	For the six months ended June 30,			
	2026		2025	
	(Unaudited)		(Unaudited)	
	RMB'0,000	***approximate %***	*RMB'0,000*	*approximate %*
Business Segments				
LFP cathode materials business	**575,622.19**	**80.0**	235,917.54	65.1
Automotive specialty chemicals business[(1)]	**110,069.46**	**15.3**	95,605.09	26.4
Processing income from lithium carbonate business	**24,985.97**	**3.5**	28,280.68	7.8
Other businesses[(2)]	**9,165.97**	**1.2**	2,384.70	0.7
Total	**719,843.59**	**100.0**	362,188.01	100.0

Notes:

(1) Primarily includes revenue from the sale of products such as lubricants, coolants, diesel engine exhaust treatment fluids, and automotive maintenance products.

(2) Primarily includes revenue from the sale of ternary cathode materials and revenue from emerging hydrogen energy business.

Revenue from LFP cathode materials business increased by approximately 144.0% from RMB2,359.2 million for the six months ended June 30, 2025 to RMB5,756.2 million for the same period in 2026, primarily due to i) the continued improvement in demand conditions in the downstream power battery and energy storage battery industries which led to higher demand from our customers for LFP cathode materials; and ii) the increase in price of major raw materials which led to higher selling price of our LFP cathode material.

Revenue from automotive specialty chemicals business increased by approximately 15.1% from RMB956.1 million for the six months ended June 30, 2025 to RMB1,100.7 million for the same period in 2026, primarily due to an increase in sales revenue from both coolants and automotive and industrial lubricants.

Revenue from processing income from lithium carbonate products business decreased by approximately 11.6% from RMB282.8 million for the six months ended June 30, 2025 to RMB249.9 million for the same period in 2026, primarily due to the increased sales weighting of the toll-processing business, which utilises raw materials supplied by our customers during the Reporting Period. Revenue from this business is recognised on the basis of processing income, and such processing income is relatively low.

Revenue from other businesses increased by approximately 285.3% from RMB23.8 million for the six months ended June 30, 2025 to RMB91.7 million for the same period in 2026, primarily due to an increase in sales of ternary cathode materials.

Cost of Sales

Cost of sales of the Group increased by approximately 84.4% from RMB3,120.7 million for the six months ended June 30, 2025 to RMB5,754.7 million for the same period in 2026. The increase was primarily due to the growth in the LFP cathode material business.

Distribution and Selling Expenses

Distribution and selling expenses increased by approximately 29.9% from RMB69.6 million for the six months ended June 30, 2025 to RMB90.4 million for the same period in 2026, primarily attributable to the increase in sales commissions expenses from businesses such as e-commerce operations.

General and Administrative Expenses

General and administrative expenses of the Group increased by approximately 28.1% from RMB183.2 million for the six months ended June 30, 2025 to RMB234.7 million for the same period in 2026, primarily attributable to the increase in share-based payment and consulting and service fees.

Research and Development Expenses

Research and development expenses of the Group increased by approximately 64.4% from RMB190.1 million for the six months ended June 30, 2025 to RMB312.5 million for the same period in 2026, primarily attributable to an increase in expenses such as in direct R&D investment.

Finance Expenses

Finance expenses of the Group increased by approximately 20.8% from RMB122.8 million for the six months ended June 30, 2025 to RMB148.4 million for the same period in 2026, primarily due to an increase in exchange losses.

Net Profit

Taking into account of the foregoing, the Group recorded a profit of RMB595.6 million for the six months ended June 30, 2026, as compared to a loss of RMB110.1 million for the same period in 2025.

Financial Assets Held for Trading

The financial assets held for trading by the Group mainly comprise of the investments in listed and unlisted equity, unlisted funds and wealth management products. The financial assets held for trading amounted to RMB502.2 million and RMB2,218.1 million as of December 31, 2025 and June 30, 2026, respectively. Such increase was primarily attributable to the increased purchases of wealth management products. The investment in wealth management products and invest in other types of financial assets is to maximize the capital utilization efficiency.

Accounts and Other Receivables

The Group's accounts receivables increased by 37.0% from RMB2,216.4 million as of December 31, 2025 to RMB3,036.5 million as of June 30, 2026, primarily due to the increase in accounts receivables balance corresponding to the increase in revenue from the LFP cathode material business during the Reporting Period. The Group's bills receivable decreased by 52.9% from RMB30.1 million as of December 31, 2025 to RMB14.2 million as of June 30, 2026, primarily due to the decrease in endorsements of bank acceptances that did not satisfy the criteria for derecognition. The Group's receivables financing decreased by 58.5% from RMB517.6 million as of December 31, 2025 to RMB214.6 million as of June 30, 2026, primarily due to the increase in the use of bank acceptance bills during the Reporting Period.

Inventories

The inventories primarily consist of raw materials, such as lithium carbonate, iron phosphate, base oil, ethylene glycol, urea and lubricant additives, work in progress and finished goods. The inventories increased by approximately 182.7% from RMB1,597.5 million as of December 31, 2025 to RMB4,515.9 million as of June 30, 2026, primarily attributable to an increase in inventories such as cathode materials during the Reporting Period.

Construction in Progress

The Group's balance of construction in progress increased from RMB732.9 million as of December 31, 2025 to RMB1,593.5 million as of June 30, 2026, primarily attributable to increased investment in engineering projects, such as phase II of the 90,000-ton Indonesia project, phase II of the Shandong Liyuan 110,000-ton lithium iron phosphate cathode material project and the Hubei Liyuan LFP production lines during the Reporting Period.

Long-term deferred expenses

The Group's long-term deferred expenses increased by 34.8% from RMB78.8 million as of December 31, 2025 to RMB106.2 million as of June 30, 2026. This was primarily attributable to the decrease in amortization of major materials during the Reporting Period.

Other non-current assets

The Group's other non-current assets significantly increased by 627.4% from RMB48.0 million as of December 31, 2025 to RMB349.0 million as of June 30, 2026. This was primarily attributable to the increase in prepayments for construction and equipment during the Reporting Period.

Other non-current liabilities

The Group's other non-current liabilities increased by 391.8% from RMB114.0 million as of December 31, 2025 to RMB560.9 million as of June 30, 2026, primarily attributable to the increase in financial liabilities for minority Shareholders' repurchase rights during the Reporting Period.

Borrowings

The Group's short-term borrowings increased by 39.6% from RMB4,091.5 million as of December 31, 2025 to RMB5,713.3 million as of June 30, 2026, primarily attributable to the increase in bank loan facilities volume during the Reporting Period, which was in line with the Group's revenue growth and was obtained to support our business development. The Group's long-term borrowings increased by 58.2% from RMB2,795.6 million as of December 31, 2025 to RMB4,423.8 million as of June 30, 2026, primarily attributable to the increase in bank loan facilities volume during the Reporting Period.

Derivative Financial Liabilities

The Group's derivative financial liabilities decreased by 92.8% from RMB84.6 million as of December 31, 2025 to RMB6.1 million as of June 30, 2026. This was primarily attributable to the decrease in procurement contracts under the point-pricing model as a result of settlement during the Reporting Period.

Accounts and Other Payables

The Group's accounts payables increased by 40.9% from RMB1,961.0 million as of December 31, 2025 to RMB2,762.9 million as of June 30, 2026, primarily attributable to the increase in accounts payables for material costs during the Reporting Period. The Group's bills payables increased by 190.5% from RMB555.3 million as of December 31, 2025 to RMB1,613.4 million as of June 30, 2026, primarily attributable to the increase in settlement via bills issued during the Reporting Period. The Group's taxes and surcharges payable increased by 82.3% from RMB54.1 million as of December 31, 2025 to RMB98.6 million as of June 30, 2026, primarily attributable to the increase in value-added tax and corporate income tax during the Reporting Period. The Group's long-term payables decreased by 39.0% from RMB64.1 million as of December 31, 2025 to RMB39.1 million as of June 30, 2026, primarily attributable to a decrease in the outstanding balance of finance lease payments during the Reporting Period.

