Ganfeng Lithium Co., Ltd.
江西贛鋒鋰業股份有限公司
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1772)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2022

The board (the "**Board**") of directors (the "**Directors**") of Ganfeng Lithium Co., Ltd. (the "**Company**") hereby announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2022 (the "**Reporting Period**").

FINANCIAL INFORMATION

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2022

	Notes	2022 (Unaudited) RMB'000	2021 (Unaudited) RMB'000
Revenue	4(a)	**14,320,893**	4,025,024
Cost of sales		**(5,663,039)**	(2,619,711)
Gross profit		**8,657,854**	1,405,313
Other income and gains	4(b)	**299,294**	676,479
Selling and distribution expenses		**(40,601)**	(23,920)
Administrative expenses		**(912,269)**	(210,916)
Other expenses	5	**(919,832)**	(39,343)
Finance costs	6	**(194,710)**	(142,921)
Share of profits and losses of:			
Associates		**618,432**	36,752
Joint ventures		**909,207**	(63,275)
Profit before tax	7	**8,417,375**	1,638,169
Income tax expense	8	**(1,065,802)**	(176,945)
Profit for the period		**7,351,573**	1,461,224
Attributable to:			
Owners of the parent		**7,254,835**	1,415,176
Non-controlling interests		**96,738**	46,048
		7,351,573	1,461,224
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic			
– For profit for the period (RMB)	10	**3.60**	0.74
Diluted			
– For profit for the period (RMB)	10	**3.60**	0.74

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2022

	2022	2021
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Profit for the period	**7,351,573**	1,461,224
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Debt instruments at fair value through other comprehensive income:		
Changes in fair value	**(1,996)**	–
Share of other comprehensive income of associates and joint ventures	**(293)**	(907)
Exchange differences on translation of foreign operations	**843,578**	(55,820)
Other comprehensive income for the period, net of tax	**841,289**	(56,727)
Total comprehensive income for the period, net of tax	**8,192,862**	1,404,497
Attributable to:		
Owners of the parent	**7,952,831**	1,376,029
Non-controlling interests	**240,031**	28,468
	8,192,862	1,404,497

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 June 2022

	Notes	**30 June 2022 (Unaudited)** ***RMB'000***	31 December 2021 (Audited) *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**11,026,487**	8,902,841
Investment properties		**–**	72
Right-of-use assets		**650,821**	359,978
Goodwill		**17,615**	17,615
Other intangible assets		**7,027,872**	4,760,844
Investments in associates		**4,934,406**	3,161,830
Investments in joint ventures		**1,993,843**	925,576
Financial assets at fair value through profit or loss		**2,975,949**	3,330,509
Deferred tax assets		**349,534**	698,468
Other non-current assets		**1,951,193**	2,272,179
Equity investments designated at fair value through other comprehensive income		**29,000**	–
Total non-current assets		**30,956,720**	24,429,912
CURRENT ASSETS			
Inventories		**7,008,235**	3,283,309
Trade receivables	*11*	**5,821,382**	2,495,968
Debt instruments at fair value through other comprehensive income	*12*	**2,043,904**	823,339
Amounts due from related parties		**685**	23,114
Prepayments, other receivables and other assets		**2,104,125**	1,387,439
Financial assets at fair value through profit or loss		**193,733**	281,364
Pledged deposits		**626,046**	1,098,595
Cash and cash equivalents		**6,019,525**	5,233,611
Total current assets		**23,817,635**	14,626,739

	Notes	30 June 2022 (Unaudited) RMB'000	31 December 2021 (Audited) RMB'000
CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**3,426,114**	2,708,799
Trade and bills payables	*13*	**4,565,579**	2,280,075
Amounts due to related parties		**807**	250,928
Other payables and accruals		**2,761,484**	2,061,306
Income tax payable		**1,394,425**	896,842
Financial liabilities at fair value through profit or loss		**–**	11,157
Total current liabilities		**12,148,409**	8,209,107
NET CURRENT ASSETS		**11,669,226**	6,417,632
TOTAL ASSETS LESS CURRENT LIABILITIES		**42,625,946**	30,847,544
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**6,005,424**	3,658,855
Deferred income		**76,577**	93,741
Deferred tax liabilities		**73,230**	42,351
Amounts due to related parties		**1,089,558**	564,434
Provision		**25,799**	17,915
Other non-current liabilities		**332,432**	303,548
Total non-current liabilities		**7,603,020**	4,680,844
Total liabilities		**19,751,429**	12,889,951
Net assets		**35,022,926**	26,166,700
EQUITY			
Equity attributable to owners of the parent			
Share capital		**1,439,841**	1,437,479
Reserves		**28,730,798**	20,456,272
		30,170,639	21,893,751
Non-controlling interests		**4,852,287**	4,272,949
Total equity		**35,022,926**	26,166,700

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
30 June 2022

1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2022 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2021.

2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of the following revised International Financial Reporting Standards ("**IFRSs**") for the first time for the current period's financial information.

Amendments to IFRS 3	*Reference to the Conceptual Framework*
Amendments to IAS 16	*Property, Plant and Equipment: Proceeds before Intended Use*
Amendments to IAS 37	*Onerous Contracts – Cost of Fulfilling a Contract*
Annual Improvements to IFRSs 2018-2020	*Amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IFRS 41*

The nature and impact of the revised IFRSs are described below:

(a) Amendments to IFRS 3 replace a reference to the previous Framework for the Preparation and *Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* issued in March 2018 without significantly changing its requirements. The amendments also add to IFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 if they were incurred separately rather than assumed in a business combination, an entity applying IFRS 3 should refer to IAS 37 or IFRIC 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively to business combinations that occurred on or after 1 January 2022. As there were no contingent assets, liabilities and contingent liabilities within the scope of the amendments arising in the business combination that occurred during the period, the amendments did not have any impact on the financial position and performance of the Group.

(b) Amendments to IAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1 January 2021. Since there was no sale of items produced while making property, plant and equipment available for use on or after 1 January 2021, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to IAS 37 clarify that for the purpose of assessing whether a contract is onerous under IAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 January 2022 and no onerous contracts were identified. Therefore, the amendments did not have any impact on the financial position or performance of the Group.

(d) *Annual Improvements to IFRSs 2018-2020* sets out amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41. Details of the amendments that are applicable to the Group are as follows:

- IFRS 9 *Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively to financial liabilities that are modified or exchanged on or after 1 January 2022. As there was no modification of the Group's financial liabilities during the period, the amendment did not have any impact on the financial position or performance of the Group.

- IFRS 16 *Leases*: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying IFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16. The amendments did not have any significant impact on the financial position or performance of the Group.

3 OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

(a) Lithium metal and compound segment: manufacture and sale of lithium series products, and the rendering of processing services;

(b) Lithium battery segment: manufacture and sale of lithium batteries; and

(c) Lithium ore resource segment: exploration and sale of lithium ore and other lithium products.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit before tax except that interest income and non-lease related finance costs are excluded from such measurement.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

For the six months ended 30 June 2022	**Lithium metal and compound (Unaudited)** *RMB'000*	**Lithium battery (Unaudited)** *RMB'000*	**Lithium ore resource (Unaudited)** *RMB'000*	**Total (Unaudited)** *RMB'000*
Segment revenue *(note 4)*				
Sales to external customers	**12,433,267**	**1,882,009**	**5,617**	**14,320,893**
Intersegment sales	**64,126**	**4,168**	**18,311**	**86,605**
	12,497,393	**1,886,177**	**23,928**	**14,407,498**
Reconciliation:				
Elimination of intersegment sales				**(86,605)**
Revenue				**14,320,893**
Segment results	**8,704,323**	**168,917**	**(334,956)**	**8,538,284**
Reconciliation:				
Elimination of intersegment results				
Interest income				**73,205**
Finance costs (other than interest on lease liabilities)				**(194,114)**
Profit before tax				**8,417,375**

For the six months ended 30 June 2021	Lithium metal and compound (Unaudited) *RMB'000*	Lithium battery (Unaudited) *RMB'000*	Lithium ore resource (Unaudited) *RMB'000*	Total (Unaudited) *RMB'000*
Segment revenue *(note 4)*				
Sales to external customers	3,258,142	765,177	1,705	4,025,024
Intersegment sales	1,009	1,841	11,646	14,496
	3,259,151	767,018	13,351	4,039,520
Reconciliation:				
Elimination of intersegment sales				(14,496)
Revenue				4,025,024
Segment results	1,677,334	35,723	1,130	1,714,187
Reconciliation:				
Elimination of intersegment results				
Interest income				66,306
Finance costs (other than interest on lease liabilities)				(142,324)
Profit before tax				1,638,169

The following table presents the asset and liability information of the Group's operating segments as at 30 June 2022 and 31 December 2021, respectively.

	Lithium metal and compound *RMB'000*	Lithium battery *RMB'000*	Lithium ore resource *RMB'000*	Total *RMB'000*
Segment assets				
30 June 2022 (Unaudited)	**24,978,062**	**9,588,284**	**20,208,009**	**54,774,355**
31 December 2021 (Audited)	16,881,173	7,336,829	14,838,649	39,056,651
Segment liabilities				
30 June 2022 (Unaudited)	**11,616,524**	**5,423,321**	**2,711,584**	**19,751,429**
31 December 2021 (Audited)	6,892,580	3,358,555	2,638,816	12,889,951

Seasonal factors have no significant impact on the Group's segment revenue and segment results.

4 REVENUE, OTHER INCOME AND GAINS

An analysis of revenue, other income and gains is as follows:

(a) Revenue

	For the six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Revenue from contracts with customers	**14,320,893**	4,025,024

For the six months ended 30 June 2022

Segments	Lithium metal and compound (Unaudited) *RMB'000*	Lithium battery (Unaudited) *RMB'000*	Lithium ore resource (Unaudited) *RMB'000*	Total (Unaudited) *RMB'000*
Types of goods or services				
Sale of industrial products	**12,334,569**	**1,882,009**	**5,617**	**14,222,195**
Processing services	**98,698**	**–**	**–**	**98,698**
Total revenue from contracts with customers	**12,433,267**	**1,882,009**	**5,617**	**14,320,893**
Geographical markets				
Mainland China	**7,531,410**	**1,738,055**	**5,617**	**9,275,082**
Asia other than Mainland China	**3,406,670**	**43,296**	**–**	**3,449,966**
Europe	**1,470,933**	**11,369**	**–**	**1,482,302**
North America	**10,660**	**76,026**	**–**	**86,686**
Other countries/regions	**13,594**	**13,263**	**–**	**26,857**
Total revenue from contracts with customers	**12,433,267**	**1,882,009**	**5,617**	**14,320,893**
Timing of revenue recognition				
At a point in time	**12,433,267**	**1,882,009**	**5,617**	**14,320,893**

For the six months ended 30 June 2021

Segments	Lithium metal and compound (Unaudited) *RMB'000*	Lithium battery (Unaudited) *RMB'000*	Lithium ore resource (Unaudited) *RMB'000*	Total (Unaudited) *RMB'000*
Types of goods or services				
Sale of industrial products	3,240,173	765,177	1,705	4,007,055
Processing services	17,969	–	–	17,969
Total revenue from contracts with customers	3,258,142	765,177	1,705	4,025,024
Geographical markets				
Mainland China	2,323,404	730,869	1,705	3,055,978
Asia other than Mainland China	824,667	27,666	–	852,333
Europe	78,300	2,778	–	81,078
North America	26,242	3,710	–	29,952
Other countries/regions	5,529	154	–	5,683
Total revenue from contracts with customers	3,258,142	765,177	1,705	4,025,024
Timing of revenue recognition				
At a point in time	3,258,142	765,177	1,705	4,025,024

