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Ganfeng Lithium Co., Ltd.

江西赣锋锂业股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1772)

**INSIDE INFORMATION/OVERSEAS
REGULATORY ANNOUNCEMENT
2021 THIRD QUARTERLY REPORT**

This announcement is made pursuant to the disclosure obligations under Rules 13.09(2) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

IMPORTANT NOTICE:

1. The board of directors (the “**Board**”) and the supervisory committee of Ganfeng Lithium Co., Ltd. (the “**Company**”) as well as its directors, supervisors and senior management warrant the truthfulness, accuracy and completeness of the information contained in the quarterly report, and warrant that there are no false representations or misleading statements contained in or material omissions from this report and severally and jointly accept legal responsibility pursuant to such information.
2. Li Liangbin, chairman of the Company, Yang Manying, the person in charge of the Company’s accounting functions, and Huang Ting, the head of the Company’s accounting department (person in charge of accounting) have declared that they guarantee the truthfulness, accuracy and completeness of the financial information in the quarterly report.
3. Has the third quarterly report been audited
 Yes No

I. KEY FINANCIAL DATA

(I) Key Accounting Data and Financial Indicators

Whether retroactive adjustments or restatements would be made by the Company to the accounting data for the previous years

Yes No

	The reporting period	Increase/decrease for the reporting period compared with the corresponding period of last year	From the beginning of the year till the end of the reporting period	Increase/decrease for the beginning of the year till the end of the reporting period compared with the corresponding period of last year
Operating income (RMB)	2,989,477,093.56	98.50%	7,053,758,123.88	81.19%
Net profit attributable to shareholders of the listed company (RMB)	1,056,140,514.99	506.99%	2,472,792,255.27	648.24%
Net profit attributable to shareholders of the listed company after deduction of non-recurring gains and losses (RMB)	592,560,910.63	538.50%	1,427,888,900.63	435.58%
Net cash flow from operating activities (RMB)	-	-	927,936,788.00	361.41%
Basic earnings per share (RMB/share)	0.73	461.54%	1.77	608.00%
Diluted earnings per share (RMB/share)	0.73	461.54%	1.77	608.00%
Weighted average rate of return on net assets	7.18%	5.32%	16.80%	13.26%
				Increase/decrease at the end of the reporting period compared with the end of last year
	As at the end of the reporting period		As at the end of last year	
Total assets (RMB)	33,889,599,470.42		22,020,373,319.53	53.90%
Owner's equity attributable to shareholders of the listed company (RMB)	19,327,056,765.23		10,705,622,439.84	80.53%

(II) Non-recurring gains and losses items and amounts

Yes No

Unit: RMB

Items	Amount for the reporting period	Amount for the period from the beginning of the year to the end of the reporting period	Explanation
Gains or losses on disposal of non-current assets (including the written-off portion of provisions for asset impairment)	-4,558,652.89	-4,420,916.48	
Government grants (except for government grants which are closely related to the Company's normal business, in line with national policies and regulations and conform with the amount and quantities at a certain standard) charged to gains or losses for the current period	12,641,528.05	31,196,168.14	
Gains or losses on change in fair value arising from financial assets held for trading and financial liabilities held for trading, investment gains from disposal of financial assets held for trading, financial liabilities held for trading, and financial assets available for sale, other than effective hedging activities associated with normal business operations of the Company	457,462,997.83	1,026,483,254.92	It is mainly the gain from changes in fair value of financial assets held in the reporting period
Other non-operating income and expenses apart from the items stated above	-2,682,566.40	-2,930,316.25	
Less: Effect on income tax	-716,297.77	5,424,835.69	
Total	<u>463,579,604.36</u>	<u>1,044,903,354.64</u>	

Details of other gains or losses items within the definition of non-recurring gains and losses:

Yes No

No other gains or losses items were defined as non-recurring gains and losses.

Notes for the non-recurring gains or losses items as listed in the Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No.1 – Non-recurring Gains or Losses defined as the recurring gains or losses items

Yes No

No non-recurring gains or losses items as defined and illustrated in the Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No. 1 – Non-recurring Gains or Losses were defined as recurring gains or losses items for the Company.

(III) Circumstances for changes in key accounting data and financial indicators and the reasons thereof

Yes No

Unit: RMB

Balance Sheet Items	September 30, 2021	December 31, 2020	Percentage of changes	Reasons for changes
Monetary fund	7,467,131,948.68	2,175,589,944.30	243.22%	The change was mainly because the proceeds raised from the new H share placement of the Company and the funds of the introduction of the industrial investors to the subsidiary Ganfeng LiEnergy had been received
Financial assets held for trading	465,245,761.08	87,116,871.37	434.05%	The change was mainly due to the purchase of bank financial products in the current period
Accounts receivable	1,836,049,478.59	1,358,805,453.61	35.12%	The change was mainly due to the increase in accounts receivable resulting from the increase in revenue in the current period
Accounts receivable financing	1,009,402,381.36	409,189,128.15	146.68%	The change was mainly due to the increase in bank notes received resulting from the increase in sales volume

Balance Sheet Items	September 30, 2021	December 31, 2020	Percentage of changes	Reasons for changes
Other current assets	674,723,559.94	1,951,968,579.49	-65.43%	The change was mainly due to the transfer-out of the term deposit
Long-term receivables	39,755,273.61	390,771.27	10073.54%	The change was mainly due to the disposal of certain equity of Minera Exar S.A in the current period, and the discounted future consideration receivable has been accounted in this subject
Long-term equity investments	2,398,260,132.86	1,636,336,501.60	46.56%	The change was mainly due to the increase in investments of Bacanora and Sonora
Debenture investments	30,861,842.45	–		The change was mainly due to the increase of bank term deposit of more than one year
Other non-current financial assets	1,951,447,890.90	879,587,367.11	121.86%	The change was mainly due to the rise in stock price of Pilbara and the investment such as Jiujiang Defu
Development expenses	–	24,839,514.08	-100.00%	The change was mainly because the pilot production line of research and development for first generation solid state lithium battery entered into trial production, and have been recognized as intangible assets in the current period
Goodwill	36,110,758.90	–		The change was mainly due to the acquisition of Huichuang New Energy in the current period results in the additional goodwill
Deferred income tax assets	131,517,740.48	40,363,430.42	225.83%	The change was mainly due to the change in temporary differences in income tax in the current period, resulting from the increase in the share incentive expenses, the redemption of convertible bonds, etc