Deferred Tax Liabilities

The Group's deferred tax liabilities decreased by 51.1% from RMB12.4 million as of December 31, 2025 to RMB6.1 million as of June 30, 2026, primarily attributable to the comprehensive income arising from the disposal of other equity instruments during the Reporting Period.

Capital Reserve

The Group's capital reserve increased by 67.1% from RMB2,684.7 million as of December 31, 2025 to RMB4,485.3 million as of June 30, 2026, primarily attributable to the increase in share premium from the issuance of A Shares and placing of H Shares during the Reporting Period.

Other Comprehensive Income

The Group's other comprehensive income recorded a loss of RMB27.7 million as of December 31, 2025 as compared to a loss of RMB55.3 million as of June 30, 2026, primarily attributable to the foreign currency translation adjustment during the Reporting Period.

Retained Earnings

The Group's retained earnings recorded a loss of RMB548.4 million as of December 31, 2025 as compared to a loss of RMB124.1 million as of June 30, 2026, the change was primarily attributable to the increase in net profit during the Reporting Period.

Liquidity, Financial Resources and Gearing Ratio

The Group adopts a prudent funding and treasury policy with a view to optimize its financial position. The Group regularly monitors its funding requirements to support its business operations and perform ongoing liquidity review. The primary uses of cash are to satisfy its working capital, capital expenditure and investment needs. For the Reporting Period, the Group financed its operations primarily through cash and cash equivalents, cash flows from operating activities, available bank loans and banking facilities, and net proceeds from the global offering of the H shares of the Company, details of which were disclosed in the prospectus of the Company dated October 22, 2024 ("**Prospectus**"). The Group mainly used Renminbi and U.S. Dollar ("**USD**") to make borrowings and loans and to hold cash and cash equivalents. Cash and cash equivalents of the Group increased by approximately 49.4% from RMB3,787.3 million as of December 31, 2025 to RMB5,659.5 million as of June 30, 2026, primarily attributable to the increase in proceeds received from the issuance of A Shares during the Reporting Period. For further details, please refer to the section "Use of Proceeds" below. During the Reporting Period, the Group did not use any financial instrument for hedging purposes and did not have any outstanding hedging instruments to manage the liquidity and capital resources as of June 30, 2026.

To mitigate the price fluctuations of lithium carbonate, the Group has leveraged the lithium carbonate futures contracts traded on the Guangzhou Futures Exchange through the future hedging risk management working group ("**Working Group**"). The Working Group is responsible for applying and reviewing the Futures and Derivatives Hedging Business Management System (期貨和衍生品套期保值業務管理制度) and the Internal Management Measures for Futures Hedging Operations (期貨套期保值業務內部控制管理辦法) issued by the Company and the relevant rules and guidelines of the Shanghai Stock Exchange on the disclosure of information managing and approving transactions accounts, monitoring risks, reporting to senior management of the Company and the Board of Directors for hedging activities.

Gearing ratio is calculated by total debt, comprising total bank and other borrowings and divided by total equity as of the same date and multiplied by 100%. The gearing ratio of the Group decreased from 394.3% as of December 31, 2025 to 320.1% as of June 30, 2026.

Indebtedness

Bank and other borrowings

As of June 30, 2026, the Group had total borrowings of RMB11,272.3 million, representing an increase of 41.6% as compared to RMB7,963.5 million as of December 31, 2025. Total borrowings do not include long-term payables arising from sale-and-repurchase arrangements. RMB11,272.3 million of the borrowings as of June 30, 2026 were of fixed interest rate. All of the borrowings of the Group are denominated in Renminbi and USD.

Foreign Exchange Risk and Hedging

The Group operates in the PRC with most of the transactions settled in Renminbi. Foreign currency risk arises when commercial transactions or recognized assets or liabilities are denominated in a currency other than the entities' functional currency. The Group is exposed to foreign currency risk primarily with respect to USD and HKD.

As of the date of this announcement, the Group has hedged its foreign currency exchange risks through a small number of foreign exchange forward transactions, but has closely managed its foreign currency risk by performing regular reviews of its net foreign currency exposures and may enter into currency forward contracts, when necessary, to manage its foreign exchange exposure.

Employee and Remuneration

As of June 30, 2026, the Group had 5,416 employees, as compared with 3,953 employees as of June 30, 2025. Total staff costs, including but not limited to wages, salaries and bonuses, retirement benefit expense, social security costs, housing benefits and other employee benefits, was RMB390.1 million for the six months ended June 30, 2026, representing an increase of approximately 21.0% from RMB322.5 million for the same period in 2025.

The remuneration of employees was based on their performance, skills, knowledge, experience and market trend. The Group reviews the remuneration policies and packages on a regular basis and will make necessary adjustment commensurate with the pay level in the industry. In addition to basic salaries, employees may be offered with discretionary bonus, cash awards and share awards based on individual performance. The Group provides training periodically and across operational functions, including introductory training for new employees, technical training, product training, management training and work safety training, with a view to fostering the basic skills of new employees to perform their duties and improving the relevant skills of the existing employees as well.

2023 Share Option Scheme

For the purposes of (i) aligning the interests of the Company, shareholders of the Company ("**Shareholders**") and employees, facilitating the parties' mutual interests to focus on the long-term development of the Company; (ii) improving the corporate governance structure and the long-term and effective incentive mechanisms of the Company to ensure long-term and stable development of the Company; and (iii) incentivizing the management personnel and employees, attracting and retaining management talents and key personnel, preventing loss of talents, and enhancing cohesiveness and competitiveness of the Company, the Company adopted the A share option scheme approved and adopted by the Shareholders at the extraordinary general meeting held on September 22, 2023 under which an aggregate of 5,295,000 A Shares were granted as awards to granted to 162 Eligible Participants (as defined in the Prospectus) at the determination of the Board ("**2023 Share Option Scheme**") on September 22, 2023.

In May 2026, upon the cancellation of 2,375,000 A Shares under the 2023 Share Option Scheme, no Shares under the 2023 Share Option Scheme remained outstanding. As at June 30, 2026, no Shares were available for issue under the 2023 Share Option Scheme. During the six months ended June 30, 2026, the Company did not grant any options under the 2023 Share Option Scheme. Further details of the 2023 Share Option Scheme are set out in the sections headed "Statutory and General Information — A. Further Information About Our Group — 5. 2023 Share Option Scheme" in Appendix IV to the Prospectus.

Details of the movement of the options granted to the Directors, senior management members and other connected persons of the Company under the 2023 Share Option Scheme during the six months ended June 30, 2026 are set out below:

Name of the grantees	Position or connected relationship	Exercise price (RMB per Share)	Number of A Shares underlying the outstanding options as of January 1, 2026[1]	Options granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Number of A Shares underlying the outstanding options granted as of June 30, 2026	Date of grant	Vesting period	Exercise period
Shi Yingfei (史瑩飛)	Deputy general manager of operations of Changzhou Liyuan	11.920	395,000	–	–	395,000	–	–	September 22, 2023	*See Note (1)*	*See Note (2)*
Shen Zhiyong (沈志勇)	Executive Director and chief financial officer of our Company	11.920	345,000	–	–	345,000	–	–	September 22, 2023	*See Note (1)*	*See Note (2)*
Zhang Yi (張羿)	Executive Director, secretary of our Board and joint company secretary of our Company	11.920	95,000	–	–	95,000	–	–	September 22, 2023	*See Note (1)*	*See Note (2)*
Lu Zhenya (呂振亞)	Executive Director	11.920	95,000	–	–	95,000	–	–	September 22, 2023	*See Note (1)*	*See Note (2)*
Qin Jian (秦建)	Executive Director and deputy manager of our Company	11.920	90,000	–	–	90,000	–	–	September 22, 2023	*See Note (1)*	*See Note (2)*
Chen Li (陳麗)	Head of the tendering department of our Company(3)	11.920	52,500	–	–	52,500	–	–	September 22, 2023	*See Note (1)*	*See Note (2)*
Gao Qilin (高啓林)	Special assistant to the general manager of the Hubei Campus, Nephew of Mr. Shi	11.920	45,000	–	–	45,000	–	–	September 22, 2023	*See Note (1)*	*See Note (2)*
Sun Liyuan (孫麗媛)	Supervisor of Changzhou Liyuan, Jiangsu Liyuan and Tianjin Liyuan(4)	11.920	40,000	–	–	40,000	–	–	September 22, 2023	*See Note (1)*	*See Note (2)*
Lu Congjiang (呂從江)	Supervisor of Shandong Liyuan(5)	11.920	–	–	–	–	–	–	September 22, 2023	*See Note (1)*	*See Note (2)*
Xie Yichao (解一超)	Deputy general manager of operations of Changzhou Liyuan	11.920	35,000	–	–	35,000	–	–	September 22, 2023	*See Note (1)*	*See Note (2)*
Zhang Bingying (張炳英)	Supervisor of Shandong Kelas(6)	11.920	25,000	–	–	25,000	–	–	September 22, 2023	*See Note (1)*	*See Note (2)*
Shi Baoshan (石寶山)	Technical consultant of Jiangsu Kelas, Elder brother of Mr. Shi(7)	11.920	20,000	–	–	20,000	–	–	September 22, 2023	*See Note (1)*	*See Note (2)*
Zhu Lei (朱磊)	General manager of Jiangsu Ruilifeng	11.920	20,000	–	–	20,000	–	–	September 22, 2023	*See Note (1)*	*See Note (2)*
Chen Xiaomin (陳小民)	Supervisor of Changzhou Liyuan(8)	11.920	–	–	–	–	–	–	September 22, 2023	*See Note (1)*	*See Note (2)*
Yu Xiang (于翔)	Supervisor and head of human resources and administration department of Changzhou Liyuan(9)	11.920	10,000	–	–	10,000	–	–	September 22, 2023	*See Note (1)*	*See Note (2)*
Wu Jiansheng (吳建生)	Chair of the trade union of Lopal Times, Brother-in-law of Ms. Zhu	11.920	7,500	–	–	7,500	–	–	September 22, 2023	*See Note (1)*	*See Note (2)*
Other 2023 Eligible Participants who are employees		11.920	1,100,000	–	–	1,100,000	–	–	September 22, 2023	*See Note (1)*	*See Note (2)*
	Total		2,375,000	–	–	2,375,000	–	–			

Notes:

(1) The vesting periods are 12 months and 24 months commencing from the grant date of the 2023 Share Option Scheme, i.e. September 22, 2023.

(2) The exercise periods for the relevant options are as follows: 50% of the options shall be exercisable from September 22, 2024 to September 21, 2025, and 50% of the options shall be exercisable from September 22, 2025 to September 21, 2026.

(3) Ms. Chen Li is a mid-level management member of our Group and is not an independent Director or Supervisor. Ms. Chen Li is thus a 2023 Eligible Participant.

(4) Ms. Sun Liyuan is a mid-level management member of our Company and is not an independent Director or Supervisor. Ms. Sun Liyuan is thus a 2023 Eligible Participant.

(5) Mr. Lu Congjiang is a mid-level management member of our Group and is not an independent Director or Supervisor. Mr. Lu Congjiang is thus a 2023 Eligible Participant.

(6) Mr. Zhang Bingying is a mid-level management member of our Group and is not an independent Director or Supervisor. Mr. Zhang Bingying is thus a 2023 Eligible Participant.

(7) Mr. Shi Baoshan was an employee of the Group and had retired as of June 30, 2026.

(8) Mr. Chen Xiaomin is a mid-level management member of our Company and is not an independent Director or Supervisor. Mr. Chen Xiaomin is thus a 2023 Eligible Participant. As of the date of this announcement, Mr. Chen Xiaomin is no longer an employee of the Company.

(9) Mr. Yu Xiang is a mid-level management member of the Group and is not an independent Director or Supervisor. Mr. Yu Xiang is thus a 2023 Eligible Participant.

Pursuant to the rules of the 2023 Share Option Scheme, no further share options would be granted. Hence, the number of options available for grant under the scheme mandate at the beginning and the end of the Reporting Period are both zero. As no options and awards were granted during the Reporting Period, thus, the number of Shares that may be issued in respect of options and awards granted under the 2023 Share Option Scheme during the Reporting Period divided by the weighted average number of Shares of the relevant class in issue (excluding treasury shares) for the Reporting Period is not available.

2025 Share Option Scheme

On December 31, 2025, the A share option scheme was approved and adopted by the shareholders of the Company (the "**Shareholders**") at the extraordinary general meeting held on December 31, 2025 ("**2025 Share Option Scheme**"). The 2025 Share Option Scheme was adopted for the purposes of: (i) to establish and improve the interest sharing mechanism between the management and the Shareholders to align the interests of the Company, Shareholders and employees, fostering a shared focus on the Company's long-term development, thereby bringing more efficient and sustainable returns to the Shareholders; (ii) to further improve the Company's corporate governance structure and establish a long-term and effective incentive and constraint mechanism to ensure the Company's long-term and stable development; and (iii) to effectively motivate the proactivity of management and employees, attract and retain quality management talent and key personnel, prevent loss of talent, and enhance the Company's cohesion and competitiveness.

For the details of the 2025 Scheme, please refer to (i) the announcement of the Company dated October 22, 2025; (ii) the circular of the Company dated December 9, 2025; (iii) the poll results announcement of the Company dated December 31, 2025; (iv) the announcement of the Company dated January 6, 2026, in relation to, among others, the adjustment of the number of grantees under the 2025 Scheme and the grant of share options under the 2025 Scheme; and (v) the announcement of the Company dated February 12, 2026.

On January 5, 2026, 6,850,000 share options were granted to 285 grantees under the 2025 Share Option Scheme. The 2025 Share Option Scheme shall be valid and effective for the period of time commencing from the date of grant of options, i.e. January 5, 2026 (the "**Date of Grant**"), and expiring on the day when all share options granted under the 2025 Share Option Scheme are exercised or cancelled, which shall in any event be no later than 48 months after January 5, 2026.

Details of the options granted to the eligible participants under 2025 Share Option Scheme as of June 30, 2026 regarding the fair value, accounting standard and policy adopted are disclosed in note 10 to the interim condensed consolidated financial information in this announcement. Details of the movement in the share options granted under the 2025 Share Option Scheme during the Reporting Period are set out in the table below:

Name of the grantees	Position or connected relationship	Exercise price (RMB per Share) (Note (1))	Number of A Shares underlying the outstanding options as of January 1, 2026	Options granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Number of A Shares underlying the outstanding options granted as of the date of this announcement	Date of grant	Vesting period	Exercise period
Zhang Yi (張羿)	Executive Director, secretary of the Board and joint company secretary of the Company	15.35	–	130,000	–	–	–	130,000	January 5, 2026	*See Note (2)*	*See Note (3)*
Lu Zhenya (呂振亞)	Executive Director	15.35	–	120,000	–	–	–	120,000	January 5, 2026	*See Note (2)*	*See Note (3)*
Qin Jian (秦建)	Executive Director and deputy manager of the Company	15.35	–	90,000	–	–	–	90,000	January 5, 2026	*See Note (2)*	*See Note (3)*
Shi Yingfei (史瑩飛)	Deputy General Manager of Technology, Changzhou Liyuan, Nephew of Mr. Shi Junfeng	15.35	–	75,000	–	–	–	75,000	January 5, 2026	*See Note (2)*	*See Note (3)*
Wu Jiansheng (吳建生)	Chairman of Longpan Times Labor Union, Brother-in-law of Ms. Zhu Xianglan	15.35	–	30,000	–	–	–	30,000	January 5, 2026	*See Note (2)*	*See Note (3)*
The five highest-paid individuals in 2025		15.35	–	175,000 *See Note (4)*	–	–	–	175,000	January 5, 2026	*See Note (2)*	*See Note (3)*
Other 2025 Eligible Participants who are employees		15.35	–	6,230,000	–	40,000 *See Note (5)*	–	6,190,000	January 5, 2026	*See Note (2)*	*See Note (3)*
Total			–	6,850,000	–	40,000 *See Note (5)*	–	6,810,000			

Notes:

(1) The closing price of the Company's A Shares immediately before the Date of Grant was RMB20.01 per A Share.