(b) Other income and gains

	For the six months ended 30 June	
	2022 (Unaudited) *RMB'000*	2021 (Unaudited) *RMB'000*
Fair value gains of financial assets at fair value through profit or loss	**–**	543,903
Gain on disposal of financial assets at fair value through profit or loss	**60,922**	22,743
Dividends from financial assets at fair value through profit or loss	**–**	1,801
Sale of raw materials	**26,929**	19,360
Government grants	**46,682**	18,555
Bank interest income	**67,763**	37,403
Interest income from associates and a joint venture	**5,442**	28,903
Net gain on disposal of items of property,plant and equipment	**–**	9
Foreign exchange differences, net	**52,816**	–
Compensation for termination of acquisition	**33,735**	–
Others	**5,005**	3,802
	299,294	676,479

5 OTHER EXPENSES

An analysis of other expenses is as follows:

	For the six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Fair value losses of financial assets at fair value through profit or loss	**866,589**	–
Cost of raw materials sold	**12,951**	13,943
Impairment of trade receivables, net	**4,895**	2,256
Impairment of financial assets included in prepayments, other receivables and other assets, net	**(1)**	–
Write-down of inventories to net realizable value	**5,362**	8,510
Net loss on disposal of items of property,plant and equipment	**9,806**	–
Exploration expenditure	**12,371**	3,101
Foreign exchange differences, net	**–**	9,805
Others	**7,859**	1,728
	919,832	39,343

6 FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Interest on bank loans	**125,317**	82,844
Interest on other liabilities	**59,807**	23,006
Interest on discounted bills	**14,891**	1,977
Interest on lease liabilities	**596**	597
Interest on convertible bonds	**–**	49,080
Total interest expense	**200,611**	157,504
Less: Interest capitalised in respect of bank loans	**5,901**	6,150
Interest capitalised in respect of convertible bonds	**–**	8,433
	194,710	142,921

7 PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Cost of sales and services	**5,663,039**	2,619,711
Cost of raw materials sold	**12,951**	13,943
Impairment of financial assets, net:		
Impairment of trade receivables, net	**4,895**	2,256
Impairment of financial assets included in prepayments, other receivables and other assets, net	**(1)**	–
Write-down of inventories to net realisable value	**5,362**	8,510
Depreciation of property, plant and equipment and investment properties	**216,658**	145,824
Depreciation of right-of-use assets	**10,140**	7,006
Amortisation of intangible assets	**7,478**	11,827
Fair value losses/(gains), net:		
Financial assets at fair value through profit or loss	**866,589**	(543,903)
Gain on disposal of financial assets at fair value through profit or loss	**(60,922)**	(22,743)
Net losses/(gains) on disposal of items of property, plant and equipment	**9,806**	(9)
Research and development costs:		
Current year expenditure	**532,827**	91,931
Bank charges	**10,139**	1,084
Equity-settled share option expense	**200,625**	27,160
Foreign exchange differences, net	**(52,816)**	9,805

8 INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

	For the six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Current corporate income tax	**685,989**	161,461
Deferred tax	**379,813**	15,484
	1,065,802	176,945

Provision for Mainland China current income tax was based on the statutory rate of 25% of the assessable profits for the reporting periods of the Group as determined in accordance with the PRC Corporate Income Tax Law, which was approved and became effective on 1 January 2008, except for the Company and certain subsidiaries of the Group in Mainland China, which were taxed at a preferential rate of 15%.

The Company has been recognised as a high and new technology enterprise ("**HNTE(s)**"), and such status will expire on 2 November 2024. Based on the Enterprise Income Tax Law and related regulations, the applicable tax rate of the Company is 15% provided that the Company complies with the conditions set out in the relevant requirements. The subsidiaries are also recognised as HNTEs and the effective periods are as follows:

Name	**Effective period**
Yichun Ganfeng Lithium Co., Ltd. ("**Yichun Ganfeng**")	2021/11/3-2024/11/2
Ganfeng Recycling Technology Co., Ltd. ("**Recycling Technology**")	2021/11/3-2024/11/2
Ganfeng LiEnergy Technology Co., Ltd.	2021/11/3-2024/11/2
Fengxin Ganfeng Lithium Co., Ltd. ("**Fengxin Ganfeng**")	2019/9/16-2022/9/15
Guangdong Huichuang New Energy Co., Ltd.	2019/12/2-2022/12/1
Dongguan Ganfeng Electronics Co., Ltd.	2019/12/2-2022/12/1
Xinyu Ganfeng Electronics Co., Ltd.("**Xinyu Ganfeng**")	2020/12/2-2023/12/1
Jiangsu Ganfeng Power Technology Co., Ltd.	2020/12/2-2023/12/1

Also, according to the tax regulations relates to Western Region Development Policy, the applicable income tax rate of Ningdu Ganfeng Lithium Co., Ltd, Western Resource Co., Ltd, Qinghai Liangcheng Mining Co., Ltd, Qinghai Ganfeng Lithium Co., Ltd, Haixi Liangli Lithium Co., Ltd, Ganzhou Ganfeng Renewable Resources Co., Ltd, Sichuan Ganfeng Lithium Co., Ltd, Sichuan Ganfeng Mining Co., Ltd and Inner Mongolia Ganfeng Lithium Co., Ltd is 15%, and such tax concession will be expired on 31 December 2030.

9 DIVIDENDS

The Directors did not recommend the payment of an interim dividend in respect of the six months ended 30 June 2022 (for the six months ended 30 June 2021: Nil).

The proposed final dividend of RMB0.30 (tax included) and 0.4 bonus share per ordinary share for the year ended 31 December 2021 was approved by the shareholders at the annual general meeting of the Company on 15 June 2022.

10 EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 2,012,488,699 (30 June 2021: 1,906,630,196) in issue during the period, as adjusted to reflect the rights issue during the period.

The calculation of the diluted earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, adjusted to reflect the interest on the convertible bonds. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	For the six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation:	**7,254,835**	1,415,176
Interest on convertible bonds	**–**	40,647
Profit attributable to ordinary equity holders of the parent before interest on convertible bonds	**7,254,835**	1,455,823

	Number of shares 2022	2021
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	**2,012,488,699**	1,906,630,196
Effect of dilution – weighted average number of ordinary shares:		
Share options	**1,592,783**	624,967
Convertible bonds	**–**	42,301,348
	2,014,081,482	1,949,556,511*

On 4 July 2022 and 4 August 2022, the Company implemented the conversion of capital reserve into share capital such that 4 new shares were issued for every 10 existing shares. After the conversion, the number of shares was increased from 1,439,840,571 to 2,015,776,799. The calculation of basic and diluted earnings per share is adjusted for the proportionate change as if the conversion had occurred at the beginning of the earliest period presented.

* Because the diluted earnings per share amount is increased when taking the convertible bonds into account, the convertible bonds had an anti-dilutive effect on the basic earnings per share for the period and were ignored in the calculation of diluted earnings per share. Therefore, the diluted earnings per share amounts are based on the profit for the period attributable to ordinary equity holders of the parent of RMB1,415,176,000, and the weighted average number of ordinary shares of 1,907,255,163 in issue during the period.

11 TRADE RECEIVABLES

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2022 (Unaudited) ***RMB'000***	31 December 2021 (Audited) *RMB'000*
Within 6 months	**5,760,345**	2,406,134
More than 6 months but less than 1 year	**34,619**	23,790
1 to 2 years	**19,961**	19,250
2 to 3 years	**5,335**	40,318
Over 3 years	**1,122**	6,476
	5,821,382	2,495,968

12 DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2022 (Unaudited) ***RMB'000***	31 December 2021 (Audited) *RMB'000*
Debt instruments at fair value through other comprehensive income:		
Bills receivables	**2,043,904**	823,339

The Group's business model for the management of bills receivable is aimed at both receiving contractual cash flows and selling. As a result, it is classified and presented as debt instruments at fair value through other comprehensive income.

As at 30 June 2022, the Group's debt instruments at fair value through other comprehensive income with a carrying amount of RMB680,087,000 (31 December 2021: RMB431,919,000) were pledged to issue banks' acceptance bills and letters of credit.

13 TRADE AND BILLS PAYABLES

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
	RMB'000	*RMB'000*
Trade payables	**2,676,885**	933,618
Bills payables	**1,888,694**	1,346,457
	4,565,579	2,280,075

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
	RMB'000	*RMB'000*
Within 3 months	**2,457,913**	753,322
4 to 6 months	**152,678**	102,269
6 to 12 months	**45,782**	46,957
1 to 2 years	**18,215**	20,256
2 to 3 years	**2,297**	10,814
	2,676,885	933,618

The trade payables are non-interest-bearing and are normally settled on terms within 180 to 360 days.

14 EVENTS AFTER THE REPORTING PERIOD

On 4 July 2022 and 4 August 2022, the Company implemented the conversion of capital reserve into share capital such that 4 new shares were issued for every 10 existing shares. After the conversion, the number of shares was increased from 1,439,840,571 to 2,015,776,799.

On 25 August 2022, a share option incentive scheme (the "**Share Option Incentive Scheme 2022**") was approved at the extraordinary general meeting of the Company. Eligible participants of the Share Option Incentive Scheme 2022 include core management personnel and core technical or business personnel.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY REVIEW

1. Analysis of lithium resource market

The majority of global lithium resources are sourced from salt lakes and hard-rock lithium mines. Well-developed salt lakes are mainly found in the lithium delta of South America and in China, while the majority of lithium mines are concentrated in Western Australia. According to the research report of Minmetals Securities, from 2016 to 2021, the global output of ore lithium in concentrate increased significantly from 89,000 tons of lithium carbonate equivalent ("**LCE**") to 307,000 tons of LCE, while the global output of salt-lake lithium grew from 126,000 tons of LCE to 255,000 tons of LCE.

(1) Market of spodumene concentrate

During the past three years, several new lithium mines located in Western Australia were brought into production successively, and some existing projects were announced or executed on their expansion plans. According to the data of Asian Metal, as of July 2022, the domestic CIF price of 5%-6% spodumene concentrate was around USD4,710-4,730/ton, representing an increase of 83%-85% as compared with the price of USD2,550-2,570/ton at the beginning of 2022. Spodumene supply from Australia is expected to remain as one of the major increments in global lithium supply from 2022 to 2023, and the announced spodumene capacity expansion plans or newly-built capacity projects include Greenbushes, Mt Marion, Pilgangoora, Ngungaju, Wodgina and Finniss. However, due to the spread of the COVID-19 pandemic, labor shortage due to the ongoing border closure in Australia and the decline in mine grade, spodumene projects in Australia may face various uncertainties in the process of construction and putting into production in the near future. Due to the long development cycle of lithium resources, the capacity of other types of lithium projects cannot be released in the short term. Overall, with the continuous release of downstream demand from the industry of new energy vehicles, the supply of spodumene concentrate is expected to remain tight in 2022.