Balance Sheet Items	September 30, 2021	December 31, 2020	Percentage of changes	Reasons for changes
Other non-current assets	2,832,482,260.34	971,701,741.13	191.50%	The change was mainly due to the additional investments in Yili Hongda and Jintai Potassic Fertilizer in the current period
Bills payable	1,086,869,851.51	230,321,752.90	371.89%	The change was mainly due to the increasing usage of the bank notes payables for the payment for raw materials in the current period
Contract liabilities	185,812,902.01	41,033,419.17	352.83%	The change was mainly due to the increase of advances in the current period
Staff salaries payable	52,649,667.94	79,053,831.36	-33.40%	The change was mainly because the year-end bonus accrued at the end of the last year have been paid during the current period
Taxes payable	391,943,513.15	131,598,264.62	197.83%	The change was mainly due to the increase of the scale and performance of operation, and the relevant taxes increased in the current period
Other payables	144,216,285.27	82,747,359.18	74.29%	The change was mainly due to the increase of the bid deposit for the relevant projects of the Company
Non-current liabilities due within one year	1,446,717,798.92	669,689,684.00	116.03%	The change was mainly due to the increase of long-term bank borrowings due within one year
Long-term borrowings	3,017,577,360.00	1,658,008,360.00	82.00%	The change was mainly due to the increase of the project loans of Huizhou Ganfeng and Ganfeng Battery Phase II, the acquisition loan of Ganfeng Battery, and the working capital loan of more than one year in the current period

Balance Sheet Items	September 30, 2021	December 31, 2020	Percentage of changes	Reasons for changes
Bonds payables	–	2,133,824,297.91	-100.00%	The change was mainly due to the redemption of the convertible bonds
Long-term payables	797,214,092.30	541,730,051.02	47.16%	The change was mainly due to the increase of financial assistance payable of Minera Exar S.A. to LAC in the current period
Deferred income	90,797,316.35	64,358,892.00	41.08%	The change was mainly due to the increase in government grants related to assets received for the current period
Deferred income tax liabilities	18,261,196.79	63,837,415.94	-71.39%	The change was mainly due to the change in temporary differences in income tax in the current period
Other equity instruments	–	582,380,688.55	-100.00%	The change was mainly due to the redemption of convertible bonds
Capital reserve	11,941,451,672.86	4,842,886,594.85	146.58%	The change was mainly due to the increase in the capital reserve resulting from the conversion of convertible bonds and the issuance of additional H shares
Undistributed profits	5,847,784,860.66	3,791,822,949.39	54.22%	The change was mainly due to the increase of profits in the current year
Minority interests	4,097,575,510.14	2,712,780,922.60	51.05%	The change was mainly due to the introduction of strategic investors of Ganfeng LiEnergy, resulting in the increase in minority interests

Income statement items	September 30, 2021	September 30, 2020	Percentage of changes	Reasons for changes
Operating income	7,053,758,123.88	3,892,964,913.58	81.19%	The change was mainly due to the 10,000 ton lithium salt reconstruction and expansion project (phase III) reaches production capacity, and the increase in the volume and price of the lithium salt products in the current period
Operating costs	4,546,330,735.40	3,160,477,140.55	43.85%	The change was mainly due to the increase in operating income results in the increase in the operating costs accordingly
Tax and surcharge	44,482,465.17	13,680,799.77	225.15%	The change was mainly due to the increase of relevant taxes as a result of increase in operating income in the current period;
Administrative expenses	283,788,469.95	99,342,820.29	185.67%	The change was mainly due to the increase of share incentives expenses
Research and development expenditure	201,017,622.29	78,215,091.69	157.01%	The change was mainly due to the increase in research and development expenses in the current period
Finance expenses	148,590,910.53	73,051,549.53	103.41%	The change was mainly due to the increase of bank loan interests and exchange-losses in the current period
Other revenue	31,196,168.14	66,943,096.83	-53.40%	The change was mainly due to the decrease in government grants related to revenue in the current period
Investment income	18,852,804.75	44,551,803.64	-57.68%	The change was mainly due to the change in profit of associates in the current period
Gain on change in fair value	993,762,361.70	-9,784,890.35	10256.09%	The change was mainly due to the rise in stock price of financial assets held
Impairment loss of credit ("-" denotes loss)	-7,729,710.34	-101,430,944.50	92.38%	The change was mainly due to the decrease in trade receivables impairment losses in the current period

Income statement items	September 30, 2021	September 30, 2020	Percentage of changes	Reasons for changes
Impairment loss of assets ("-" denotes loss)	-4,473,585.38	-10,228,171.70	56.26%	The change was mainly due to the increase of the net realizable value as a result of the rising price of inventories such as lithium carbonate
Gains on disposal of assets	-238,152.84	-1,298,232.34	81.66%	The change was mainly due to the decrease of the losses of the fixed assets disposed directly during the current period
Non-operating income	653,455.73	1,350,795.33	-51.62%	The change was mainly due to the decrease of revenues which are not related to the operating activities during the current period
Non-operating expense	7,766,535.62	3,105,903.47	150.06%	The change was mainly due to the increase of payments, such as the donation to Henan and the losses from the disposal of abandoned assets
Income tax expenses	274,356,030.97	76,940,136.09	256.58%	The change was mainly due to increase of profit in the current period
Cash flow statement items	September 30, 2021	September 30, 2020	Percentage of changes	Reasons for changes
Net cash flow generated from operating activities	927,936,788.00	201,110,848.44	361.41%	The change was mainly due to the increase in cash received from selling goods and providing services in the current period
Net cash flow generated from investing activities	-2,683,294,134.64	-553,328,513.12	-384.94%	The change was mainly due to the increase in the long term equity investment, construction of fixed assets, and the cash paid for other long-term assets
Net cash flow generated from financing activities	7,010,063,164.56	3,107,720,509.59	125.57%	The change was mainly due to the fund raised from H share, fund raised from the industrial investors of LiEnergy, and the increase in bank borrowings in the current period