(2) The vesting period of 50% of the granted share options is 16 months and that of the remaining 50% is 28 months commencing from the Date of Grant. During the vesting period, the participants shall not exercise the share options granted under the 2025 Share Option Scheme.

(3) The exercise periods for the relevant options are as follows: 50% of the options shall be exercisable from the first trading day after expiry of 16 months from the Date of Grant and ending on the last trading day of 28 months from the Date of Grant, and 50% of the options shall be exercisable from the first trading day after expiry of 28 months from the Date of Grant and ending on the last trading day of 40 months from the Date of Grant.

(4) Including the share options held by one of the five highest-paid individuals in 2025 who was no longer an employee of the Company and pending for cancellation as of June 30, 2026.

(5) Since three eligible participants were no longer employees of the Company, the 40,000 options of the relevant eligible participants were not registered as granted.

The number of options available for grant under the scheme mandate at the beginning of the Reporting Period was 6,850,000. On January 5, 2026, all 6,850,000 share options were granted pursuant to the 2025 Share Option Scheme. Pursuant to the rules of the 2025 Share Option Scheme, no further share options would be granted. Therefore, the number of options available for grant under the scheme mandate at the end of the Reporting Period was 0.

The number of A Shares that may be issued in respect of options granted under all schemes of the Company during the Reporting Period was 6,810,000. The weighted average number of the A Shares was 590,832,630. The number of A Shares that may be issued in respect of options granted under the 2025 Share Option Scheme divided by the weighted average number of A Shares in issue for the Reporting Period was 1.15%.

Contingent Liabilities

As of June 30, 2026, Jiangsu Sanjin Lithium Technology Co., Ltd. (江蘇三金鋰電科技有限公司), one of the subsidiaries of the Group, was named defendant in a lawsuit as of June 30, 2026 with a maximum compensation amount of approximately RMB84.9 million. The management of the Company believed there was no additional liabilities required to accrue as of June 30, 2026, considering the risk of losing the lawsuit is low. Save as disclosed above, the Group did not have any material contingent liabilities, guarantees any litigations or claims of material importance, pending or threatened against any member of the Group that is likely to have a material and adverse effect on the Group's business, financial condition or results of operations.

Restriction on Asset Rights

Item	As at the start of the Reporting Period Closing Carrying Amount (RMB)	Book Value (RMB)	As at the end of the Reporting Period Closing Carrying Amount (RMB)	Book Value (RMB)	Type of Restriction	Restriction Details
Cash and cash equivalents	519,530,521.62	519,530,521.62	1,628,501,304.59	1,628,501,304.59	Other	Frozen funds, margin deposits for letters of credit, bank acceptance bills, and guarantee deposits for pledged borrowings
Property, plant and equipment	417,669,204.90	319,584,658.01	360,847,134.95	265,600,427.16	Mortgage	Assets under sale and leaseback
Construction in progress	26,486,312.46	26,486,312.46	15,992,551.38	15,992,551.38	Mortgage	Assets under sale and leaseback
Property, plant and equipment	954,847,869.69	799,342,667.02	971,749,285.63	765,837,652.08	Mortgage	Secured borrowings
Intangible assets	63,427,192.80	56,978,768.33	63,427,192.80	56,978,768.33	Mortgage	Secured borrowings
Construction in progress	12,106,194.80	12,106,194.80	12,106,194.80	12,106,194.80	Mortgage	Secured borrowings
Long-term prepaid expenses	22,317,345.13	1,544,004.70	5,415,929.20	4,384,454.78	Mortgage	Secured borrowings
Trade receivables	940,487,079.26	897,245,573.33	1,112,475,020.64	1,063,748,614.72	Pledge	Pledged borrowings
Long-term equity investments	462,945,943.21	462,945,943.21	464,142,885.37	464,142,885.37	Pledge	Pledged borrowings
Notes receivable	58,869,616.90	58,869,616.90	22,171,489.00	22,171,489.00	Pledge	Bill pledge financing
Property, plant and equipment	349,656,317.37	130,866,818.52	346,506,275.72	114,149,919.38	Mortgage	Used for subsidiary loan mortgage/pledge
Construction in progress	1,027,522.93	1,027,522.93	1,027,522.93	1,027,522.93	Mortgage	Used for subsidiary loan mortgage/pledge
Long-term equity investments	844,431,000.00	844,431,000.00	844,431,000.00	844,431,000.00	Mortgage	Used for subsidiary loan mortgage/pledge
Total	**4,673,802,121.07**	**4,130,959,601.83**	**5,848,793,787.01**	**5,259,072,784.52**		

Save as disclosed above, the Group had no other pledged assets as of June 30, 2026.

Significant Investment, Material Acquisitions and Disposal of Subsidiaries, Associates and Joint Ventures

On January 22, 2026, the Shareholders approved the signing of the High-performance Lithium Battery Cathode Material Project Cooperation Agreement and the Supplementary High-performance Lithium Battery Cathode Material Project Cooperation Agreement (the "**Corporation Agreement**") between Changzhou Liyuan and Jiangsu Jintan Hualuogeng High-Tech Industrial Development Zone Administrative Committee (江蘇省金壇華羅庚高新技術產業開發區管理委員會), pursuant to which, it is intended to be invested by Liyuan (Jiangsu) Technology Co., Ltd., a wholly-owned subsidiary of Changzhou Liyuan in the construction of a research and development center and a production base (the "**Production Base**") for high compaction LFP with annual capacity of 240,000 tonnes in Jiangsu Jintan Hualuogeng High-Tech Industrial Development Zone (the "**Jintan Project**"). The total planned investment for the project will not exceed RMB2.0 billion, the specific amount of which is subject to actual investment and it has been and will be funded by proceeds from the Global Offering and the Company's own funds or self-raised funds. The Production Base will be implemented in two phases: phase I plans to build a capacity of 120,000 tonnes, while phase II will be launched by Changzhou Liyuan in due course based on market conditions. Further details are set out in the announcements of the Company dated January 4, 2026 and January 15, 2026, the respective circular dated January 4, 2026.

On April 20, 2026, the Company entered into a legally binding subscription, offtake and prepayment term sheet (the "**Term Sheet**") with GL1 and GLR to support the Company's growing raw material requirements. Under the Term Sheet, the Company shall subscribe for 13,840,111 fully paid ordinary shares of GL1 at a price of AUD0.52875 per share (representing 5% of the issued fully paid ordinary shares of GL1 upon completion of the share issuance). The total investment amount is AUD7,317,958.69. For a period of ten years from the date of first supply of the contracted products (which may be extended subject to the satisfaction of the relevant conditions), GLR shall supply to the Company each year an amount of spodumene concentrate equal to 40% of the actual annual production of the Manna Lithium Project, and shall use best efforts to guarantee a minimum annual supply of at least 70,000 tonnes per annum. Subject to the satisfaction of prepayments, the Company shall provide GLR with a prepayment in the aggregate amount not more than USD75 million, which shall be applied to offset the purchase price payable for the contracted products in installments upon acceptance of such products by the Company. Further details are set out in the announcement of the Company dated April 21, 2026.