(2) Market of salt lake brines

The salt lake brine lithium ore is the most important type of lithium resources among the types of lithium ore currently under development in worldwide. According to a report from United States Geological Survey (USGS) in 2022, the world's best salt-lake lithium is located in Chile, Argentina and Bolivia, which are known as the lithium delta zone of South America, accounting for 56% of the world's lithium reserves. From 2021 to 2022, the major supply increments of lithium salt lake brine projects were generated in Chile, Argentina and China. The South American salt lakes have excellent development conditions due to low magnesium to lithium ratio. At present, the Atacama Salt Lake, Olaroz Salt Lake and Hombre Muerto Salt Lake are the main salt lakes in South America with stable lithium salt production, while the projects like Cauchari-Olaroz Salt Lake, Sal de Vida Salt Lake, Mariana Salt Lake and SDLA are under construction. It is expected that the growth rate of salt-lake lithium resource supply will increase significantly after 2023, but the effective supply will remain limited in the short term.

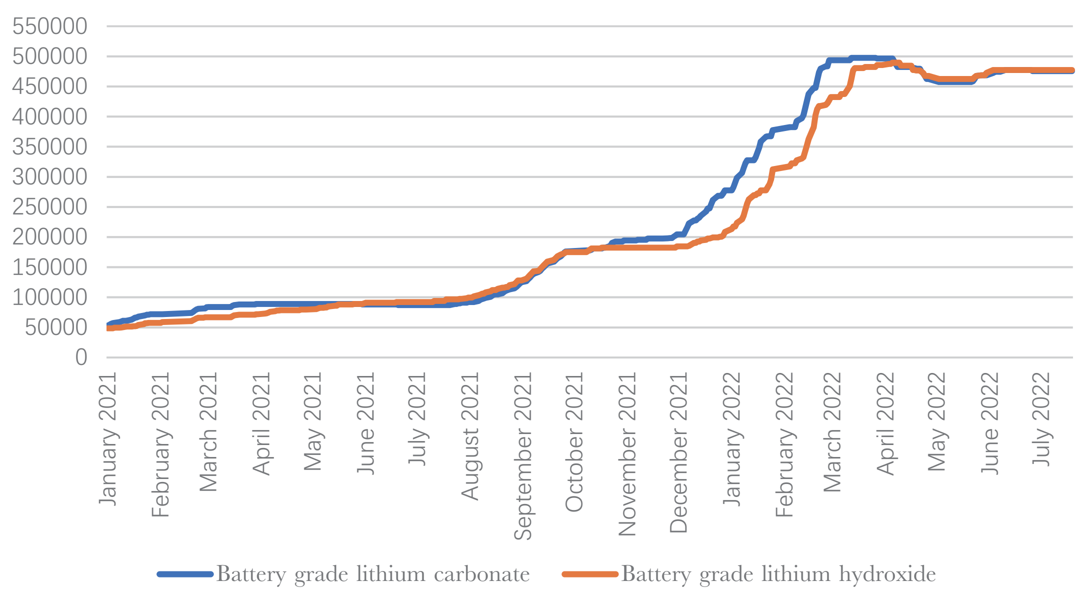
(3) *Market of lepidolite*

China has the world's largest proven lepidolite mine. Compared with extracting lithium from spodumene concentrate, extracting lithium from lepidolite has certain advantages in terms of resource self-sufficiency and transportation cost. Before then, there was low expectation for the extraction of lithium from lepidolite for a long time due to the complex composition of lepidolite, more impurities in the extraction process, and difficulties in continuous production. In recent years, the domestic lithium extraction technology from lepidolite has made continuous breakthroughs, gradually releasing the production capacity. With the advantages of its own resources, the production capacity of lithium extraction from lepidolite has been continuously improved in recent years. However, capacity building for lithium extraction from lepidolite also faces challenges such as the low grade of lithium ore, the large amount of waste residues from smelting, and the difficulty in comprehensive utilization of other rare and precious resources contained in lithium ore. According to Essence Securities, it is expected that the global production capacity of lithium extraction from lepidolite will reach 85,600 tons of LCE in 2022.

2. Analysis of the lithium compound market

In recent years, prices of major lithium compounds have been fluctuating violently in China market. Benefiting from the explosion in demands for new energy vehicle market in the downstream, the price of major lithium compounds in China market has kept an overall upward trend since 2021. Specific movements are shown in the following graph:

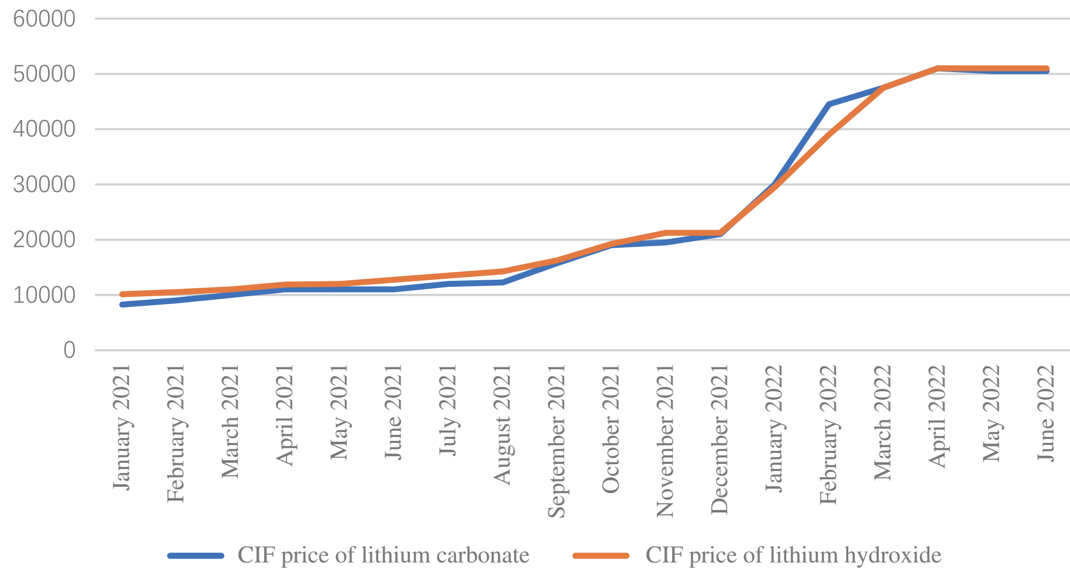
CIF prices of lithium carbonate and lithium hydroxide in China (Unit: RMB/ton)



Source: Minmetals Securities Institute

Meanwhile, the prices of major lithium compounds have also gradually increased in the international market. In the Asian market, for example, the CIF prices of lithium carbonate and lithium hydroxide in Asia have gradually increased since the beginning of 2021. Specific movements are shown in the following graph:

CIF prices of lithium carbonate and lithium hydroxide in Asia (Unit: USD/ton)



Source: Benchmark

In recent years, due to the rapid development of new energy vehicles and energy storage system industries, the increase in the demand for motive power batteries has led to the rapid expansion of the demand for lithium iron phosphate materials and ternary materials, which is expected to further release the demand for electric vehicles and motive power batteries and convert it into actual output, further stimulating the demand for lithium. The industry has gradually shifted from a balanced supply and demand to a tight supply situation. Under the dual stimulation of the relatively tight supply of lithium compounds and the rising industry demand, the prices of lithium compounds have continued to rise since 2021. As a leading enterprise in the lithium compound deep-processing business, the Group, capitalizing on its first-mover advantages, continues to enhance its competitiveness and further cements and improves its industrial position.

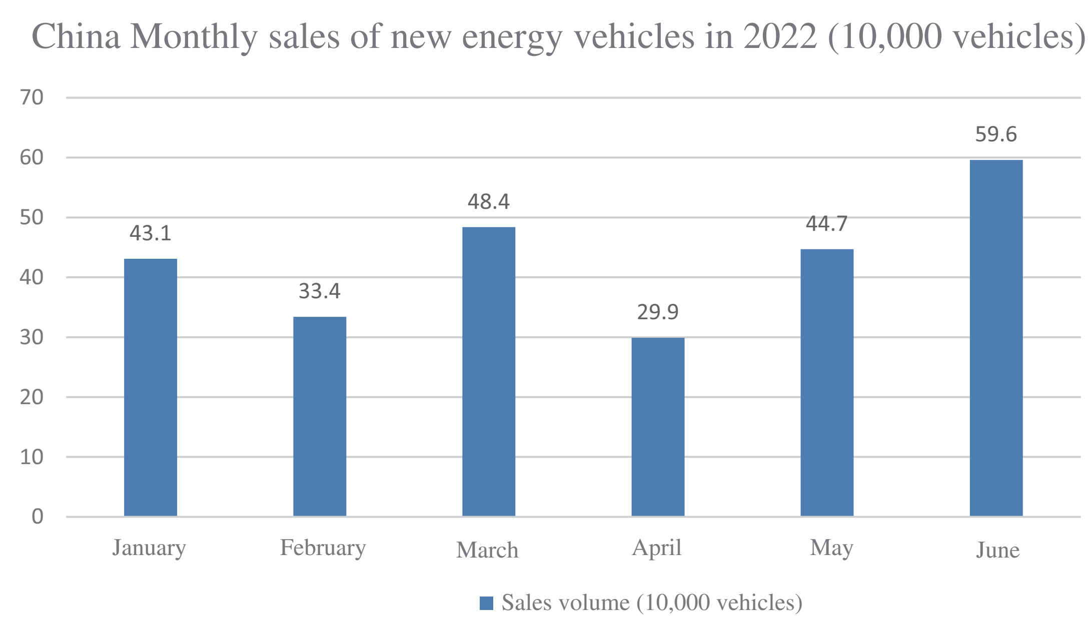
3. Analysis of the lithium battery market

In 2022, the rapid development of the new energy vehicle industry drove the rapid growth of the output for motive power batteries in China. According to the statistics of the Gaogong Industry Research Institute (GGII), the output for motive power batteries in China in the first half of 2022 exceeded 200GWh, representing a year-on-year increase of over 150%. In particular, the output for iron-lithium motive power batteries amounted to 114GWh, accounting for 56% of the total output; the output for ternary power batteries amounted to 88GWh, accounting for 44% of the total output, driving the growth of output of ternary and iron-lithium materials.

4. **Analysis of the electric vehicle market**

According to the statistics of the Database of New Energy Vehicles Industrial Chain released by Gaogong Industry Research Institute (GGII), the global sales of new energy passenger vehicles in the first half of 2022 amounted to approximately 4.087 million, representing a year-on-year increase of 65%. With the support of government policies, the technological progress in the industry, the improvement of supporting facilities and the increase of market recognition, the sales of new energy vehicles are expected to maintain a positive development trend.

According to the statistical analysis of China Association of Automobile Manufacturers, from January to June 2022, the production and sales of new energy vehicles in China amounted to 2.661 million and 2.6 million, respectively, each representing a year-on-year increase of 120% and a market share of 21.6%. In June 2022, the production and sales of new energy vehicles in China continued its high growth momentum, which reached 0.59 million and 0.596 million, respectively, each representing a year-on-year increase of 130% and a market share of 23.8%. Currently, China's new energy vehicles industry has entered a new stage of scale and rapid development. According to China's New Energy Vehicle Industry Development Plan (2021-2035) (《新能源汽車產業發展規劃（2021-2035年）》), the target of "sales volume of new energy vehicles being 20% of total sales of new vehicles by 2025" stated therein should basically be achieved earlier.