II. INFORMATION ON SHAREHOLDERS

(I) Total number of ordinary shareholders and preferred shareholders with voting rights resumed and shareholdings of the top ten shareholders

Unit: Shares

Total number of ordinary shareholders at the end of the reporting period	169,926 (A shares); 26 (H shares)	Total number of preferred shareholders with voting rights resumed at the end of the reporting period (if any)	0
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Shareholdings of the top ten shareholders

Name of shareholders	Nature of shareholders	Proportion of shareholding	Number of shares held	Number of shares held subject to lock-up	Status of shares	Shares pledged, marked or frozen Number
HKSCC NOMINEES LIMITED	Overseas legal person	20.05%	288,256,396 <i>(Note 1)</i>	9,250		
Li Liangbin	Domestic natural person	18.80%	270,269,871	202,702,403	Pledged	54,200,000
Wang Xiaoshen	Domestic natural person	7.02%	100,898,904 <i>(Note 2)</i>	100,898,904	Pledged	29,285,000
Hong Kong Securities Clearing Company Limited	Overseas legal person	4.97%	71,425,281			
Huang Wen	Domestic natural person	0.81%	11,678,432			
Industrial and Commercial Bank of China Limited – Central European Pioneer Equity Initiative Securities Investment Fund (中國工商銀行股份有限公司—中歐時代先鋒股票型發起式證券投資基金)	Other	0.78%	11,235,095			
Shen Haibo	Domestic natural person	0.77%	11,083,568	8,312,676	Pledged	6,900,000

Name of shareholders	Nature of shareholders	Proportion of shareholding	Number of shares held	Number of shares held subject to lock-up	Status of shares	Shares pledged, marked or frozen Number
Industrial and Commercial Bank of China Limited – ABC-CA New Energy Theme Flexible Allocation Hybrid Securities Investment Fund (中國工商銀行股份有限公司–農銀匯理新能源主題靈活配置混合型證券投資基金)	Other	0.67%	9,586,269			
China Construction Bank Corporation – Huaxia Energy Reform Equity Securities Investment Fund (中國建設銀行股份有限公司–華夏能源革新股票型證券投資基金)	Other	0.61%	8,729,901			
Industrial and Commercial Bank of China Limited – China Universal CSI New Energy Industry Index-based Initiative Securities Investment Fund (LOF) (中國工商銀行股份有限公司–匯添富中證新能源汽車產業指數型發起式證券投資基金(LOF))	Other	0.42%	6,006,533			

Shareholdings of top ten shareholders holding shares without lock-up

Name of shareholders	Number of shares held without lock-up	Class of shares	Number
HKSCC NOMINEES LIMITED	288,247,146	Overseas listed foreign shares	288,247,146
Hong Kong Securities Clearing Company Limited	71,425,281	Renminbi denominated ordinary shares	71,425,281
Li Liangbin	67,567,468	Renminbi denominated ordinary shares	67,567,468
Wang Xiaoshen	25,224,726	Renminbi denominated ordinary shares	25,224,726
Huang Wen	11,678,432	Renminbi denominated ordinary shares	11,678,432
Industrial and Commercial Bank of China Limited – Central European Pioneer Equity Initiative Securities Investment Fund (中國工商銀行股份有限公司–中歐時代先鋒股票型發起式證券投資基金)	11,235,095	Renminbi denominated ordinary shares	11,235,095
Industrial and Commercial Bank of China Limited – ABC-CA New Energy Theme Flexible Allocation Hybrid Securities Investment Fund (中國工商銀行股份有限公司–農銀匯理新能源主題靈活配置混合型證券投資基金)	9,586,269	Renminbi denominated ordinary shares	9,586,269
China Construction Bank Corporation – Huaxia Energy Reform Equity Securities Investment Fund (中國建設銀行股份有限公司–華夏能源革新股票型證券投資基金)	8,729,901	Renminbi denominated ordinary shares	8,729,901
Industrial and Commercial Bank of China Limited – China Universal CSI New Energy Industry Index-based Initiative Securities Investment Fund (LOF) (中國工商銀行股份有限公司–匯添富中證新能源汽車產業指數型發起式證券投資基金(LOF))	6,006,533	Renminbi denominated ordinary shares	6,006,533
Portfolio 414 of the National Social Security Fund (全國社保基金四一四組合)	5,859,962	Renminbi denominated ordinary shares	5,859,962

Name of shareholders	Number of shares held without lock-up	Class of shares	
		Class of shares	Number
Explanation of the related party relationships or acting in concert for the above-mentioned shareholders	1.	The Company's de facto controller, Mr. Li Liangbin's family have no related party relationship with the other top ten shareholders, and they are also not parties acting in concert defined under "Measures for the Administration of Disclosure of Shareholder Equity Changes of Listed Companies";	
	2.	The Company is not aware of any of the other top ten shareholders who have related party relationships or are acting in concert with each other.	

Note 1: The number includes the 37,000 H shares held by Mr. Wang Xiaoshen;

Note 2: The number excludes the 37,000 H shares held by Mr. Wang Xiaoshen.