On April 21, 2026, Lopal Tech Perth Pty Ltd ("**Lopal Perth**") entered into a tenements and mineral rights sale agreement ("**Sale Agreement**") with GL1 and MB Lithium. Pursuant to the Sale Agreement, Lopal Perth will acquire lithium exploration lease and related assets in Australia held by GL1 and MB Lithium at a total consideration of AUD14.85 million. This lithium mining project will subsequently require exploration, mining permit application, mineral processing, and mining capacity construction. The estimated investment exceeds USD200 million, and the construction and commissioning period is expected to be 2–3 years. Further details are set out in the announcement of the Company dated April 21, 2026.

On May 11, 2026, the Company, together with each of the existing shareholders of Changzhou Liyuan, including the Company, Kunlun Gongrong Green (Beijing) New Industry Investment Fund Partnership (Limited Partnership) (昆侖工融綠色(北京)新興產業投資基金合夥企業(有限合夥)), Jianxin Financial Asset Investment Co., Ltd. (建信金融資產投資有限公司), Ningbo Meishan Baoshuigang District Wending Investment Co., Ltd. (寧波梅山保税港區問鼎投資有限公司), Fujian Times Mindong New Energy Industry Equity Investment Partnership (Limited Partnership) (福建時代閩東新能源產業股權投資合夥企業(有限合夥)), BTR New Material Group Co., Ltd. (貝特瑞新材料集團股份有限公司), Changzhou Youbeili Venture Capital Center (Limited Partnership) (常州優貝利創業投資中心(有限合夥)), Nanjing Jinbeili Venture Capital Center (Limited Partnership) (南京金貝利創業投資中心(有限合夥)), Changzhou Jintan Hongyuan Venture Capital Partnership (Limited Partnership) (常州金壇泓遠創業投資合夥企業(有限合夥)) and Nanjing Chaoli Venture Capital Center (Limited Partnership) (南京超利創業投資中心(有限合夥)), entered into the Capital Increase Agreement with Changzhou Liyuan (a non-wholly owned subsidiary of the Company) and Changzhou Jinsha Industrial Investment Partnership Enterprise (Limited Partnership) (常州金沙產業投資合夥企業(有限合夥) (the "**Series B Investor**") in relation to, among others, the capital contribution by the Series B Investor in the sum of RMB440.00 million by cash to Changzhou Liyuan to subscribe for approximately RMB61.17 million of Changzhou Liyuan's registered capital, representing approximately 6.83% of the share capital of Changzhou Liyuan as enlarged by the increase in registered capital. Upon completion of the capital increase, the shareholding ratio of the Company in Changzhou Liyuan decreased from approximately 66.42% to 61.88%. Further details are set out in the announcements of the Company dated May 11, 2026 and May 12, 2026.

On June 9, 2026, the Board approved the proposed outbound investment by LBM NEW ENERGY (AP) PTE. LTD. ("**LBM (AP)**"), a controlled grandchild subsidiary of the Company, to invest in and construct the "Massive Production Project for Cathode Materials for New Energy Vehicle Power and Energy Storage Batteries" ("**Indonesia LBM Phase III Project**") through its wholly-owned subsidiary, PT LBM ENERGI BARU INDONESIA BATANG ("**PT LBM**"). 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. Further details are set out in the announcement and circular of the Company dated June 10, 2026 and July 28, 2026, respectively.

Save as disclosed above, there was no significant investment, material acquisition and disposal of subsidiaries, associates and joint ventures by the Group during the Reporting Period. In addition, save for the expansion plans as disclosed in the sections headed "Business" and "Future Plans and Use of Proceeds" in the Prospectus, there were no specific plan authorized by the Board for other material investments or acquisition of capital assets as of the date of this announcement. However, the Group will continue to identify new opportunities for business development.

USE OF PROCEEDS

(A) Global Offering

The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") on October 30, 2024. The net proceeds from the Global Offering amounted to approximately HKD495.0 million and gross proceeds of approximately HKD550.0 million. The Company intends to use the net proceeds in the same matter and proportion as set out in the section headed "Future Plans and Use of Proceeds" of the Prospectus.

However, as disclosed in the announcements of the Company dated January 15, 2026 and February 13, 2026 and the circular of the Company dated January 26, 2026, the Board and the relevant Shareholders approved the resolution regarding the change in the use of proceeds from the Global Offering to change the intended use of the allocated amount of HK$198.0 million of net proceeds from the Global Offering from constructing new LMFP production lines at Xiangyang Plant in Hubei Province to the Jintan Project ("**Proposed Change**"), in view of enhancing the efficiency of the use of proceeds.

Details of (i) the net proceeds from the Global Offering as disclosed in the Prospectus prior to the Proposed Change, (ii) the net proceeds utilized and unutilized as of June 30, 2026, and (iii) the expected timeline for the use of the remaining unutilized net proceeds are set out in the following table:

Intended use of net proceeds	**Percentage of intended use of net proceeds as disclosed in the Prospectus and prior to the Proposed Change** *(%)*	**Net proceeds from the Global Offering as disclosed in the Prospectus and prior to the Proposed Change** *(In HKD millions)*	**Amount utilized as of June 30, 2026** *(In HKD millions)*	**Amount unutilized as of June 30, 2026 after the Proposed Change** *(In HKD millions)*	**Expected timeline of full utilization of the net proceeds after the Proposed Change**
Payment for partial expenses for phase II of the Indonesia Plant	40.0	198.0	198.0	—	Fully utilised
Construction expenses of the Plant	20.0	99.0	99.0	—	Fully utilised
Purchase and installation of major production machineries and equipment	20.0	99.0	99.0	—	Fully utilised
New LMFP production lines at Xiangyang Plant in Hubei Province	40.0	198.0	—	—	Not applicable
High-performance lithium battery cathode material project in Jintan, Jiangsu Province	—	—	198.0	—	Fully utilised
Repay certain interest-bearing bank borrowings	10.0	49.5	49.5	—	Fully utilised
Repay borrowings from Bank of Nanjing (南京銀行)	6.6	32.7	32.7	—	Fully utilised

Intended use of net proceeds	Percentage of intended use of net proceeds as disclosed in the Prospectus and prior to the Proposed Change	Net proceeds from the Global Offering as disclosed in the Prospectus and prior to the Proposed Change	Amount utilized as of June 30, 2026	Amount unutilized as of June 30, 2026 after the Proposed Change	Expected timeline of full utilization of the net proceeds after the Proposed Change
	(%)	*(In HKD millions)*	*(In HKD millions)*	*(In HKD millions)*	
Repay borrowings from Agricultural Bank of China (中國農業銀行)	3.4	16.8	16.8	—	Fully Utilised
Working capital and other general corporate purposes	10.0	49.5	49.5	—	Fully Utilised
Total	100.0	495.0	495.0	—	

Notes:

The figures in the table are approximate figures.

(B) 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. On December 20, 2024, the Company, LBM (AP), Changzhou Liyuan, PT Akasya Investasi Indonesia and Aisis Alliance L.P. entered in a subscription agreement, pursuant to which PT Akasya Investasi Indonesia and Aisis Alliance L.P. conditionally agreed to subscribe for the shares of LBM (AP), representing approximately 34.01% and 11.34% of the enlarged share capital of LBM (AP) upon completion at the subscription price of USD150,000,000 and USD50,000,000 respectively. The subscription has been completed on February 10, 2025. LBM (AP) shall apply no less than 85% of the proceeds of the 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 has been utilised. Furthermore, as of the date of this announcement, the Company has no intention of changing its intended use of the proceeds from the subscription. Details of the utilisation of the proceeds as at June 30, 2026 are as follows:

Intended use of net proceeds	**Percentage of intended use of net proceeds** *(%)*	**Utilised proceeds as at June 30, 2026** *(approximate %)*	**Unutilised proceeds as at June 30, 2026** *(approximate %)*	**Expected timeline of utilising 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. USD170,000,000	Approximately USD70,941,900 (35.47%)	Approximately USD99,058,100 (49.53%)	By the end of 2026
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. USD30,000,000	Approximately USD30,000,000 (15.00%)	—	Fully utilised

(C) LG Subscription

Reference is made to the announcements of the Company dated February 21, 2025, and March 31, 2026 and circular of the Company dated March 27, 2025. On February 21, 2025, LBM (AP), PT LBM and LG entered into a subscription agreement and the shareholders agreement; and the Company, Changzhou Liyuan, LBM (AP), PT LBM and LG entered into a side letter agreement. Under the subscription agreement, at closing, PT LBM shall issue to LG, and LG shall subscribe for a total of 255,930.64 newly issued shares of PT LBM for an aggregate subscription price of USD15,970,911.12, which upon issuance will collectively represent 20% of the issued and outstanding share capital of PT LBM on a fully diluted basis.