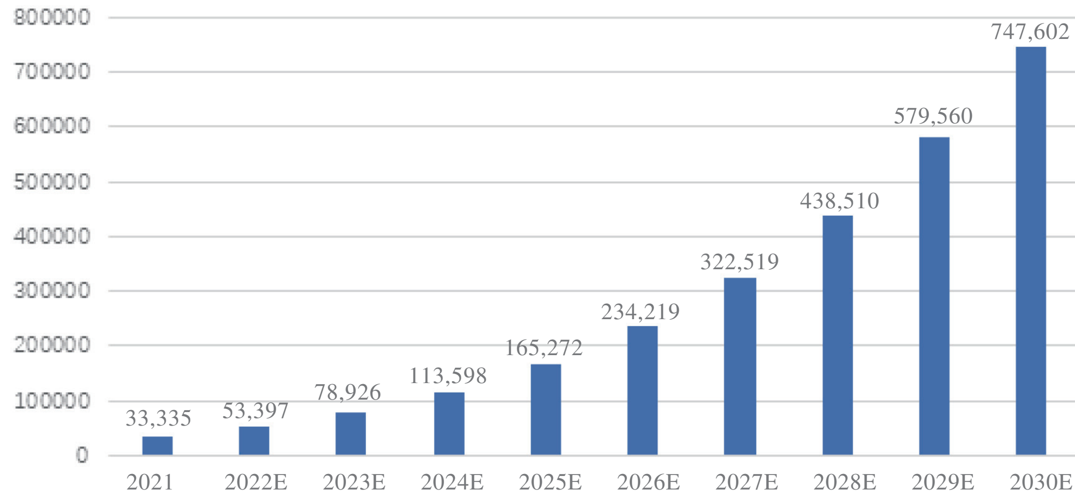
Source: China Association of Automobile Manufacturers

With the COVID-19 pandemic being under control and the domestic recovery of work and production, the operation rate was improved rapidly for the upstream and downstream enterprises at the lithium industrial chain. Under the booming conditions of the new energy sector, the downstream demand of lithium industry chain continued to be strong. In addition, driven by the combination of policies and innovative models, new energy commercial vehicles maintained strong growth and has become the main force of the market. In the wave of innovation in the automotive industry, electric vehicles are gradually becoming the backbone of China's automotive industry development. According to the forecast of Minmetals Securities, the sales of electric vehicles in China in 2022 is expected to be 6.05 million and the global sales of electric vehicles is expected to be 10.25 million. The development of the new energy market was driven by policies in the early stage, and in the long term, new energy commercial vehicles will usher in a cost and technology-driven phase with the development of technology and scale. With the fading impact of the COVID-19 pandemic as well as the launch of electric models from domestic and foreign original equipment manufacturers (OEM) in the world, the growing trend of electric vehicles manufacturing will be robust, and the growth of global electrification is expected to accelerate.

5. Analysis of the power battery recycling market

As one of the key components of electric vehicles, motive power batteries have been widely used with the rapid development of the new energy vehicle industry, and motive power batteries will enter into a large-scale decommissioning period. It is important to carry out the recycling of motive power batteries, in which countries and societies have highlighted their concerns. The New Energy Vehicle Industry Development Plan (2021-2035) (《新能源汽車產業發展規劃(2021-2035年)》) proposes to improve the recycling system of motive power battery recycling, cascade utilization and recycling; strengthen the supervision of the whole life cycle of motive power batteries; support the innovative application of power battery cascade products in energy storage, energy preparation, charging and changing; and strengthen the research and development ("**R&D**") of residual energy detection, residual value evaluation, recombination and safety management. From the perspective of layout, the upstream and downstream enterprises of the industrial chain have actively carried out the recycling layout. With the approaching of the scrapped motive power batteries, it is of great significance and necessity to reasonably recycle the wasted power batteries. From the perspective of application, the retired power batteries have great application potential in energy storage and low-speed electric vehicles. According to Essence Securities, it is estimated that the total lithium recovery of retired power batteries will reach approximately 165,000 tons of LCE in 2025 and the total lithium recovery of retired power batteries will reach approximately 748,000 tons of LCE in 2030.

Total Estimated Size of Recycled Lithium of Retired Motive Power Batteries in the future (Unit: Ton(s) of LCE)



Source: Essence Securities

BUSINESS REVIEW

During the Reporting Period, the Group achieved an operating revenue of RMB14,321,000 thousand, representing an increase of 255.80% as compared with the corresponding period last year; and the profit attributable to the owners of the parent of RMB7,255,000 thousand, representing an increase of 412.65% as compared with the corresponding period last year. As at the end of the Reporting Period, the total assets and net assets of the Group amounted to RMB54,774,000 thousand and RMB35,023,000 thousand, representing an increase of 40.24% and 33.85%, respectively, as compared with the end of last year.

1. Upstream lithium resources of the Group: During the Reporting Period, the Group continued to acquire upstream high-quality lithium resources globally, enriching and broadening the diversified supply of raw materials. The Company acquired 62% equity interest in the Songshugang tantalum-niobium mine project in Shangrao through Xinyu Ganfeng Mining; completed the delivery of equity interest in the Goulamina spodumene project in Mali, acquiring 50% equity interest in Mali Lithium; and reached the end of its tender offer for Bacanora. The Group currently holds 100% equity interest in Bacanora and the lithium-clay project of Sonora as present; due to the tight supply of lithium concentrate, ore processing capacity has been upgraded for the Mt Marion spodumene project to expand existing lithium concentrate capacity to 900,000 tonnes per annum by the end of 2022.

Upstream lithium resources that the Group has direct or indirect interests across the globe as at the date of disclosure of this report are shown as follows:

No.	Resource type	Project name	Ownership interest	Resources (Measured+ indicated +inferred)
1	Spodumene	Mt Marion spodumene project in Australia	50%	2,416,000 tons of LCE
2		Pilgangoora spodumene project in Australia	5.8%	6,933,000 tons of LCE
3		Goulamina spodumene project in Mali	50%	3,879,700 tons of LCE
4		Avalonia spodumene project in Ireland	55%	under exploration
5		Heyuan spodumene project in Ningdu	100%	100,000 tons of LCE
6	Salt-lake	Cauchari-Olaroz lithium salt-lake project in Argentina	46.67%	24,580,000 tons of LCE
7		Mariana lithium salt-lake project in Argentina	100%	8,121,000 tons of LCE
8		Haixiliang lithium salt-lake project in Qinghai	100%	under exploration
9		Yiliping salt-lake project in Qinghai	49%	1,650,000 tons of LCE
10		Jintai balenmahai project in Qinghai	17.6722% under delivery	under exploration
11		Dazhou Deep Lithium-Potassium Brine project in Sichuan	90%	under exploration
12	Lithium clay	Sonora lithium clay project in Mexico	100%	8,820,000 tons of LCE
13	Lepidolite	Songshugang tantalum-niobium mine project in Shangrao	62%	1,490,000 tons of LCE

Notes: 1) The resources are calculated as lithium carbonate equivalent at the lithium oxide content based on 100% interest held, with the relevant data from the open information of respective projects; and 2) The ownership interest is converted to the project shareholding based on the shareholding ratio.

2. Deep processing of lithium salt: As the world's largest metal lithium producer and the largest lithium compounds supplier in China, the Company is the only enterprise in the world with the industrialized technology of "lithium extracted from brine", "lithium extracted from ore" and "lithium extracted from retired battery" at the same time. Currently, the Group has built a production line with a production capacity of lithium salt of over 100,000 tons of LCE, and the Basic Lithium Plant has become the largest lithium salt production base in the world. In the first half of 2022, the Company's lithium salt production and sales were generally lower than expected. In terms of ore supply, due to the need for the renovation and expansion of the Mt Marion mine, the short-term impact of the excessive ore mining in the upper layer of the new mine, and the labor shortage caused by the COVID-19 pandemic in Australia, the recent output and grade of Mt Marion ore have declined to a certain extent. In terms of product sales, due to the impact of the domestic and foreign COVID-19 pandemic lockdown, the delivery of certain products has been delayed. With the gradual completion of the Mt Marion mine renovation and expansion, the release of new lithium salt production capacity of the Basic Lithium Plant, and the gradual lifting of domestic and foreign pandemic lockdown, the Company's lithium salt production and sales in the second half of 2022 are expected to increase.

As at the date of disclosure of this report, the front pyrometallurgy section of the 10,000 tonne high purity lithium salt project (Basic Lithium Plant Phase IV) has been completed and is in trial production, while its back section is under construction. The Cauchari-Olaroz lithium salt-lake project with annual capacity of 40,000 tonnes of lithium carbonate is under construction, which has started single module commissioning work in August and will be put into production after the installation and commissioning work is completed, and it is expected to gradually release its production capacity between the end of 2022 and the first half of 2023. During the Reporting Period, the construction of the salt field of the Mariana lithium salt-lake project has officially commenced, and the procurement and ordering of key equipment has been completed. Hebei Ganfeng, a wholly-owned subsidiary of the Company, is in the process of upgrading its 6,000 tonnes/year lithium carbonate production line; the Company is laying out ultra-thin lithium strips and high-quality lithium metal product lines in Yichun, Jiangxi and Haixi Prefecture, Qinghai to provide security for its global solid-state battery technology in future.

The existing lithium salt production bases of the Group as at the date of disclosure of this report are shown as follows:

No.	**Production bases**	**Location**	**Primary Products**	**Effective production capacity**
1	Basic Lithium Plant	Xinyu, Jiangxi	Lithium hydroxide	81,000 tons per annum
			Lithium chloride	12,000 tons per annum
			Butyl lithium	1,000 tons per annum
2	Xinyu Ganfeng	Xinyu, Jiangxi	High-purity lithium carbonate	5,000 tons per annum
			Lithium fluoride	1,500 tons per annum
3	Ningdu Ganfeng	Ningdu, Jiangxi	Lithium carbonate	20,000 tons per annum
4	Hebei Ganfeng	Cangzhou, Hebei	Lithium carbonate	6,000 tons per annum
5	Yichun Ganfeng	Yichun, Jiangxi	Lithium Metal	1,500 tons per annum
6	Fengxin Ganfeng Plant	Fengxin, Jiangxi	Lithium Metal	650 tons per annum

3. Lithium battery business: Based on the advantages in upstream lithium resources supply and full industrial chain of the Group, the Group's lithium battery business has been distributed to five categories of consumer batteries, small polymer cells, solid-state lithium batteries, lithium power batteries, and energy storage batteries, covering more than 20 kinds of products. The Group has set up lithium battery R&D and production bases in Xinyu, Dongguan, Ningbo, Suzhou, Huizhou, Chongqing and other places, respectively. Those products are widely used in power buses, airport equipment, electric ships, photovoltaic energy storage, intelligent household equipment, 5G communications, Bluetooth headphones, medical equipment and other fields.