(II) Total number of preferred shareholders of the Company and the shareholdings of the top ten preferred shareholders

Yes No

III. OTHER MAJOR ISSUES

Yes No

- At the 29th meeting of the fifth session of the Board of the Company held on July 16, 2021, the resolution in relation to the Offer to Purchase Canadian Company Millennial by GFL International or Its Wholly-owned Subsidiary, Involving Mining Rights Investment (《關於贛鋒國際或其全資子公司對加拿大Millennial公司進行要約收購涉及礦業權投資的議案》) was considered and passed, approving the offer to purchase Canada Millennial Lithium Corp. ("Millennial") by GFL International Co., Limited ("GFL International"), or its wholly-owned subsidiary, with its own funds. The share price of the transaction is C\$3.60 per share and the transaction amount shall not exceed C\$353 million. For details, please refer to the announcement on the Offer to Purchase Canadian Company Millennial by GFL International or Its Wholly-owned Subsidiary, Involving Mining Rights Investment (關於贛鋒國際或其全資子公司對加拿大Millennial公司進行要約收購涉及礦業權投資的公告) (Ann no.: 2021-130) published on the Securities Times and the CNINFO website (巨潮資訊網) (www.cninfo.com.cn) by the Company on July 17, 2021.

In September 2021, the Company received a notice from GFL International that Millennial had unilaterally terminated the cooperation agreement on offer to purchase with GFL International and paid a termination fee of US\$10 million to GFL International as Millennial had received a “better offer” from a competitor to the offer and GFL International had not chosen to increase the offer price within the agreed period. For details, please refer to the progress announcement on the Offer to Purchase Canadian Company Millennial by GFL International or Its Wholly-owned Subsidiary, Involving Mining Rights Investment (關於贛鋒國際或其全資子公司對加拿大 Millennial 公司進行要約收購涉及礦業權投資的進展公告) (Ann no.: 2021-172) published on the Securities Times and the CNINFO website (巨潮資訊網) (www.cninfo.com.cn) by the Company on September 30, 2021.

2. At the 31st meeting of the fifth session of the Board of the Company held on July 30, 2021, the resolution in relation to the Capital Increase in its Controlled Subsidiary Ganfeng LiEnergy (《關於對控股子公司贛鋒鋰電增資的議案》), the resolution in relation to the Capital Increase in its Controlled Subsidiary Ganfeng LiEnergy by Employee Shareholding Platform (《關於員工持股平台對控股子公司贛鋒鋰電增資的議案》), the resolution in relation to the Capital Increase in its Controlled Subsidiary Ganfeng LiEnergy by Absorbing Investors (《關於控股子公司贛鋒鋰電吸收投資方進行增資的議案》), the resolution in relation to the Capital Increase in its Controlled Subsidiary Ganfeng LiEnergy by Related Parties (《關於關聯方對控股子公司贛鋒鋰電增資的議案》) were considered and approved, and at the 2021 fourth extraordinary general meeting of the Company held on August 31, 2021, the resolution in relation to the Capital Increase in its Controlled Subsidiary Ganfeng LiEnergy (《關於對控股子公司贛鋒鋰電增資的議案》) was considered and approved. In order to optimize the governance structure of Jiangxi Ganfeng LiEnergy Technology Co., Ltd. (“**Ganfeng LiEnergy**”), a wholly-owned subsidiary, raise funds to further develop the business of Ganfeng LiEnergy, retain and attract talents, give full play to the capital strength of the controlled subsidiary, and realize the goal of making the company bigger and stronger, the Company increased its capital to Ganfeng LiEnergy with an amount of RMB2 billion, of which RMB800 million shall be recognized in the registered capital; Xinyu Zhongxinzhonglian Service Management Centre (Limited Partnership) (新餘眾信眾聯服務管理中心(有限合夥)) increased its capital to Ganfeng LiEnergy with an amount of RMB42.1 million, of which RMB16.84 million shall be recognized in the registered capital; Hubei Xiaomi Yangtze River Industrial Fund Partnership (Limited Partnership) (湖北小米長江產業基金合夥企業(有限合夥)), Hainan Jimu Venture Capital Co., Ltd. (海南極目創業投資有限公司), Xunxing Investment (Chongqing) Co., Ltd. (巡星投資(重

慶)有限公司), Shenzhen Zhanxiang Information Technology Co., Ltd. (深圳市展想信息技術有限公司), Anke Innovation Technology Co., Ltd. (安克創新科技股份有限公司), Jiangxi Jiahe Electroacoustic Technology Co., Ltd. (江西佳禾電聲科技有限公司), Shenzhen Yishengdian Technology Partnership (Limited Partnership) (深圳市益聲電科技合夥企業(有限合夥)), Chongqing Lithium Huiteng Energy Technology Partnership (Limited Partnership) (重慶鋰想匯騰能源技術合夥企業(有限合夥)), Xinzhifeng (Wuhan) Equity Investment Fund Partnership (Limited Partnership) (信之風(武漢)股權投資基金合夥企業(有限合夥)), Zhenjiang Demao Hairun Equity Investment Fund Partnership (Limited Partnership) (鎮江德茂海潤股權投資基金合夥企業(有限合夥)), Chongqing Liangjiang New Area Science and Technology Innovation Equity Investment Fund Partnership (Limited Partnership) (重慶兩江新區科技創新股權投資基金合夥企業(有限合夥)), Chongqing Liangjiang Xizheng Fund Equity Investment Partnership (Limited Partnership) (重慶兩江證股權投資基金合夥企業(有限合夥)), Xinyu High Tech Investment Co., Ltd. (新余高新投資有限公司), Xinyu Urban And Rural Construction Investment (Group) Co., Ltd. (新余市城鄉建設投資(集團)有限公司), Xinyu Guoxin Holding Co., Ltd. (新余市國信控股有限責任公司), Xinyu Lulin Investment Co., Ltd. (新余市露林投資有限責任公司), Xinyu Zhongfu Technology Consulting Center (Limited Partnership) (新余眾福技術諮詢中心(有限合夥)), Shanghai Zhuque Renyin Private Investment Fund Partnership (Limited Partnership) (上海朱雀壬寅私募投資基金合夥企業(有限合夥)), Lishui Lisen Youwei Venture Capital Partnership (Limited Partnership) (麗水立森西為創業投資合夥企業(有限合夥)), Shanghai Pengte Enterprise Management Center (上海芃特企業管理中心) increased capital contribution by RMB971.25 million, of which RMB388.5 million shall be recognized in the registered capital; Ge Qiaoyu (戈巧瑜) and Jiang Rongjin (蔣榮金), both being shareholders of Guangdong Huichuang New Energy Co., Ltd. (廣東匯創新能源有限公司), increased capital contribution to Ganfeng LiEnergy with their own funds of RMB20.625 million and RMB16.875 million, respectively, of which RMB15 million shall be recognized in the registered capital. For details, please refer to the announcement on the Capital Increase in its Controlled Subsidiary Ganfeng LiEnergy (關於對控股子公司贛鋒鋰電增資的公告), the announcement on the Capital Increase in its Controlled Subsidiary Ganfeng LiEnergy by Employee Shareholding Platform (關於員工持股平台對控股子公司贛鋒鋰電增資的公告), the announcement on the Capital Increase in its Controlled Subsidiary Ganfeng LiEnergy by Absorbing Investors (關於控股子公司贛鋒鋰電吸收投資方增資的公告), the announcement on the Capital Increase in its Controlled Subsidiary Ganfeng LiEnergy by Related Parties (關於關聯方對控股子公司贛鋒鋰電增資的公告) (Ann no.: Lin 2021-141, Lin 2021-142, Lin 2021-143 and Lin 2021-144) published on the Securities Times and the CNINFO website (巨潮資訊網) (www.cninfo.com.cn) by the Company on July 31, 2021.