It was originally intended that PT LBM should apply approximately half of the proceeds from the subscription for the settlement of the final payment to the contractors for the construction of the Indonesia Phase 1 Plant, and the remaining half for the purchase of relevant facilities and equipment for the operation of the Indonesia Phase 1 Plant. However, due to the timing of receipt of funds from LG, certain payments for construction and purchase facilities and equipment had been settled by the Group's own funds. As such, the proportion of proceeds from the subscription allocated for the respective intended purposes has been revised to apply the proceeds to align better with the Company's development strategy and actual operating conditions and is conducive to promoting the efficiency of utilizing the unutilized proceed for the subscription agreement.

Details of the allocation and utilisation of the proceeds as at June 30, 2026 are as follows:

Intended use of net proceeds	**Proceeds allocated for intended purpose** *(%)*	**Revised allocation of proceeds for intended purpose** *(approximate %)*	**Utilised proceeds as at June 30, 2026** *(approximate %)*	**Unutilised proceeds as at June 30, 2026** *(approximate %)*	**Expected timeline of utilising the remaining proceeds**
Settlement of the final payment to the contractors for the construction of the Indonesia Phase 1 Plant	Approximately USD3,070,000 (19.22%)	Approximately USD1,491,200 (9.34%)	Approximately USD1,491,200 (9.34%)	—	Fully utilised
Purchase of relevant facilities and equipment for the operation of the Indonesia Phase 1 Plant	Approximately USD12,901,000 (80.78%)	Approximately USD11,019,200 (69.00%)	Approximately USD9,738,500 (60.98%)	Approximately USD1,280,700 (8.02%)	By the end of 2026*(note)*
General working capital in relation to the Indonesia Phase 1 Plant	—	Approximately USD3,460,600 (21.66%)	Approximately USD3,460,600 (21.66%)	—	Fully utilised

Note:

PT LBM experienced delay in utilizing the remaining proceeds for the purchase of relevant facilities and equipment for the operation of the Indonesia Phase 1 Plant and the expected timeline of utilizing the remaining proceeds was revised to by the end of 2026 from by the end of the second quarter of 2026. The final acceptance payment for the construction of the Indonesia Phase 1 Plant had not been fully settled, which led to the delay in the procurement schedule for the relevant facilities and equipment. Accordingly, PT LBM delayed the use of its approximately USD1.3 million remaining proceeds for the purchase of relevant facilities and equipment for the operation of the Indonesia Phase 1 Plant.

(D) H Shares Placing in June 2025

Reference is made to the announcements of the Company dated June 4, 2025 and June 12, 2025. On June 4, 2025, the Company entered into the placing agreement (the "**2025 Placing Agreement**") with the placing agent, namely Guotai Junan Securities (Hong Kong) Limited (the "**2025 Placing Agent**"), pursuant to which the Company has agreed to appoint the placing agent, and the 2025 Placing Agent has conditionally agreed, as the Company's placing agent, to procure, on a best effort basis, not less than six placees, who are and whose ultimate beneficial owners are third parties independent of and not connected (as defined under the Listing Rules) with the Company and its connected person(s), to purchase up to an aggregate of 20,000,000 new H Shares at the placing price of HK$6.00 per H Shares (the "**2025 H Shares Placing**") representing a discount of approximately 8.95% to the closing price of HK$6.59 per H Share as quoted on the Stock Exchange on June 4, 2025, being the date of the 2025 Placing Agreement, with an aggregate nominal value of RMB20,000,000 based on a nominal value of RMB1.00 per placing share.

Completion of the 2025 H Shares Placing took place on June 12, 2025 in accordance with the terms and conditions of the 2025 Placing Agreement. The net proceeds of approximately HK$116.89 million from the 2025 H Shares Placing are intended to be used for (i) general working capital and repaying the Group's outstanding debts; and (ii) transformation of the low conductivity coolant production line ("**Production Line Transformation**"). Details of the utilisation of the proceeds as at June 30, 2026 are as follows:

Intended use of net proceeds	**Proceeds allocated for intended purpose**	**Utilised proceeds as at June 30, 2026** *(approximate %)*	**Unutilised proceeds as at June 30, 2026** *(approximate %)*	**Expected timeline of full utilization of the net proceeds**
General working capital	HK$56,890,000 (48.67%)	HK$56,890,000 (48.67%)	—	Fully utilised
— Purchase of raw materials, including base oil, ethylene glycol and urea, etc.	HK$40,000,000 (34.22%)	HK$40,000,000 (34.22%)	—	Fully utilised
— Staff wages and compensation	HK$15,000,000 (12.83%)	HK$15,000,000 (12.83%)	—	Fully utilised
— Utilities and taxes	HK$1,890,000 (1.62%)	HK$1,890,000 (1.62%)	—	Fully utilised
Repaying the Group's outstanding debts	HK$40,000,000 (34.22%)	HK$40,000,000 (34.22%)	—	Fully utilised
Transformation of the low conductivity coolant production line	HK$20,000,000 (17.11%)	HK$2,186,600 (1.87%)	HK$17,813,400 (15.24%)	By the end of 2026*(Note)*

Note:

The Group experienced delay in utilizing the remaining proceeds for the Production Line Transformation and the expected timeline of utilizing the remaining proceeds was revised to by the end of 2026 from by the end of the second quarter of 2026. Due to extra time incurred for more cautious and prepared initial planning and equipment selection, the implementation of the Production Line Transformation was delayed, which affected the timing of utilization of such proportion of the proceeds.

The Directors consider that the 2025 H Shares Placing represents an opportunity to strengthen the financial position of the Group by reducing the Group's liabilities and providing additional working capital to the Group to meet any future development and obligations, and to broaden the Shareholder base of the Company. The 2025 H Shares Placing can also facilitate the transformation of the low conductivity coolant production line, enhancing production efficiency. The Directors have explored various options to raise capital and considered that the 2025 H Shares Placing represents the most suitable and efficient financing option for the Company to raise further funding to support the Group's continuous development and business growth, which is in the interest of the Company and its Shareholders as a whole.

(E) Issuance of A Shares to Specific Targets

Reference is made to the circular of the Company dated August 29, 2025 and the announcements of the Company dated August 20, 2025, January 23, 2026, February 26, 2026 and May 12, 2026. The Company proposed to issue not more than 205,523,670 A Shares to not more than 35 specific target subscribers under the specific mandate (the "**Issuance**"), which was approved by the Shareholders on September 17, 2025. The proceeds from such issuance of A Shares shall be no more than RMB1.88 billion, and will be entirely used for construction of high-performance phosphate iron-based positive electrode material (磷酸鹽型正極材料) projects and general working capital. As of the date of this announcement, the Company has completed the procedures for registration, custody and restrictions on sale in respect of 93,115,403 new A Shares under the issuance of A Shares to specific targets with the China Securities Depository and Clearing Corporation Limited Shanghai Branch on May 11, 2026. As of the date of this announcement, there are no other changes in the use of proceeds, and the Company has no intention to change its intended use of the proceeds from the issuance of A Shares. Details of the allocation and utilization of the proceeds as at June 30, 2026 are as follows:

Intended use of net proceeds	**Proceeds allocated for intended purpose** *(%)*	**Utilised proceeds as at June 30, 2026** *(approximate %)*	**Unutilised proceeds as at June 30, 2026** *(approximate %)*	**Expected timeline of utilising the remaining proceeds**
110,000-ton High-performance Phosphate Iron-Based Positive Electrode Material Project	RMB800,000,000 (43.06%)	—	RMB800,000,000 (43.06%)	By the end of February 2027
85,000-ton High-performance Phosphate Iron-Based Positive Electrode Material Project	RMB600,000,000 (32.29%)	—	RMB600,000,000 (32.29%)	By the end of February 2027
Supplemental Working Capital	RMB457,900,828.3 (24.65%)	RMB439,896,962.97 (23.68%)*(Note)*	RMB18,003,865.33 (0.97%)*(Note)*	By the end of June 2026 *(Note)*

Note:

The unutilised proceed of RMB18,003,865.33 allocated for supplemental working capital had been fully utilised by the end of July 2026.