As of the date of disclosure of this report, the Company's existing lithium battery production bases as below:

No.	Production bases	Location	Primary Products	Effective production capacity
1	Dongguan Ganfeng	Dongguan, Guangdong	Class 3C polyer lithium battery	30,000,000 pieces of polymer battery/year
2	Ganfeng LiEnergy	Xinyu, Jiangxi	Lithium motive power battery, energy storage battery, battery module and PACK system	Motive Power Battery Phase I 3GWh/year; Motive Power Battery Phase II 4GWh/year
3	Ganfeng Electronics	Xinyu, Jiangxi	Polymer lithium battery specially designed for smart wearable products, TWS wireless bluetooth headset battery, electronic cigarette lithium battery	400,000 pieces/day
4	Jiangsu Ganfeng	Suzhou, Jiangsu	Power and energy storage battery pack for industrial vehicles, PACK system	0.3GWh/year
5	Huichuang New Energy	Dongguan, Guangdong	PACK system for two-wheeled vehicles, outdoor and household energy storage	850,000 sets/year

4. The retired lithium battery recycling: The Group further enhanced the industrialization technology and competitive advantages by developing new processes and technologies for comprehensive recycling of the retired batteries and expanding the capacity of its retired lithium battery recycling business. In 2020, Recycling Technology was selected in the second list of Industry Standard Conditions for the Comprehensive Utilization of Waste Power Storage Batteries of New Energy Vehicles (《新能源汽車廢舊動力蓄電池綜合利用行業規範條件》) by the Ministry of Industry and Information Technology of the PRC. Recycling Technology has formed a comprehensive recycling and processing capacity of 70,000 tons of retired lithium-ion batteries and metal waste, of which the comprehensive recovery rate of lithium is over 90%, and the recovery rate of nickel and cobalt metal is over 95%, making it one of the largest leading enterprises in the battery recycling industry in the country with the top three comprehensive processing capacity of lithium iron phosphate batteries and waste. The production capacity of NCM precursor project will be expanded in the future, helping the enterprises to establish an ecological recycle chain of lithium products, and further improving the Group's layout in industrial chain. The mature battery recycling business has met the low-carbon and environmentally friendly requirements of customers, and has been in line with the direction of carbon neutrality and carbon emission reduction.

Response to the COVID-19 pandemic outbreak

Since the beginning of 2020, the COVID-19 pandemic has spread all over the world. Governments around the world have taken a series of prevention and control measures.

During the Reporting Period, the COVID-19 pandemic had an impact on the Group's business performance and even the development of the lithium industry. Since the outbreak of the pandemic, the Group has paid great attention to the development of the pandemic, actively participated in pandemic prevention and control, and actively organized the resumption of work and production on the premise of ensuring the life, health and safety of the Group's employees. In response to the ongoing COVID-19 pandemic, the Group timely took a number of preventive measures and purchased necessary protective articles to ensure the health and safety of employees all over the world. At the same time, the Group implements various flexible work arrangements for employees and strictly implements the prevention and control measures implemented by the government. The Group has made every effort to meet the order needs of customers such as lithium compound, metal lithium and lithium battery business, and will continue to make every effort to reduce the adverse impact of the COVID-19 pandemic on the Group.

Since 2022, the Group has been paying close attention to the development of the COVID-19 pandemic to ensure staff safety and stable operation. The Group will adjust the measures and plans for epidemic prevention, operation and business development at an appropriate time.

FUTURE DEVELOPMENT STRATEGY

1. Consolidate the advantages and continue to acquire upstream lithium resources globally

Securing high-quality and stable lithium resources is fundamental to the long-term sustainable growth of our business. The Company adheres to the aim of globalizing the layout of its resources, and will continuously expand its current lithium resources portfolio through further exploration, and gradually collect and develop resources such as brine and lithium clay. The Company will proactively advance the development and construction of the Cauchari-Olaroz lithium salt lake project and Mariana lithium salt lake project in Argentina. Meanwhile, the Company will further accelerate the construction of the Mexico Sonora lithium clay project, endeavor to make it a leading project in the field of extraction of lithium from lithium clay across the globe. In terms of spodumene resources, the Company will continue to focus on quality spodumene projects around the world and work actively with its partners to ensure smooth production operations and capacity building at the Mt Marion project in Australia, Pilgangoora project in Australia and Goulamina project in Mali, Africa. The Company will continue to actively explore the possibility of acquiring further sources of lithium by virtue of its experience in the industry value chain and its insights into the market trends in order to enrich the core portfolio of high quality lithium resources and provide reliable and high-quality supply of lithium resources for further enhancement of midstream and downstream operations. The following table sets forth resources project of upstream under development and construction by the Company:

No.	Project	Location	Capacity planning
1	Spodumene resources construction for Mt Marion project	Australia	Increase in annual production capacity to 900,000 tons of lithium concentrate
2	Spodumene resources for Goulamina project	Mali	Phase I annual production capacity of 506,000 tons of lithium concentrate

2. Expand the production capacity of treatment and processing facilities

The Company has planned for a series of capacity expansions of its manufacturing facilities to satisfy the growing demand for lithium and solidify its leading position in the lithium products industry. The Company's lithium projects currently in the pipeline and under construction are as follows:

No.	Project	Location	Capacity planning
1	Cauchari-Olaroz lithium salt lake project	Jujuy Province, Argentina	Phase I production capacity of 40,000 tons of lithium carbonate, and Phase II expansion capacity of not less than 20,000 tons of lithium carbonate equivalent
2	Mariana lithium salt lake project	Salta Province, Argentina	Phase I production capacity of 20,000 tons of lithium chloride
3	Sonora lithium clay project	Sonora Province, Mexico	Phase I production capacity of 20,000 tons of lithium hydroxide
4	50,000 tons per annum of battery basic lithium salt project	Dazhou, Sichuan Province, China	Extract an annual production capacity of 50,000 tons of spodumene for battery basic lithium salt
5	50,000 tons per annum of lithium new energy materials project	Fengcheng, Jiangxi Province, China	Form an annual production capacity of 50,000 tons of lithium carbonate equivalent, which will be built in two phases, with an annual production capacity of 25,000 tons of lithium hydroxide in the phase I
6	7,000 tons per annum of lithium metal and lithium project	Yichun, Jiangxi Province, China, and Haixi Prefecture, Qinghai Province, China	Investment in the construction of 7,000 tons per annum of lithium metal and lithium project in phases, with new lines of lithium metal molten salt electrolysis, vacuum distillation for purification of lithium metal and lithium series alloys

Note: The above capacity production plans include the Company's existing sole proprietorship and joint venture projects.

The Company will select to expand its capacity subject to future changes of market demand for lithium products and assessment. The Company plans to produce a total of no less than 600,000 tons of LCE per annum in or before 2030, which will include lithium extraction from ore, lithium extraction from brine, lithium extraction from clay and lithium extraction from recycling.

3. Develop lithium battery business

The Company has actively participated in the research and development of global cutting-edge solid-state battery technology and achieved a series of technical achievements. The Company has independently developed the solid-liquid hybrid lithium motive power battery with high-safety and high-specific energy for long-duration pure electric vehicle applications, and has joined hands with upstream battery material suppliers and production equipment suppliers, downstream new energy vehicle manufacturers and universities to carry out joint technical research and development to realize the development, installation and application of high-specific energy solid-liquid hybrid lithium power battery to achieve the development, application and industrialization of the solid-liquid hybrid lithium motive power battery with high-specific energy. At the same time, the Company maintains a leading position in the development of high-safety and long-cycle new lithium iron phosphate battery system technology, actively equalises BMS module technology, high-voltage platform polymer fast charging technology, high-capacity button battery for TWS Bluetooth headset, solid electrolyte diaphragm and all-solid battery system. The Company strives to provide customers with high safety, long life, high cost performance system solutions and high quality services, and is committed to building the most creative lithium intelligent new energy that provides customers with high safety, long life, high cost performance system solutions and quality services, and endeavors to become the first tier of the global lithium battery industry, leading a new era of lithium battery technology innovation. The lithium battery projects currently under planning and construction by Ganfeng LiEnergy Technology Co., Ltd ("**Ganfeng LiEnergy**"), a controlled subsidiary of the Company, are as follows:

Construction unit	Project name	Location	Project description
Huizhou Ganfeng	High-end polymer lithium battery R&D and production base construction project	Huizhou, Guangdong province	Construct a high-end polymer lithium battery R&D and production base, and carry out high-end polymer lithium battery R&D and production. It is mainly used to build R&D center, TWS battery production line, 3C digital polymer lithium battery production line, storage, power distribution and other public facilities and living facilities, forming a high-performance polymer production line with an annual output of 180 million pieces.
Ganfeng LiEnergy	Motive power battery phase II of new lithium battery project with production capacity of 10GWh per annum	Xinyu, Jiangxi province	The project will increase the original annual production capacity of new lithium battery project from 5GWh to 10GWh, including the annual production capacity of 5GWh new lithium battery project and high-specific energy solid-liquid hybrid lithium power battery R&D industrialisation project, construction of power battery production plant and production line, battery R&D centre building, product analysis and Testing Center comprehensive building, class A and B warehouse, stokehold and supporting power supply, heating, fire fighting and environmental protection ancillary facilities, as well as office building, duty building, canteen and other office and living supporting facilities.

Construction unit	Project name	Location	Project description
Ganfeng LiEnergy	New-type lithium battery production project with 6GWh annual capacity (Phase III)	Xinyu, Jiangxi province	Construction of new lithium battery assembly, cell and module automated production lines, and warehousing, power distribution, environmental protection facilities and other public facilities and living supporting facilities, the project will form an annual production capacity of 6GWh of new batteries after reaching.
Gangfeng New Lithium-ion Battery	Small polymer lithium battery project with 2 billion units annual capacity	Xinyu, Jiangxi province	Construct lithium battery R&D, testing, automatic assembly, pack system production line and storage, power distribution, environmental protection facilities and other public facilities and living facilities. The project will be constructed in phases, with the first phase planned for the construction of TWS lithiumion batteries with annual capacity of 250 million units.
Chongqing Ganfeng	New-type lithium battery R&D and production base project with 20GWh annual capacity	Liangjiang new district, Chongqing	The project will increase the construction scale of the original 10GWh annual production capacity of the new lithium battery technology industrial park and advanced battery research institute project to an annual production capacity of 20GWh, construct lithium battery production line, plant, technical research institute and other supporting facilities; the project products include second generation of solid-state lithium batteries, lithium iron phosphate batteries, which are mainly used in the fields of new energy vehicle power batteries, underwater and space operation equipment power supply.

4. Develop lithium battery recycling business

With increasing demand for retired battery management growing in tandem with the use of automobiles and consumer electronics, the Company's lithium battery recycling business has promising growth potential, and enables us to further enrich our lithium raw material sources. Furthermore, the Company's ability to recycle lithium batteries offers a sustainable value-added solution to battery manufacturers and electric vehicle manufacturers, which help strengthen our close ties with such customers, expand the scale of battery recycling and improve the technologies of our battery recycling business. To promote sustainability and create additional revenue sources, the Company aims to leverage the growing number of retired lithium batteries and become one of the leading players in lithium battery recycling area across the globe. In the future, the Company will build a large comprehensive facility that is capable of recycling 100,000 tons of retired lithium batteries each year. The Company continues to expand downstream by expanding the production capacity of our lithium battery recycling business and developing a specialty in recycling and reusing retired batteries. In the longer-term production capacity planning, it is expected that the Company's production capacity of recycling of and lithium extraction from lithium battery will account for 30% of the Company's total lithium extraction production capacity.