3. At the 32nd meeting of the fifth session of the Board of the Company held on August 5, 2021, the resolution in relation to the Investment in and Construction of New-type Lithium Battery Project with 15GWh Annual Capacity by Ganfeng LiEnergy (《關於贛鋒鋰電投資建設年產15GWh新型鋰電池項目的議案》) was considered and approved. It was agreed that Ganfeng LiEnergy, a controlled subsidiary of the Company, would invest in the construction of a new-type lithium battery project with 15GWh annual capacity with its own fund of RMB8.4 billion, of which RMB3 billion would be invested in the construction of a new-type lithium battery project with 5 GWh annual capacity in High Tech Industrial Development Zone of Xinyu, Jiangxi, and Ganfeng LiEnergy would establish a new independent legal entity project company to invest RMB5.4 billion in the construction of a new-type lithium battery science and technology industrial park with 10 GWh annual capacity and an advanced battery research institute project in Liangjiang New District, Chongqing. For details, please refer to the Announcement on the Investment in and Construction of New-type Lithium Battery Project with 15GWh Annual Capacity by Ganfeng LiEnergy (關於贛鋒鋰電投資建設年產15GWh新型鋰電池項目的公告) (Ann no.: 2021-152) published on the Securities Times and the CNINFO website (巨潮資訊網) (www.cninfo.com.cn) by the Company on August 6, 2021.
4. On September 9, 2021, the application for initial public offering of shares of Ganzhou Tengyuan Cobalt New Material Co., Ltd., an investee of the Company, was approved by the 56th review meeting of the Listing Committee for the ChiNext Market of the Shenzhen Stock Exchange in 2021. For details, please refer to the announcement on the Application for Initial Public Offering of Shares and Listing on the ChiNext Market of Ganzhou Tengyuan Cobalt New Material Co., Ltd., an Investee of the Company, Considered and Approved by the Listing Committee for the ChiNext Market of the Shenzhen Stock Exchange (關於參股公司騰遠鈷業首次公開發行股票並在創業板上市申請獲得深圳證券交易所創業板上市委審議通過的公告) (Ann no.: 2021-164) published on the Securities Times and the Cninfo website (巨潮資訊網) (www.cninfo.com.cn) by the Company on September 10, 2021.

5. On September 17, 2021, the Company and the People’s Government of Xuanhan County signed the agreement on inviting investment and the supplemental agreement on inviting investment. Adhering to the principle of equality and mutual benefit, after friendly negotiations between the parties, the Company or its subsidiary designated by it would establish a new independent legal entity, a subsidiary, to invest in the construction of high purity lithium salt project and the project of comprehensive recycling and reuse of retired batteries in the jurisdiction under the People’s Government of Xuanhan County. For details, please refer to the announcement on the Entering into of the Agreement on Inviting Investment with People’s Government of Xuanhan County (關於與宣漢縣人民政府簽署招商引資協議的公告) (Ann no.: 2021-167) published on the Securities Times and the CNINFO website (巨潮資訊網) (www.cninfo.com.cn) by the Company on September 18, 2021.

6. On September 17, 2021, Qinghai Liangcheng Mining Co., Ltd.* (青海良承礦業有限公司) (“**Qinghai Liangcheng**”), a wholly-owned subsidiary of the Company, entered into the agreement on capital increase in Qinghai Jintai Potash Co., Ltd. with Li Shiwen, Qinghai Fukang Mining Assets Management Co., Ltd. (青海富康礦業資產管理有限公司) and Qinghai Jintai Potash Co., Ltd. (青海錦泰鉀肥有限公司) (“**Jintai Potash**”). Qinghai Liangcheng proposed to increase its capital contribution to Jintai Potash by RMB704,965,119 with its own funds, of which RMB31,331,700 is the newly registered capital of Jintai Potash and the remaining portion is included in the capital reserve of Jintai Potash. Upon the completion of the transaction, Qinghai Liangcheng will hold 15.48% equity interest in Jintai Potash. For details, please refer to the announcement on Capital Increase in Jintai Potash by Qinghai Liangcheng, a Wholly-owned Subsidiary of the Company (關於全資子公司青海良承對錦泰鉀肥增資的公告) (Ann no.: 2021-168) published on the Securities Times and the CNINFO website (巨潮資訊網) (www.cninfo.com.cn) on September 18, 2021.