(F) Changzhou Liyuan Series B Capital Increase

Reference is made to the section headed "Significant Investment, Material Acquisitions and Disposal of Subsidiaries, Associates and Joint Ventures" in this announcement and the announcements of the Company dated May 11, 2026 and May 12, 2026. On May 11, 2026, the Company, together with each of the existing shareholders of Changzhou Liyuan, Changzhou Liyuan and the Series B Investor entered into a capital increase agreement (the "**Capital Increase Agreement**") in relation to, among others, the capital contribution by the Series B Investor in the sum of RMB440.00 million by cash to Changzhou Liyuan to subscribe for approximately RMB61.17 million of Changzhou Liyuan's registered capital, representing approximately 6.83% of the share capital of Changzhou Liyuan as enlarged by the increase in registered capital.

Pursuant to the Capital Increase Agreement, the proceeds from the Capital Increase of the amount RMB440.00 million shall only be strictly applied in their entirety for the purchase of machinery and assets and raw materials procurement in the construction of phase I of the Jintan Project. Details of the utilization of the proceeds as at June 30, 2026 are as follows:

Intended use of net proceeds	**Proceeds allocated for intended purpose**	**Utilized proceeds as at June 30, 2026** *(approximate%)*	**Unutilized proceeds as at June 30, 2026** *(approximate%)*	**Expected timeline of full utilization of the net proceeds**
Purchase of machinery and assets and raw materials procurement in the construction of Phase I of the Jintan Project	RMB440,000,000	RMB108,128,230 (24.6%)	RMB331,871,770 (75.4%)	By the end of 2026

(G) H Shares Placing in June 2026

Reference is made to the announcements of the Company dated June 16, 2026 and June 22, 2026. On June 17, 2026, the Company entered into the placing agreement (the "**2026 Placing Agreement**") with the joint placing agents, namely Guotai Junan Securities (Hong Kong) Limited and China Securities (International) Corporate Finance Company Limited (the "**2026 Joint Placing Agents**"), pursuant to which the Company has agreed to appoint the 2026 Joint Placing Agents, and the 2026 Joint Placing Agents have conditionally agreed, as the Company's placing agents, to procure, on a best effort basis, not less than six placees, who are and whose ultimate beneficial owners are third parties independent of and not connected (as defined under the Hong Kong Listing Rules) with the Company and its connected person(s), to purchase up to an aggregate of 15,000,000 new H Shares at the placing price of HK$13.09 per H Share (the "**2026 H Shares Placing**") representing a discount of approximately 8.91% to the closing price of HK$14.37 per H Share as quoted on the Stock Exchange on June 16, 2026, being the date of the 2026 Placing Agreement, with an aggregate nominal value of RMB15,000,000 based on a nominal value of RMB1.00 per placing share.

Completion of the 2026 H Shares Placing took place on June 22, 2026 in accordance with the terms and conditions of the 2026 Placing Agreement. The net proceeds from the 2026 H Shares Placing are in the amount of approximately HK$193.67 million. As of the date of this announcement, there are no changes in the use of proceeds, and the Company has no intention to change its intended use of the proceeds from the 2026 H Shares Placing. Details of the utilisation of the proceeds as at June 30, 2026 are as follows:

Intended use of net proceeds	**Proceeds allocated for intended purpose**	**Utilised proceeds as at June 30, 2026** *(approximate %)*	**Unutilised proceeds as at June 30, 2026** *(approximate %)*	**Expected timeline of full utilization of the net proceeds**
General working capital for the Jintan Project	HK$113,670,000 (58.69%)	—	HK$113,670,000 (58.69%)	By the end of 2026
— Procurement of raw materials (including lithium carbonate and iron phosphate)	HK$72,670,000 (37.52%)	—	HK$72,670,000 (37.52%)	By the end of 2026
— Utilities and taxes	HK$35,000,000 (18.07%)	—	HK$35,000,000 (18.07%)	By the end of 2026
— Employee salaries and compensation	HK$6,000,000 (3.10%)	—	HK$6,000,000 (3.10%)	By the end of 2026
Partial repayment of the Group's outstanding loan from China Minsheng Bank Nanjing Branch in the aggregate principal amount of RMB130 million due on August 27, 2026 (the "**Loan**")	HK$80,000,000 (41.31%)	— *note*	HK$80,000,000 (41.31%) *note*	By the end of August 2026 *note*

Note:

The unutilised proceed of RMB80,000,000 allocated for partial repayment of the Loan had been fully utilised as of July 2, 2026.

As of the date of this announcement, save as disclosed (i) in the tables above and (ii) in the announcement dated June 5, 2026 in relation to the extension of the expected timeline of the full utilization of proceeds from the Company's non-public offering of 82,987,551 A Shares in May 2022 for the large-scale production project of NEV power and energy storage cathode material, in which the expected timeline was revised from May 2026 to September 2026 and as of June 30, 2026, approximately RMB277.8 million of the proceeds remained unutilized, the Directors are not aware of any material change or delay to the planned use of the net proceeds. The current expected timeframe for utilizing the remaining unutilized net proceeds in full is based on the best estimation by the Directors barring any unforeseen circumstances, and may be subject to change based on the Group's operating conditions and prevailing and future development of market conditions. The Directors will assess the plans for the use of the unutilized net proceeds on an ongoing basis and may revise or modify such plans where necessary to respond to the changing market conditions with a view to promoting a better growth and development of the Group. The Group will continue to evaluate the use of the unutilized net proceeds cautiously and monitor the market conditions closely to adjust the use of the unutilized net proceeds from the fundraising activities by the Group where necessary for the long-term development of the Group. The Company will make appropriate announcement(s) in due course in accordance with and if required under the Hong Kong Listing Rules should there be any material change in the intended use of the unutilized net proceeds.

ROUNDING

Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments. Any discrepancies in any table between totals and sums of amounts listed therein are due to rounding.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

On May 20, 2026, the Company cancelled the unused 2,082,400 treasury A shares in the Company's repurchase securities account, details of which were disclosed in the announcement on the Company on May 20, 2026. During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities (including sales of treasury Shares) of the Company in both the Hong Kong Stock Exchange and Shanghai Stock Exchange. As of June 30, 2026 and up to the date of this announcement, the Company did not hold any Shares as treasury Shares (as defined in the Hong Kong Listing Rules).

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Changzhou Liyuan Capital Increase

On August 18, 2026, the Company, Changzhou Liyuan (a non-wholly owned subsidiary of the Company) and Changzhou Liyuan's Shareholders entered into a capital increase agreement (the "**Capital Increase Agreement**"). Pursuant to the Capital Increase Agreement, the Company has agreed to make a capital contribution in the sum of RMB1,400 million to Changzhou Liyuan to subscribe for approximately RMB194.63 million of Changzhou Liyuan's newly increased registered capital (the "**Capital Increase**"), which represents approximately 17.86% of Changzhou Liyuan's total registered capital as enlarged by the Capital Increase, and the remaining part will be booked in the capital reserve of Changzhou Liyuan, and Changzhou Liyuan's shareholders agreed to waive their pre-emptive rights in respect of the Capital Increase. Upon completion of the Capital Increase, after taking into account the dilution effect on the Company's existing shareholding in Changzhou Liyuan, the net change in the shareholding ratio of the Company in Changzhou Liyuan is approximately 6.81%, and such shareholding ratio will thus increase from approximately 61.88% to 68.69%. Accordingly, Changzhou Liyuan will continue to be a subsidiary of the Company upon completion of the Capital Increase and its financial results will continue to be consolidated into the financial statements of the Company. An extraordinary general meeting will be convened for independent Shareholders to consider and, if thought fit, to approve, among other things, the Capital Increase Agreement and the transactions contemplated thereunder. For details, please refer to the announcement and circular of the Company dated August 18, 2026.