5. Further enhance research and development and innovation capabilities

Committed to technological R&D, the Company will capitalize on the advantages of National Post-doctoral Research Station, National Enterprise Technology Center, National Engineering Research Center, Academic Station and other R&D platform to establish long-term cooperative relationships with domestic and overseas colleges and universities as well as scientific academies for joint development of new products, technologies and processes and the cooperation with research institutions to further improve its innovation capability. The Company will further improve its lithium extraction methods and high purity lithium processing techniques, so as to maintain its technological edge in the global lithium industry. The Company's R&D efforts include:

- Development and production of solid electrolytes and anodes for solid-state lithium batteries, and R&D on solid-state lithium batteries;
- Secondary utilization and recycling of lithium batteries;
- Improvement of production techniques and levelling up automation for existing products;
- Formulation of process and extraction methods for lithium raw materials from different types of salt lake brines and lithium clay; and
- Production of lithium motive power batteries and energy storage batteries.

6. **Develop into a supplier of integrated solutions to deepen customer relationships**

The Company is positioned as an integrated solutions provider to accentuate its role in the development and production process, and deepen its cooperative relationships with customers by forming strategic alliances with its customers, facilitating more frequent communications and providing more comprehensive services. As a vertically integrated supplier, the Company aims to leverage the synergies among different business segments and to provide customers with overall solutions through the industry value chain, including securing stable supply of lithium raw materials, providing high-quality lithium compounds, supplying advanced lithium batteries, and offering lithium battery recycling service, which help customers to optimize production costs, shorten production cycle, realize speed to market and promote sustainability. By deepening its relationships with its blue-chip customers, the Company integrates its products and services into the principal business of its customers, so as to enhance the benefits contributed to its customers.

7. **Enhance capabilities in business operation and management**

- Optimize comprehensive quality monitoring measures, intensify on-site management, and promote compliance of working safety rules;

- Nurture management personnel, replenish personnel reserve with technologically-adept and veteran employees, and enhance technical training for employees;

- Solidify marketing, logistics and sales service systems so as to coordinate production, warehousing and distribution, optimize logistics, reduce transportation costs, improve the ability to respond to the requests of customers and level up efficiency and service standards; and

- Protect resources and reduce carbon emissions so as to achieve sustainable growth.

FINANCIAL REVIEW

1. Overview

During the Reporting Period, the Group's revenue amounted to RMB14,320,893 thousand, representing an increase of RMB10,295,869 thousand as compared to RMB4,025,024 thousand for the six months ended 30 June 2021. The Group's gross profit amounted to RMB8,657,854 thousand, representing an increase of RMB7,252,541 thousand as compared to RMB1,405,313 thousand for the six months ended 30 June 2021. During the Reporting Period, the Group's basic earnings per share were RMB3.60 (six months ended 30 June 2021: RMB0.74).

The profit attributable to the owners of the parent company for the Reporting Period amounted to RMB7,254,835 thousand, representing an increase of RMB5,839,659 thousand, or 412.65%, as compared to RMB1,415,176 thousand for the six months ended 30 June 2021, which was mainly due to the significant increase in gross profit caused by the increase in the unit selling prices and sales volume of products during the Reporting Period.

2. Analysis of revenue and cost

During the Reporting Period, the Group derived its revenue from sales of lithium compounds, lithium metals, lithium batteries and other products. Total revenue increased by RMB10,295,869 thousand from RMB4,025,024 thousand for the six months ended 30 June 2021 to RMB14,320,893 thousand for the six months ended 30 June 2022, which was mainly due to the increase in the unit selling prices and sales volume of products during the Reporting Period.

1) Analysis of revenue by products and regions

The following table sets forth analysis of revenue by products and by sales regions, expressed in absolute amounts and as percentages of total revenue, respectively, for the years and periods indicated.

By products:

	For the six months ended 30 June 2022		For the six months ended 30 June 2021	
	RMB'000	*%*	*RMB'000*	*%*
Lithium metal and lithium compound	**11,994,541**	**83.75**	2,948,287	73.25
Lithium battery	**1,879,820**	**13.13**	760,971	18.91
Others (Note)	**446,532**	**3.12**	315,766	7.84
Total	**14,320,893**	**100.00**	4,025,024	100.00

Note: Including NCM precursors, lithium ore and other products.

By sales regions:

	For the six months ended 30 June 2022		For the six months ended 30 June 2021	
	RMB'000	*%*	*RMB'000*	*%*
Mainland China	**9,275,082**	**64.77**	3,055,978	75.92
Overseas	**5,045,811**	**35.23**	969,046	24.08
Total	**14,320,893**	**100.00**	4,025,024	100.00

2) Analysis of operating cost by products

By products:

	For the six months ended 30 June 2022		For the six months ended 30 June 2021	
	RMB'000	*%*	*RMB'000*	*%*
Lithium metal and lithium compound	**3,783,576**	**66.81**	1,736,967	66.30
Lithium battery	**1,592,800**	**28.13**	635,208	24.25
Others *(Note)*	**286,663**	**5.06**	247,536	9.45
Total	**5,663,039**	**100.00**	2,619,711	100.00

Note: Including NCM precursors, lithium ore and other products.

3. Gross profit and gross profit margin

The gross profit margin of the Group for the Reporting Period was 60.46%, representing an increase of 25.55% as compared with 34.91% for the six months ended 30 June 2021, which was mainly due to the continuous increase in the sales prices and sales volume during the Reporting Period.

By products:

	For the six months ended 30 June 2022		For the six months ended 30 June 2021	
	RMB'000	*%*	*RMB'000*	*%*
Lithium metal and lithium compound	**8,210,965**	**68.46**	1,211,320	41.09
Lithium battery	**287,020**	**15.27**	125,763	16.53
Others *(Note)*	**159,869**	**35.80**	68,230	21.61
Total	**8,657,854**	**60.46**	1,405,313	34.91

Note: Including NCM precursors, lithium ore and other products.

4. Other income and gains

The other income and gains of the Group is mainly comprised of net gain from fair value changes on financial assets at fair value through profit or loss, government grants, revenue from sales of raw materials and bank interest income. During the Reporting Period, other income and gains of the Group amounted to RMB299,294 thousand, representing a decrease of RMB377,185 thousand as compared with RMB676,479 thousand for the six months ended 30 June 2021, which was mainly because losses rather than gains from fluctuations in the fair value of financial assets held by the Company brought about decrease in other gains during the Reporting Period.

5. Expenses

	For the six months ended 30 June 2022 ***RMB'000***	For the six months ended 30 June 2021 *RMB'000*	Change %	Reason of material change
Selling and distribution expenses	**40,601**	23,920	69.74	Selling and distribution expenses mainly included employee welfare expenses, transportation, storage and port fees, rental expenses, sales commissions, travel expenses and other expenses. The increase during the Reporting Period was mainly due to the increase in sales volume.
Administrative expenses	**912,269**	210,916	332.53	Administrative expenses mainly included employee welfare expenses, office expenses, travel expenses, agency fees, R&D expenses, banking services and other expenses, as well as asset depreciation and amortization. The increase during the Reporting Period was mainly because provision was made for share incentive expenses and the expansion of the scale of the Company led to the corresponding increase in administration costs during the current period.
Other expenses	**919,832**	39,343	2237.98	Other expenses mainly included net fair value loss from investment at fair value through profit or loss, cost of raw material sales, impairment loss, loss on sale of property, plant and equipment and others. The increase during the Reporting Period was mainly due to the losses other than gains caused by fluctuations in the fair value of financial assets.
Financing costs	**194,710**	142,921	36.24	Finance costs mainly included interest expenses on bank borrowings, convertible bonds and discounted notes. The increase during the Reporting Period was mainly due to the increase in bank borrowings during the current period.

6. Other expenses

Other expenses of the Group for the Reporting Period amounted to RMB919,832 thousand, representing an increase of RMB880,489 thousand as compared to RMB39,343 thousand for the six months ended 30 June 2021. The details are as follows:

	For the six months ended 30 June 2022 *RMB'000*	For the six months ended 30 June 2021 *RMB'000*
Fair value losses of financial assets at fair value through profit or loss	**866,589**	–
Cost of raw materials sold	**12,951**	13,943
Impairment of trade receivables, net	**4,895**	2,256
Impairment of financial assets included in prepayments, other receivables and other assets, net	**(1)**	–
Write-down of inventories to net realisable value	**5,362**	8,510
Net loss on disposal of items of property, plant and equipment	**9,806**	–
Exploration expenditure	**12,371**	3,101
Foreign exchange differences, net	**–**	9,805
Others	**7,859**	1,728
Total	**919,832**	39,343

7. R&D expenses

During the Reporting Period, R&D investments of the Group amounted to RMB532,827 thousand, representing an increase of 269.56% as compared to RMB144,180 thousand for the six months ended 30 June 2021, accounting for 3.72% of the Group's revenue, which was mainly due to the increased investment in the R&D during the current period.

8. Trade receivables

Trade receivables increased by RMB3,325,414 thousand from RMB2,495,968 thousand as at 31 December 2021 to RMB5,821,382 thousand as at 30 June 2022, which was mainly due to the increase in revenue during the Reporting Period brings about the corresponding increase in trade receivables.

9. Cash flows

	For the six months ended 30 June 2022 ***RMB'000***	For the six months ended 30 June 2021 *RMB'000*	Change %	Reason of material change
Net cash flows generated from operating activities	**2,096,526**	630,356	232.59	Primarily due to the increase in cash received from sale of goods or rendering of services during the current period.
Net cash flows used in investing activities	**(4,285,074)**	(1,403,937)	(205.22)	Primarily due to the increase in net cash payment for acquisition of subsidiaries and other operating parties.
Net cash flows generated from financing activities	**2,825,546**	5,592,852	(49.48)	Primarily due to the cash inflow relating to the capital increase in H shares in the previous period, whereas there was no such cash inflow during the current period.

10. Financial position

The Group adopts a prudent funding and treasury policy with a view to optimize financial position. The Group regularly monitors the funding requirements to support business operations and perform ongoing liquidity review.

Non-current assets increased by RMB6,526,808 thousand from RMB24,429,912 thousand as at 31 December 2021 to RMB30,956,720 thousand as at 30 June 2022, which was mainly due to the increase in investments in associates, the increase in the balance of property, plant and equipment, and the increase in the balance of other intangible assets during the Reporting Period.

Current assets increased by RMB9,190,896 thousand from RMB14,626,739 thousand as at 31 December 2021 to RMB23,817,635 thousand as at 30 June 2022, which was mainly due to the increase in the balance of cash and cash equivalents, the increase in the balance of inventories and the balance of trade receivables during the Reporting Period.

Current liabilities increased by RMB3,939,302 thousand from RMB8,209,107 thousand as at 31 December 2021 to RMB12,148,409 thousand as at 30 June 2022, which was mainly due to the increase in the balance of short-term interest-bearing bank and other borrowings, and the increase in the balance of trade and bills payables during the Reporting Period.

Non-current liabilities increased by RMB2,922,176 thousand from RMB4,680,844 thousand as at 31 December 2021 to RMB7,603,020 thousand as at 30 June 2022, which was mainly due to the increase in the balance of interest-bearing bank and other long-term borrowings during the Reporting Period.

As at 30 June 2022 and 31 December 2021, net current assets of the Group amounted to RMB11,669,226 thousand and RMB6,417,632 thousand, respectively; net assets amounted to RM35,022,926 thousand and RMB26,166,700 thousand, respectively.