7. On September 22, 2021, Mr. Li Liangbin (李良彬), one of the de facto controllers of the Company, and Xu Xiaowei (胥小慰) jointly signed the equity transfer agreement in respect of 70% of the Equity Interest of Xianghuangqi Mengjin Mining Development Co., Ltd. (關於鑲黃旗蒙金礦業開發有限公司70%股權之股權轉讓協議). Li Liangbin will acquire 70% of the equity interest of Xianghuangqi Mengjin Mining Development Co., Ltd. (鑲黃旗蒙金礦業開發有限公司) (“**Mengjin Mining**”) using self-owned funds of RMB1,344,000,000. Upon completion of the acquisition, Li Liangbin will constitute potential inter-competition with the Company. From the perspective of protecting the interest of the Company and its minority shareholders, Li Liangbin has applied for a waiver of its original commitment to avoid horizontal competition in relation to the acquisition of equity interest of Mengjin Mining, and in order to effectively resolve the horizontal competition with the Company, Li Liangbin made a Supplemental Commitment Letter on Avoidance of Potential Horizontal Competition (關於避免潛在同業競爭的補充承諾函) on September 22, 2021 in relation to the acquisition of equity interest of Mengjin Mining. The commitment letter is only applicable to the acquisition of equity interest of Mengjin Mining by Li Liangbin and does not constitute a change to the original commitment. On the same day, the Proposal on the Waiver of Commitment on Avoidance of Horizontal Competition by the De Facto Controller (關於豁免實際控制人避免同業競爭承諾事項的議案) was considered and approved at the thirty-fourth meeting of the fifth session of the Board and the twenty-fifth meeting of the fifth session of the supervisory committee of the Company, respectively. For details, please refer to the announcement on the Waiver of Commitment on Avoidance of Horizontal Competition by the De Facto Controller (關於豁免實際控制人避免同業競爭承諾事項的公告) (Ann no.: 2021-171) published on the Securities Times and the CNINFO website (巨潮資訊網) (www.cninfo.com.cn) by the Company on September 23, 2021.

SECTION 4 QUARTERLY FINANCIAL STATEMENTS

I. Financial statements

1. Consolidated balance sheet

Prepared by: Ganfeng Lithium Co., Ltd.

September 30, 2021

Unit: RMB

Item	September 30, 2021	December 31, 2020
Current asset:		
Monetary fund	7,467,131,948.68	2,175,589,944.30
Clearing settlement fund		
Capital lending		
Financial assets held for trading	465,245,761.08	87,116,871.37
Derivative financial assets		
Bills receivable		
Accounts receivable	1,836,049,478.59	1,358,805,453.61
Accounts receivable financing	1,009,402,381.36	409,189,128.15
Prepayments	646,492,643.07	544,515,771.92
Premiums receivable		
Reinsurance receivable		
Reinsurance contract reserve receivable		
Other receivables	41,745,014.56	32,829,019.68
Including: Interest receivable		
Dividend receivable		
Financial assets purchased for resale		
Inventories	2,628,066,093.86	2,214,817,242.35
Contract assets		
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	674,723,559.94	1,951,968,579.49
Total current assets	<u>14,768,856,881.14</u>	<u>8,774,832,010.87</u>

Item	September 30, 2021	December 31, 2020
Non-current assets:		
Loans and advances to customers		
Debenture investments	30,861,842.45	
Other debenture investments		
Long-term receivables	39,755,273.61	390,771.27
Long-term equity investments	2,398,260,132.86	1,636,336,501.60
Other equity instrument investment		
Other non-current financial assets	1,951,447,890.90	879,587,367.11
Investment properties	72,660.92	73,584.59
Fixed assets	2,914,447,635.22	2,272,106,810.52
Construction in progress	4,880,313,553.54	3,761,131,236.63
Biological assets for production		
Fuel assets		
Right-of-use assets	24,391,227.59	28,513,518.80
Intangible assets	3,802,460,027.83	3,561,544,645.02
Development expenses		24,839,514.08
Goodwill	36,110,758.90	
Long-term deferred expenses	78,621,584.64	68,952,187.49
Deferred income tax assets	131,517,740.48	40,363,430.42
Other non-current assets	2,832,482,260.34	971,701,741.13
	<u>19,120,742,589.28</u>	<u>13,245,541,308.66</u>
Total non-current assets		
	<u>33,889,599,470.42</u>	<u>22,020,373,319.53</u>
Total assets		

Item	September 30, 2021	December 31, 2020
Current liabilities:		
Short-term borrowings	2,109,157,237.06	1,631,344,194.09
Borrowing from PBOC		
Capital borrowed		
Financial liabilities held for trading		
Derivative financial liabilities		
Bills payable	1,086,869,851.51	230,321,752.90
Accounts payable	1,062,155,329.83	1,211,995,778.75
Advances from customers		
Contract liabilities	185,812,902.01	41,033,419.17
Financial assets sold under repurchase agreements		
Deposit taking and deposit in inter-bank market		
Acting trading securities		
Acting underwriting securities		
Staff salaries payable	52,649,667.94	79,053,831.36
Taxes payable	391,943,513.15	131,598,264.62
Other payables	144,216,285.27	82,747,359.18
Including: Interest payable		
Dividends payable		
Bank charges and commissions payable		
Reinsurance payable		
Liabilities held for sale		
Non-current liabilities due within one year	1,446,717,798.92	669,689,684.00
Other current liabilities		
	<hr/>	<hr/>
Total current liabilities	<u>6,479,522,585.69</u>	<u>4,077,784,284.07</u>