Proposed Adoption of the 2026 A Share Restricted Share Incentive Scheme

On July 8, 2026, the Board has resolved to propose the adoption of the 2026 A Share Restricted Incentive Scheme (the "**2026 A Share Restricted Share Incentive Scheme**"). The purposes of the 2026 A Share Restricted Share Incentive Scheme are to (i) to establish and improve the interest sharing mechanism between the management and the Shareholders to align the interests of the Company, Shareholders and employees, fostering a shared focus on the Company's long-term development, thereby bringing more efficient and sustainable returns; (ii) to further improve the Company's corporate governance structure and establish a long-term and effective incentive and constraint mechanism to ensure the Company's long-term and stable development; and (iii) to effectively motivate the proactivity of management and employees, attract and retain quality management talent and key personnel, prevent loss of talent, and enhance the Company's cohesion and competitiveness. An extraordinary general meeting will be convened to consider and approve the proposed adoption of the 2026 A Share Restricted Incentive Scheme, and among other things. Further details are set out in the announcement of Company dated July 8, 2026 and a circular will be despatched to the Shareholders in due course.

Save as disclosed above, the Group has no material events subsequent to June 30, 2026 which could have a material impact on the operating and financial performance of the Group as of the date of this announcement.

NO MATERIAL CHANGE

Since the publication of the Group's annual report for the year ended December 31, 2025 on April 24, 2026 and up to the date of this announcement, there has been no material change to the Group's business.

INTERIM DIVIDEND

The Board did not recommend the payment of any interim dividend for the six months ended June 30, 2026 (for the six months ended June 30, 2025: nil).

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining and promoting stringent corporate governance. The principle of the Company's corporate governance is to promote effective internal control measures, uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of business, to ensure that its affairs are conducted in accordance with applicable laws and regulations and to enhance the transparency and accountability of the Board to all Shareholders. The Company has applied the principles as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 of the Hong Kong Listing Rules and has also adopted certain recommended best practices as set out in the CG Code.

The Board is of the view that during the Reporting Period and up to the date of this announcement, the Company has complied with all applicable code provisions as set out in the CG Code, except for the deviation from the code provision C.2.1 of Part 2 of the CG Code. Mr. Shi Junfeng ("**Mr. Shi**") is the chairman of the Board and the general manager of the Company and he has been managing our business and supervising the overall operations of the Group since its foundation in 2003. The Directors consider that vesting the roles of the chairman of the Board and the general manager of the Company in Mr. Shi is beneficial to the management and business development of the Group and will provide a strong and consistent leadership to the Group. The Board will continue to review and consider splitting the roles of the chairman of our Board and the general manager at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole. For the purposes of complying with the CG Code and maintaining a high standard of corporate governance of the Company, the Board will continue to review and monitor the corporate governance status of the Company.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Hong Kong Listing Rules as the Group's code of conduct regarding the Directors' securities transactions. Having made specific enquiry of all the Directors, all the Directors confirmed that they have strictly complied with the Model Code throughout the Reporting Period.

The Board has also established written guidelines on terms no less exacting than the Model Code (the "**Guidelines**") for securities transactions by relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of securities in the Company as referred to in code provision C.1.3 of the CG Code. No incident of non-compliance with the Guidelines by the Company's relevant employees has been noted during the Reporting Period after making reasonable enquiry.

CHANGE OF ACCOUNTING STANDARDS AND CESSATION TO RE-APPOINT THE OVERSEAS AUDITOR

In view of the fact that the financial statements prepared under the China Accounting Standards for Business Enterprises and International Financial Reporting Standards have largely converged, commencing from the 2026 interim report, the Company shall uniformly adopt and apply the CASBE for the preparation of financial reports and the disclosure of related financial information as approved by the Shareholders at the annual general meeting of the Company held on June 26, 2026.

The Company has resolved to cease the re-appointment of Ernst & Young as the overseas auditor of the Company for the Company's H shares for the year ending December 31, 2026. Ernst & Young Hua Ming LLP ("**Ernst & Young Hua Ming**") has become the sole auditor auditing the financial statements of the Company in accordance with the China Accounting Standards for Business Enterprises, and also assumed the duties of overseas auditor as required under the Hong Kong Listing Rules. For details, please refer to the announcement of the Company dated May 29, 2026 and the circular of the Company dated June 5, 2026.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL INFORMATION

As of the date of this announcement, the audit committee of the Company (the "**Audit Committee**") comprises three independent non-executive Directors, namely Mr. Zhang Jinlong, Ms. Geng Chengxuan and Mr. Lu Jian. Ms. Geng Chengxuan was the chairlady of the Audit Committee prior to her redesignation as a member with effect from February 13, 2026. Mr. Zhang Jinlong was appointed as the chairman of the Audit Committee with effect from February 13, 2026. Both Mr. Zhang Jinlong and Ms. Geng Chengxuan possess appropriate professional qualifications as required by Rules 3.10(2) and 3.21 of the Hong Kong Listing Rules.

The Audit Committee and the Company's management have also reviewed the accounting principles and practices adopted by the Group and discussed matters in relation to risk management, internal control and financial reporting, including a review of the interim results of the Group for the six months ended June 30, 2026. The Audit Committee has confirmed that the unaudited results give a true and fair view of the state of affairs of the Company and are in compliance with applicable accounting standards and the relevant regulatory and legal requirements and that sufficient disclosures have been made.

The interim results of the Group for the six months ended June 30, 2026 had not been audited and have been prepared using the China Accounting Standards for Business Enterprises.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (https://www.lopal.cn/). The interim report of the Company for the six months ended June 30, 2026 containing all the information required by the Hong Kong Listing Rules will be sent to the Shareholders upon request and made available for review on the same websites in due course.

CLARIFICATION REGARDING DISCLOSURE OF CONTINUING CONNECTED TRANSACTIONS IN THE 2025 ANNUAL REPORT

Reference is made to the 2025 annual report of the Company published on April 24, 2026 ("**2025 Annual Report**") in relation to the information on the sales framework agreement ("**CATL Sales Framework Agreement**") and purchase framework agreement ("**CATL Purchase Framework Agreement**") entered into by the Company and Contemporary Amperex Technology Co., Limited ("**CATL**") on January 17, 2025.

The Company would like to clarify that there was an inadvertent typographical error on page 81 of the 2025 Annual Report and the paragraph headed "Historical Amount during the Reporting Period" should instead read as below:

"For the year ended December 31, 2025, the transaction amount with respect to the continuing connected transactions under the CATL Sales Framework Agreement and CATL Purchase Framework Agreement were <u>RMB447.57 million</u> and <u>RMB3,050.80 million</u>, respectively."

The Company confirms that the annual caps for the year ended December 31, 2025 for the transactions under the CATL Sales Framework Agreement and CATL Purchase Framework Agreement were not exceeded. Save for the clarification made above, all the other information contained in the 2025 Annual Report in relation to the CATL Sales Framework Agreement and CATL Purchase Framework Agreement is correct and remains unchanged.

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

Nanjing, PRC
August 26, 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; Ms. GENG Chengxuan, Mr. HONG Kam Le, Mr. ZHANG Jinlong and Mr. LU Jian as independent non-executive Directors.