As at 30 June 2022 and 31 December 2021, cash and cash equivalents of the Group amounted to RMB6,019,525 thousand and RMB5,233,611 thousand, respectively.

11. Income tax expenses

During the Reporting Period, income tax expenses of the Group amounted to RMB1,065,802 thousand, representing an increase of RMB888,857 thousand as compared to RMB176,945 thousand for the six months ended 30 June 2021, which was mainly due to an increase in the net profit during the Reporting period.

12. Capital expenditure

During the Reporting Period, capital expenditure of the Group was RMB2,393,314 thousand, representing an increase of RMB1,072,305 thousand as compared to RMB1,321,009 thousand for the six months ended 30 June 2021. The Group's capital expenditures mainly consist of expenditures incurred for the purchase of property, plant and equipment, the prepaid land lease payments and the additions to other intangible assets. Funds used as capital expenditure of the Group were mainly sourced from bank borrowings, proceeds from share issuance and cash flows generated from operating activities of the Group.

13. Interest-bearing bank and other borrowings

As at 30 June 2022, bank and other borrowings of the Group amounted to RMB9,431,538 thousand (31 December 2021: RMB6,367,654 thousand). Bank and other borrowings of the Group that would be due within one year, and due within two to five years amounted to RMB3,426,114 thousand and RMB6,005,424 thousand, respectively. As at 30 June 2022, the Group's outstanding loans included Renminbi loans and foreign currency loans and approximately 69.89% (31 December 2021: 62.34%) of such outstanding loans were at fixed interest rates, with the remaining at floating interest rates.

In order to ensure the sustainable operation of the Group as a whole, support the healthy development of business and finally achieve the purpose of maximizing shareholder value, the Group takes appropriate financial control measures to reduce financing risks and control the gearing ratio within a reasonable range.

14. Restricted assets

As at 30 June 2022, assets with a total carrying value of RMB1,656,133 thousand (31 December 2021: RMB1,750,514 thousand) of the Group were used as collateral for bank borrowings and other bank facilities, and such assets included pledged deposits of RMB626,046 thousand (31 December 2021: RMB1,098,595 thousand), bills receivables of RMB680,087 thousand (31 December 2021: RMB431,919 thousand), other assets of RMB100,000 thousand (31 December 2021: Nil) and other non-current assets of RMB250,000 thousand (31 December 2021: RMB220,000 thousand).

As at 30 June 2022, save for the above-mentioned pledged deposits, bills receivables, other assets and other non-current assets, there was no other material charge on the Group's assets.

15. Gearing ratio

As at 30 June 2022, the Group's gearing ratio, defined as net debt divided by sum of capital and net debt, was 36%, which increased by 3% from 31 December 2021. The change was mainly due to the significant increase in the balance of trade and bills payables and the balance of interest-bearing bank and other long-term borrowings during the Reporting Period, which resulted in a greater increase of liabilities than the increase of assets.

16. Exposures to risks of exchange rate fluctuation and corresponding hedging measures

The Group business is located in Mainland China and all transactions are denominated in Renminbi. Most of our assets and liabilities are denominated in Renminbi, except for certain bank balances which were denominated in U.S. dollars and other foreign currencies. Our assets and liabilities denominated in U.S. dollars were mainly held by certain subsidiaries which were incorporated outside Mainland China and adopted U.S. dollars as their functional currency, and the Group did not conduct any material foreign exchange transactions in Mainland China during the Reporting Period. In view of the foregoing, the Group had no material foreign exchange risks during the Reporting Period.

17. Contingent liabilities

As of 30 June 2022, the Group did not have any material contingent liabilities.

18. Employees and remuneration system

As of 30 June 2022, the Group had a total of 8,835 employees. The remuneration package of the Group's employees includes salaries, allowances, benefit in kind and performance related bonuses.

19. Capital commitments

The Group had the following capital commitments as at 30 June 2022:

	As at 30 June 2022	As at 31 December 2021
	RMB'000	*RMB'000*
Contracted, but not provided for plant and machinery	**1,401,970**	1,422,789

20. Share capital

As of 30 June 2022, share capital of the Company is set out as follows:

	Number of issued shares	Percentage
A Shares	**1,151,573,371**	79.98%
H Shares	**288,267,200**	20.02%
Total	**1,439,840,571**	100.00%

21. Significant Investments

As of 30 June 2022, the Group did not have any significant investment which exceeded 5% of the Group's total assets as of 30 June 2022.

For details of other investments of the Group during the Reporting Period, please refer to the section headed "Other Matters – Significant Equity Acquisitions during the Reporting Period" below.

OTHER MATTERS

Significant Equity Acquisitions During the Reporting Period

Offer of equity in Bacanora

On 6 May 2021, the Board approved a resolution regarding the tender offer to purchase Bacanora Lithium plc ("**Bacanora**"), a company which was listed on the Alternative Investment Market of the London Stock Exchange, by Ganfeng International Trading (Shanghai) Co., Ltd. ("**Shanghai Ganfeng**"), a wholly-owned subsidiary of the Company, involving mining rights investment and related party transaction (《關於全資子公司上海贛鋒對Bacanora公司進行要約收購涉及礦業權投資暨關聯交易》). It was agreed that Shanghai Ganfeng shall make a tender offer for all the issued shares of Bacanora (other than the shares already held by Shanghai Ganfeng) at a price of 67.5 pence per share, and the total transaction amount shall not exceed 190 million pounds. On 28 June 2021, a resolution with the aforementioned issue was approved by the shareholders of the Company accordingly. As of 23 December 2021, since over 75% of Bacanora's shareholders had accepted the tender offer, Bacanora shall apply to the London Stock Exchange for delisting in accordance with the requirements of relevant laws and regulations, which had become effective at 7:00 a.m. on 26 January 2022 (London time). Upon completion, Bacanora became a wholly-owned subsidiary of Shanghai Ganfeng.

Acquisition of 50% equity interest in Netherlands SPV Company

On 11 June 2021, the Board approved a resolution regarding the acquisition of 50% equity interest in Mali Lithium B.V. (the "**Netherlands SPV Company**") by GFL International Co., Limited ("**GFL International**"), a wholly-owned subsidiary of the Company, involving mining rights investment and provision of financial assistance for Lithium du Mali SA ("**LMSA**"), a wholly-owned subsidiary of the Netherlands SPV Company (《關於贛鋒國際收購荷蘭SPV公司 50%股權涉及礦業權投資並為其全資子公司LMSA提供財務資助》). It was agreed that GFL International shall acquire 50% equity interest in the Netherlands SPV Company at a price of USD130 million with its own funds. Upon completion, GFL International would be granted consent to, as the case may be, provide financial assistance at an amount not exceeding USD40 million to LMSA, to help LMSA develop and construct the Goulamina spodumene mining project. The acquisition was completed in March 2022, and upon completion, the Netherlands SPV Company was held as to 50% and 50% by GFL International and Firefinch Limited, an independent third party, respectively, and the Netherlands SPV Company was accounted for as a joint venture of the Company.

Connected Transactions

Provision of financial assistance to Mengjin Mining

In order to promote the development and construction of the Gabus niobium tantalum mine project in Xianghuangqi, Xilin Gol League, Inner Mongolia Autonomous Region, so as to meet the Company's demand for lithium resource growth in future development, on 26 April 2022, the Board approved that the Company and its subsidiaries will provide joint liability guarantee of no more than RMB500 million for Xianghuangqi Mengjin Gold Mining Development Co., Ltd. ("**Mengjin Mining**"), a company held as to 70% by Mr. Li Liangbin (the chairman and an executive Director), to apply for a loan from bank. Pursuant to the guarantee agreement entered into between the Company and Mengjin Mining on 26 April 2022, the Company and its subsidiaries will provide the aforementioned joint liability guarantee for Mengjin Mining to apply for a loan from bank, and Mengjin Mining will provide equivalent counter guarantee to the Company and its subsidiaries for the actual guarantee amount received from the Company and its subsidiaries for a period of two years commencing from 26 April 2022 to 25 April 2024. The guarantee limit is determined with reference to the future expenditure budget of Mengjin Mining. As of the date of this announcement, Mengjin Mining has not applied for a loan from any third party institution. No fee is or will be payable or charged and no collaterals are or will be taken or provided in relation to the provision of the guarantee and the counter guarantee.

Other Significant Events During the Reporting Period

Adoption of the RSU Scheme

On 25 May 2022, the Board proposed to adopt a restricted share unit scheme (the "**RSU Scheme**") by the Company with the purpose of enabling ownership of H Shares by its employees and provide incentives. The H Shares shall be purchased from the secondary market by an independent third party trustee in Hong Kong. The aggregate number of H Shares granted shall not exceed three per cent (3%) of the total number of issued H Shares as at the relevant grant date. No new H Shares will be issued under the RSU Scheme. Further particulars of the aforementioned resolution are included in the circular of the Company dated 26 May 2022. The RSU Scheme was approved at the annual general meeting of the Company on 15 June 2022 (the "**AGM**").

On 1 July 2022, the Company appointed Futu Trustee Limited as the trustee of the RSU Scheme (the "**Trustee**") by entering into a trust deed (the "**Trust Deed**"), pursuant to which the Trustee would hold the awards granted under the RSU Scheme on behalf of the relevant selected participants on trust, until such awards are vested with the relevant selected participants in accordance with the rules of the RSU Scheme and the Trust Deed, and provide other ancillary trustee services which are necessary for administering the RSU Scheme. On the same day, pursuant to the authorization granted by the shareholders of the Company at the AGM, the Board had resolved to (i) establish the management committee of the RSU Scheme (the "**Management Committee**") which comprises the chairman of the Board, Mr. Li Liangbin, as chairman of the Management Committee, the vice-chairman of the Board, Mr. Wang Xiaoshen. as vice-chairman of the Management Committee, and the secretary of the Board, Ms. Ouyang Ming, as a member of the Management Committee; and (ii) authorize the Management Committee to handle matters pertaining to the RSU Scheme with full authority during the award period.

As at the date of this announcement, no restricted share units had been granted under the RSU Scheme.

Fulfillment of exercise conditions for first exercise period of the Share Option Incentive Scheme 2021

On 4 June 2021, a share option incentive scheme (the "**Share Option Incentive Scheme 2021**") was approved at the annual general meeting of the Company. Further particulars of the Share Option Incentive Scheme 2021 are included in the circular of the Company dated 28 April 2021. On 7 June 2021, 15,754,000 units of share options were granted under the Share Option Incentive Scheme 2021 to 404 participants at the then exercise price of RMB96.28 per unit, in which 75,000 units of share options were subsequently cancelled. Accordingly, the number of participants was adjusted from 404 to 400, and the number of share options granted but had not yet been exercised was adjusted from 15.754 million to 15.679 million. For further details, please refer to the the Company's announcements dated 30 July 2021, 31 May 2022 and 7 June 2022.

On 31 May 2022, it was announced that, subject to there being no circumstances which would prohibit vesting having occurred as of the end date of the first withholding period, the exercise conditions for the first exercise period of share options granted under the Share Option Incentive Scheme 2021 have been fulfilled and a total of 3,919,750 units of share options will become exercisable by 400 participants during the first exercise period. The first exercise period of the share options granted under the Share Option Incentive Scheme 2021 is from 9 June 2022 to 6 June 2023.