Item	September 30, 2021	December 31, 2020
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings	3,017,577,360.00	1,658,008,360.00
Bonds payables		2,133,824,297.91
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	19,893,588.70	24,396,460.05
Long-term payables	797,214,092.30	541,730,051.02
Long-term staff salaries payable		
Accrued liabilities	8,269,546.51	7,279,015.32
Deferred income	90,797,316.35	64,358,892.00
Deferred income tax liabilities	18,261,196.79	63,837,415.94
Other non-current liabilities	33,431,508.71	30,751,180.78
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Total non-current liabilities	<u>3,985,444,609.36</u>	<u>4,524,185,673.02</u>
	<hr/>	<hr/>
Total liabilities	<u>10,464,967,195.05</u>	<u>8,601,969,957.09</u>
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Item	September 30, 2021	December 31, 2020
Owners' equity:		
Share capital	1,437,478,880.00	1,339,960,580.00
Other equity instruments		582,380,688.55
Including: Preferred shares		
Perpetual bonds		
Capital reserve	11,941,451,672.86	4,842,886,594.85
Less: treasury share		
Other comprehensive income	-303,425,063.61	-256,853,368.27
Special reserve	4,281,417.38	5,939,997.38
Surplus reserve	399,484,997.94	399,484,997.94
General risk reserve		
Undistributed profits	<u>5,847,784,860.66</u>	<u>3,791,822,949.39</u>
Total of the equity attributable to the owners of the parent company	<u><u>19,327,056,765.23</u></u>	<u><u>10,705,622,439.84</u></u>
Minority interests	<u>4,097,575,510.14</u>	<u>2,712,780,922.60</u>
Total owners' equity	<u><u>23,424,632,275.37</u></u>	<u><u>13,418,403,362.44</u></u>
Total liabilities and owners' equity	<u><u>33,889,599,470.42</u></u>	<u><u>22,020,373,319.53</u></u>

<i>Legal representative:</i> Li Liangbin	<i>Chief Accountant:</i> Yang Manying	<i>Head of the Accounting Department:</i> Huang Ting
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2. Consolidated Income Statement from the beginning of the year to the end of the Reporting Period

	<i>Unit: RMB</i>	
Item	Amount for the current period	Amount for the previous period
I. Total operating revenue	7,053,758,123.88	3,892,964,913.58
Including: Operating income	7,053,758,123.88	3,892,964,913.58
Interest income		
Premiums earned		
Fees and commission income		
II. Total operating costs	5,262,072,766.37	3,468,716,521.79
Including: Operating costs	4,546,330,735.40	3,160,477,140.55
Interest expense		
Fees and commission expense		
Surrender payment		
Net expenditure for compensation payments		
Net provision for insurance liabilities		
Expenditures for insurance policy dividend		
Reinsurance expenses		
Tax and surcharge	44,482,465.17	13,680,799.77
Selling expenses	37,862,563.03	43,949,119.96
Administrative expenses	283,788,469.95	99,342,820.29
Research and development expenditure	201,017,622.29	78,215,091.69
Finance expenses	148,590,910.53	73,051,549.53
Including: Interest costs	196,483,061.87	184,886,856.24
Interest income	110,383,512.36	97,688,083.33
Add: Other revenue	31,196,168.14	66,943,096.83
Investment income (“-” denotes loss)	18,852,804.75	44,551,803.64
Including: Share in profit of associates and joint ventures	-13,868,088.47	28,403,859.10
Gains on derecognition of financial assets measured at amortised cost		
Foreign exchange gain (“-” denotes loss)		
Gain from net exposure to hedging (“-” denotes loss)		
Gain on change in fair value (“-” denotes loss)	993,762,361.70	-9,784,890.35
Impairment loss of credit (“-” denotes loss)	-7,729,710.34	-101,430,944.50
Impairment loss of assets (“-” denotes loss)	-4,473,585.38	-10,228,171.70
Gains on disposal of assets (“-” denotes loss)	-238,152.84	-1,298,232.34

Item	Amount for the current period	Amount for the previous period
III. Operating profit (“-” denotes loss)	2,823,055,243.54	413,001,053.37
Add: Non-operating income	653,455.73	1,350,795.33
Less: Non-operating expense	7,766,535.62	3,105,903.47
IV. Total profit (“-” denotes total loss)	2,815,942,163.65	411,245,945.23
Less: Income tax expenses	274,356,030.97	76,940,136.09
V. Net profit (“-” denotes net loss)	2,541,586,132.68	334,305,809.14
(I) Classified by business continuity		
1. Net profit from continuing operations (“-” denotes net loss)	2,541,586,132.68	334,305,809.14
2. Net profit from discontinued operations (“-” denotes net loss)		
(II) Net profit attributable to the owners		
1. Net profit attributable to the owners of the parent company	2,472,792,255.27	330,482,914.66
2. Minority interests	68,793,877.41	3,822,894.48
VI. Net other comprehensive income after tax	107,282,456.16	-97,155,775.10
Net amount of other comprehensive income after tax attributable to the equity holders of the Company	-46,571,695.34	-101,842,083.73
(I) Other comprehensive income that cannot be reclassified into profit or loss		
1. Changes arising from the re-measurement of defined benefit plans		
2. Other comprehensive income that cannot be transferred to profit or loss under equity method		
3. Changes in fair value of investment in other equity instruments		
4. Changes in fair value of the Company’s own credit risk		
5. Others		

Item	Amount for the current period	Amount for the previous period
(II) Other comprehensive income that will be reclassified into profit or loss	-46,571,695.34	-101,842,083.73
1. Other comprehensive income that can be transferred to profit or loss under equity method	801,799.71	476,207.27
2. Changes in fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Credit impairment provisions for other debt investment		
5. Cash flow hedge reserve		
6. Difference arising from the translation of foreign currency financial statements	-47,373,495.05	-102,318,291.00
7. Others		
Net other comprehensive income after tax attributable to minority shareholders	153,854,151.50	4,686,308.63
VII. Total comprehensive income	2,648,868,588.84	237,150,034.04
Total comprehensive income attributable to the owners of the parent company	2,426,220,559.93	228,640,830.93
Total comprehensive income attributable to minority shareholders	222,648,028.91	8,509,203.11
VIII. Earnings per share:		
(I) Basic earnings per share:	1.77	0.25
(II) Diluted earnings per share	1.77	0.25

For the business combination under common control effected in the current period, the net profit recognized by the merged party before the combination was RMB, and the net profit recognized by the merged party in the previous period was RMB.

<i>Legal representative:</i> Li Liangbin	<i>Chief Accountant:</i> Yang Manying	<i>Head of the Accounting Department:</i> Huang Ting
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3. Consolidated cash flow statement from the beginning of the year to the end of the Reporting Period

<i>Unit: RMB</i>		
Item	Amount for the current period	Amount for the previous period
I. Cash flow generated from operating activities:		
Cash received from selling goods and providing services	7,095,598,511.09	3,737,188,756.32
Net increase in customer bank deposits and due to banks and other financial institutions		
Net increase in borrowings from PBOC		
Net increase in placements from other financial institutions		
Cash received from original insurance contract premiums		
Net cash received from reinsurance business		
Net increase in policy holder deposits and investments funds		
Cash received from interest, fees and commissions		
Net increase in capital borrowed		
Net increase in income from repurchase business		
Net cash received from securities trading agency services		
Refunds of taxes received	3,364,087.92	43,738,149.21
Cash received relating to other operating activities	318,233,744.52	174,253,564.20
Sub-total of cash inflow from operating activities	<u>7,417,196,343.53</u>	<u>3,955,180,469.73</u>

Item	Amount for the current period	Amount for the previous period
Cash paid for purchasing goods and receiving services	5,505,104,506.95	3,201,207,593.40
Net increase in customer loans and advances to customers		
Net increase in deposit in PBOC and due to banks and other financial institutions		
Cash paid for original insurance contract claimed		
Net increase in capital lending		
Cash paid for interest, fees and commissions		
Cash paid for policy holder dividend		
Cash paid to and for employees	451,648,152.47	307,593,218.79
Cash paid for taxes	317,935,958.07	153,174,836.53
Cash paid relating to other operating activities	214,570,938.04	92,093,972.57
Sub-total of cash outflow from operating activities	6,489,259,555.53	3,754,069,621.29
Net cash flow generated from operating activities	927,936,788.00	201,110,848.44
II. Cash flow generated from investing activities:		
Cash received from disposal of investments	1,965,819,850.32	257,369,364.91
Cash received from returns on investments	26,693,002.58	78,453,558.49
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	232,469.72	275,468.00
Net cash received from disposal of subsidiaries and other operating business units	984,800.00	
Cash received relating to other investing activities	17,375,345.16	304,520,000.00
Sub-total of cash inflow from investing activities	2,011,105,467.78	640,618,391.40
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	1,400,878,524.89	480,182,012.82
Cash paid for investment	1,495,516,019.02	380,217,936.40
Net increase in pledge loans		
Net cash paid for acquisition of subsidiaries and other operating business units	47,658,340.25	
Cash paid relating to other investing activities	1,750,346,718.26	333,546,955.30
Sub-total of cash outflow from investing activities	4,694,399,602.42	1,193,946,904.52
Net cash flow generated from investing activities	-2,683,294,134.64	-553,328,513.12

Item	Amount for the current period	Amount for the previous period
III. Cash flow generated from financing activities:		
Cash received from investment	4,953,973,351.62	1,271,664,087.67
Including: Cash received by subsidiaries from the investment of minority shareholders	915,584,268.13	240,312.29
Cash received from borrowings	4,770,707,368.00	6,427,579,688.35
Cash received relating to other financing activities	<u>137,743,023.61</u>	<u>4,500,000.00</u>
Sub-total of cash inflow from financing activities	<u>9,862,423,743.23</u>	<u>7,703,743,776.02</u>
Cash paid for repaying debts	2,150,932,800.00	3,897,951,611.53
Cash paid for distributing dividends and profits and interest repayment	538,069,360.34	484,404,628.76
Including: Dividends and profits paid by subsidiaries to minority shareholders		
Cash paid relating to other financing activities	<u>163,358,418.33</u>	<u>213,667,026.14</u>
Sub-total of cash outflow from financing activities	<u>2,852,360,578.67</u>	<u>4,596,023,266.43</u>
Net cash flow generated from financing activities	<u>7,010,063,164.56</u>	<u>3,107,720,509.59</u>
IV. Effect of foreign exchange rate changes on cash and cash equivalents	<u>-104,597,397.19</u>	<u>81,105,311.11</u>
V. Net increase in cash and cash equivalents	5,150,108,420.73	2,836,608,156.02
Add: Balance of cash and cash equivalents at the beginning of the period	<u>1,709,589,944.30</u>	<u>1,328,104,539.72</u>
VI. Balance of cash and cash equivalents at the end of the period	<u>6,859,698,365.03</u>	<u>4,164,712,695.74</u>

II. Adjustments to financial statement

1. Adjustments to financial statement at the beginning of the year upon the first adoption of new lease standards since 2021

Applicable Not applicable

2. Retroactive adjustments to comparative data of previous period upon the first adoption of new lease standards since 2021

Applicable Not applicable

III. Audit report

Has the third quarterly report been audited

Yes No

The third quarterly report of the Company has not been audited.

By order of the Board
GANFENG LITHIUM CO., LTD.
LI Liangbin
Chairman

Jiangxi, PRC
October 26, 2021

As at the date of this announcement, the Board comprises Mr. LI Liangbin, Mr. WANG Xiaoshen, Ms. DENG Zhaonan and Mr. SHEN Haibo as executive directors of the Company; Mr. YU Jianguo and Ms. YANG Juan as non-executive directors of the Company; and Mr. LIU Jun, Ms. WONG Sze Wing, Ms. XU Yixin and Mr. XU Guanghua as independent non-executive directors of the Company.