Significant Events after the Reporting Period

Adjustment to the exercise price and number of the share options granted under the Share Option Incentive Scheme 2021

Following the approval of the Profite Distribution Proposal for 2021 at each of the AGM, the first H Share class meeting of 2022 and the first A Share class meeting of 2022 of the Company, respectively, among others, 4 new Shares would be issued for every existing 10 Shares held by the shareholders of the Company (the "**Bonus Issue**").

Pursuant to the relevant provisions of the Share Option Incentive Scheme 2021, in the event of any capitalization issue, bonus issue or share subdivision prior to the exercise of the Share Options, the exercise price of the share options shall be adjusted accordingly. For further details, please refer to the Company's announcement dated 3 July 2022.

Accordingly, on 1 July 2022, the Company adjusted the number and exercise price of the share options granted but had not yet been exercised under the Share Option Incentive Scheme 2021. The exercise price of the share options was adjusted from RMB96.28 per unit (A share) to RMB68.771 per unit (A share), while the number of share options was adjusted from 13,317,309 units to 18,644,232 units.

Adoption of Share Option Incentive Scheme 2022

On 25 August 2022, a share option incentive scheme (the "**Share Option Incentive Scheme 2022**") was approved at the extraordinary general meeting of the Company. The Company intends to grant 2,170,000 share options (representing 2,170,000 A Shares which may be issued upon exercise of all such share options) to the participants under the Share Option Incentive Scheme 2022, representing approximately 0.19% and 0.15% of the total issued A Shares (i.e. 1,151,573,371 A Shares) and total issued Shares (i.e. 1,439,840,571 Shares) as at the end of the Reporting Period, respectively. Further particulars of the Share Option Incentive Scheme 2022 are included in the circular of the Company dated 5 August 2022.

As at the date of this announcement, no share options had been granted under the Share Option Incentive Scheme 2022.

Save as disclosed above and in this announcement, there were no further occurrence of significant events after the Reporting Period.

FUTURE PLANS AND USE OF PROCEEDS

Proceeds from the issuance of A share convertible bonds of the Company

On 6 August 2020, the Company publicly issued 21,080,000 convertible bonds with a nominal value of RMB100 each. The total amount of the proceeds raised was RMB2,108 million. The net amount of the proceeds raised was RMB2,093 million after deduction of various issuance cost. According to the circular of the Company dated 28 June 2019, the proceeds from the issuance of the A Shares convertible bonds will be used for the project of subscription of certain equity interest in Minera Exar S.A., renovation and expansion project for ten thousand tons of lithium salt and replenishment of working capital. As at 30 June 2022, the Company has utilized proceeds of RMB2,102.5832 million in aggregate (the utilized proceeds in aggregate includes interest income generated from proceeds deposited with the designated proceeds account) for subscription of certain equity interest in Minera Exar S.A., renovation and expansion project for ten thousand tons of lithium salt and replenishment of working capital. The utilization was in line with the purposes set out in the circular dated 28 June 2019, and all outstanding convertible bonds which appear on the register of bonds have been redeemed by the Company. The proceeds from the issuance of A share convertible bonds of the Company had been fully utilized and details of the use of proceeds are as follows:

Items	**Amount Allocated** *(RMB0'000)*	**Amount utilized as of 30 June 2022** *(RMB0'000)*	**Unutilized amount as of 30 June 2022** *(RMB0'000)*	**Expected timeline**
Replenishment of working capital	54,800.00	54,820.75	0	The balance of proceeds had been used before 31 December 2021
Subscription of certain equity interests of Minera Exar S.A.	107,200.00	107,242.33	0	The balance of proceeds had been used before 31 December 2021
Renovation and expansion project for ten thousand tons of lithium salt	47,300.00	48,195.24	0	The balance of proceeds had been used before 30 June 2022
Total*(Note)*	209,300.00	210,258.32	0	

Note: The utilized proceeds in aggregate included interest income generated from proceeds deposited with the designated proceeds account.

Issuance of H shares of the Company under specific mandate

The Company placed 48,044,400 new H shares under the specific mandate in June 2021 (the placee and its ultimate beneficial owner are third parties who are independent of and not connected with the Company) at the placing price of HK$101.35 per H share. The proceeds from the issuance of H Shares will be used for the Company's capacity expansion construction, potential investment, replenishment of working capital and general corporate purpose. The total proceeds raised amounted to HK$4,869.30 million, and the actual proceeds raised amounted to HK$4,854.75 million after deduction of various issuance cost. As of 30 June 2022, the Company had utilized proceeds of approximately RMB3,732.8788 million in aggregate, and the balance of unutilized proceeds is RMB329.4383 million (the utilized proceeds in aggregate includes interest income generated from proceeds deposited with the designated proceeds account). The utilization was and is expected to be in line with the purposes set out in the announcement dated 11 June 2021 on the placing of new H shares under the specific mandate. The balance of the proceeds from the issuance of H Share is expected to be used before 31 December 2022. The breakdown of the use of proceeds from the issuance of H Shares under specific mandate is as follows:

Items	**Amount allocated**	**Amount utilized as of 30 June 2022** *(RMB0'000)*	**Unutilized amount as of 30 June 2022** *(RMB0'000)*	**Expected timeline**
Capacity expansion construction and potential investment	80%	292,114.60	32,939.10	Before 31 December 2022
Replenishment of working capital and general corporate purpose	20%	81,173.28	4.73	Before 31 December 2022
Total		373,287.88	32,943.83	

Compliance with the Corporate Governance Code

The Company is firmly committed to achieving and maintaining high overall standards of corporate governance through continuous effort in improving its corporate governance practices and procedures. Through the establishment of a sound and effective corporate governance framework, the Company strives to ensure completeness and transparency in its information disclosure and enhance stable operation, so as to safeguard the interests of the shareholders of the Company to the greatest extent. The Company has adopted all code provisions and principles as set out in the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Listing Rules**") as the basis of its corporate governance practices.

Other than the deviation from code provision C.2.1 of the Corporate Governance Code, the Company has complied with the principles and code provisions of the Corporate Governance Code as set out in Appendix 14 to the Hong Kong Listing Rules during the six months ended 30 June 2022.

Deviation from Code Provision C.2.1 of Corporate Governance Code

Mr. Li Liangbin is the chairman of the Board and the president of the Company. With extensive experience in the lithium industry, Mr. Li Liangbin is responsible for the overall management of the Company's business strategies and operations. The Company believes that he is instrumental to the Company's growth and business expansion since its establishment in 2000. The Board considers that vesting the roles of chairman of the Board and president of the Company in the same person is beneficial to the management of the Company. The Company believes that the balance of power and authority is ensured by the operation of our senior management team and the Board, which comprise experienced and high-caliber individuals. The Board comprises four executive Directors (including Mr. Li Liangbin), two non-executive Directors and four independent non-executive Directors. The Board believes that this structure will not impair the balance of power and authority between the Board and the management of the Company, given that:

(i) There is sufficient check and balance in the Board as the decisions to be made by the Board require approval by at least a majority of the Directors and the Board has four independent non-executive Directors out of the ten Directors, which is in compliance with the Hong Kong Listing Rules;

(ii) Mr. Li Liangbin and the other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among other things, that they act for the benefit and in the best interest of the Company and make decisions for the Company accordingly;

(iii) The balance of power and authority is ensured by the operations of the Board which comprises experienced and high-caliber individuals who meet regularly to discuss issues affecting the operations of the Company; and

(iv) The overall strategy and other key business, financial and operational policies of the Company are made collectively after thorough discussion at both Board and senior management levels.

FAILURE TO COMPLY WITH THE ARTICLES OF ASSOCIATION, THE LISTING RULES AND TERMS OF REFERENCE

Reference is made to the announcement in relation to Retirement of Independent Non-executive Director and Committee Member and Non-compliance with the Articles of Association, the Listing Rules and Terms of Reference of Committees dated 31 March 2022. Following the retirement of Mr. Liu Jun as an independent non-executive Director, the chairman of the nomination committee of the Company (the "**Nomination Committee**") and the member of the audit committee of the Company (the "**Audit Committee**") from 31 March 2022 due to expiration of term of office, the Board failed to meet the requirements of having:

(a) the Board shall consist of ten Directors and the independent non-executive Directors shall account for at least one third of the number of the Directors under article 135 of the articles of associations of the Company;

(b) the Audit Committee shall consist of a minimum of three members under Rule 3.21 of the Listing Rules and the article 3 of the terms of reference of the Audit Committee；

(c) the Nomination Committee shall be chaired by the chairman of the Board or an independent non-executive Director and comprise a majority of independent non-executive Directors under Rule 3.27A of the Listing Rules;

(d) the Nomination Committee shall have one chairman under the article 6 of the terms of reference of the Nomination Committee; and

(e) the Nomination Committee shall consist of three Directors, of which the number of independent non-executive Directors shall not be less than two under the article 4 of the terms of reference of the Nomination Committee.

Following the annual general meeting held on 15 June 2022 in relation to the appointment of Mr. Wang Jinben as an independent non-executive Director, chairman of the Nomination Committee and member of the Audit Committee, the Company has fully complied with the above requirements.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the code of conduct regarding securities transactions by Directors and supervisors of the Company on the required standard as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix 10 to the Hong Kong Listing Rules. Having made specific enquiry to all Directors and supervisors of the Company, the Company confirms that the Directors and supervisors of the Company have complied with the standards regarding the securities transactions by Directors and supervisors of the Company as set out in the Model Code as of 30 June 2022.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries repurchased, sold or redeemed any listed securities of the Company during the Reporting Period.

BONUS ISSUE OF SHARES

On 4 July 2022 and 4 August 2022, the Company completed the issuance of 460,629,348 new A Shares and 115,306,880 new H Shares under the Bonus Issue, respectively. For further details of the Bonus Issue, please refer to the Company's circular dated 6 May 2022 and the Company's announcement dated 6 June 2022, 13 June 2022 and 20 July 2022.

INTERIM DIVIDENDS

The Board proposed not to distribute any interim dividends for the six months ended 30 June 2022 (for the six months ended 30 June 2021: Nil).

REVIEW OF 2022 INTERIM RESULTS

The Audit Committee has been established by the Board in compliance with Rules 3.21 and 3.22 of the Hong Kong Listing Rules and the terms of reference of code provision D.3.3 as set out in the Corporate Governance Code. The Audit Committee consists of three independent non-executive Directors, namely Ms. Wong Sze Wing, Mr. Wang Jinben and Ms. Xu Yixin. Ms. Wong Sze Wing serves as the chairman of the Audit Committee and possesses the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Hong Kong Listing Rules. The Audit Committee has reviewed the Group's unaudited interim results for the six months ended 30 June 2022, and is of a view that the preparation of such financial results has complied with the applicable accounting standards, the requirements under the Hong Kong Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and on the website of the Company (www.ganfenglithium.com). The Company's 2022 interim report containing the information as required by the Hong Kong Listing Rules will be sent to shareholders of the Company and published on the website of the Hong Kong Stock Exchange and on the website of the Company in due course.

By Order of the Board
GANFENG LITHIUM CO., LTD.
Li Liangbin
Chairman

Jiangxi, the PRC
30 August 2022

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; Mr. YU Jianguo and Ms. YANG Juan as non-executive Directors; and Mr. WANG Jinben, Ms. WONG Sze Wing, Ms. XU Yixin and Mr. XU Guanghua as independent non-executive Directors.